



WCT Holdings Berhad
(201101002327/930464-M)



BUILDING VALUES



ANNUAL REPORT

2023

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VISION

Excel in areas of our expertise for the betterment of the environment, economy and society



MISSION

- Deliver quality products and services responsibly, exceeding customer expectations
- Create a safe and nurturing workplace for a diverse, equitable and inclusive workforce
- Leverage on technology and innovation for greater efficiency and productivity
- Uphold good corporate governance and deliver shared return to all stakeholders
- Inspire ideas and provide solutions in synergy with nature
- Contribute towards achieving national social and economic objectives to improve livelihoods



CORE VALUES

Exceeding our best **WINNING**

COMMITMENT Passionate in all we do

All for one, one for all **TEAMWORK**

HUMILITY and **RESPECT** Our way of life

WCT means

Winning through Commitment and Teamwork built upon the foundation of Humility and Respect

AWARDS & ACHIEVEMENTS

INDUSTRY AWARDS

Malaysian Construction Industry Excellence Awards by Construction Industry Development Board of Malaysia (CIDB)

Builder of the Year Award – 2018 & 2002
WCT Berhad

International Achievement Award
Ministry of Interior (MOI), Qatar – 2018
Yas Marina Circuit, U.A.E. – 2010
Bahrain International Circuit, Bahrain – 2004

Green Building Award – 2018
Ministry of International Trade & Industry (MITI) Headquarters, Kuala Lumpur, Malaysia

Contractor of the Year Award – 2010
Kota Kinabalu International Airport, Sabah, Malaysia

Special Project Award – 2001
Sepang International Circuit, Selangor, Malaysia

Safety and Health Assessment System in Construction (SHASSIC) Achiever

5-Star Rating – 2020
MRT 2 Package V204: Construction and Completion of Viaduct Guideway and Other Associated Works from Bandar Malaysia South Portal to Kampung Muhibbah

5-Star Rating – 2019
MRT 2 Package S204: Construction and Completion of Elevated Stations and Other Associated Works at Kuchai Lama and Taman Naga Emas

5-Star Rating – 2019
West Coast Expressway (Taiping-Banting), Malaysia

Property Insight Prestigious Developer Awards (PIPDA)

Top 10 Developers Award – 2016
WCT Land Sdn Bhd

Asia Pacific Property Awards

Winner – Residential High Rise Development 2020 - 2021
Waltz Residences, W City OUG @ Kuala Lumpur, Malaysia

5-Star – Best Residential Development Malaysia 2016 - 2017
d'Laman Greenville, Klang, Selangor, Malaysia

Highly Commended – Architecture Multiple Residence Malaysia 2016 - 2017
d'Laman Greenville, Klang, Selangor, Malaysia

Highly Commended – Residential High-rise Architecture Malaysia 2015 - 2016
The Azure Residences, Paradigm Petaling Jaya, Selangor, Malaysia

PropertyGuru Asia Property Awards in partnership with iProperty.com.my

People's Choice Awards (2022)
WCT Land Sdn Bhd

Best Developer (Malaysia) – 2023
Best Developer (Central) Malaysia – 2023
Best Mix Used Developer (Malaysia) – 2023
WCT Land Sdn Bhd

Best High-End High-Rise Development (Southern) – 2023
Greenville Residences, Johor Bahru

Best Luxury High-Rise Architecture Design – 2023
Best High-Rise Landscape Design – 2023
Best Luxury High-Rise Development (Central) – 2023
Pavilion Mont' Kiara

Special Recognition in CSR – 2023
Special Recognition in Sustainable Design & Construction – 2023
WCT Land Sdn Bhd

PropertyGuru Asia Property Awards (Malaysia)

Best Mid-End Condo / Apartment Development (Central) – 2020
Waltz Residences, W City OUG @ Kuala Lumpur, Malaysia

Highly Commended – Best Condo / Apartment Development (Southern) – 2020
Paradigm Residence, Johor Bahru, Johor, Malaysia

QLASSIC Excellence Awards

High QLASSIC Achievement Award – 2016
Ministry of International Trade & Industry (MITI) Headquarters, Kuala Lumpur, Malaysia

Certificate of Excellence Award – 2013

Première Hotel, Klang, Selangor, Malaysia
Awarded by TripAdvisor

Travellers' Choice Award – 2022 & 2020

Première Hotel, Klang, Selangor, Malaysia
Awarded by TripAdvisor

Malaysia Excellence Awards – 2011

Building Contracting Company of the year
Awarded by the Frost & Sullivan Malaysia

Industry Excellence Awards – 2004 & 2008

Export Excellence – Construction Services
Awarded by the Ministry of International Trade & Industry, Malaysia (MITI)

Road Engineering Excellence Award – 2007

Principal Contractor of Guthrie Corridor Expressway
Awarded by the Road Engineering Association of Malaysia

International Safety Awards 2023

Pass – WCT Berhad
Awarded by British Safety Council

Retail Asia Awards 2023

Marketing Initiative of the Year – WCT Malls
Awarded by Retail Asia Magazine

Marketing Excellence Awards 2023

Silver Award – Best Shopper/Retailer Experience
Awarded by MARKETING Magazine



CORPORATE AWARDS

Sustainability & CSR Malaysia Awards

Company of The Year Award under the Engineering, Construction and Property Development Category – 2022
WCT Holdings Berhad

Company of The Year Award for Community Sports Development in the Engineering, Construction & Property Development Category – 2020
WCT Holdings Berhad

The BrandLaureate Award

Winner of the Community Leadership Brand Award for Best Neighbourhood Mall 2018 - 2019
Paradigm Mall Petaling Jaya, Selangor, Malaysia

Winner of the Most Valuable Brand in Engineering & Construction Category (2017/2018) & (2007/2008)
WCT Berhad

Provisional GreenRE Certification - 2023

Residential Category – Bronze
The Maple Residences, WCity OUG @ Kuala Lumpur, Malaysia
Awarded by GreenRE Sdn Bhd

Leadership in Energy & Environmental Design (LEED) Certification

Silver Certification under LEED 2009 Core and Shell Development – 2017
gateway@klia2 Shopping Mall, Sepang, Selangor, Malaysia

Green Building Index (GBI)

Gold Award
Ministry of International Trade & Industry, Malaysia (MITI) Headquarters, Kuala Lumpur, Malaysia

Silver Award
Lot 2C5, Putrajaya, Malaysia

KLCC Group of Companies HSE Awards

Contractor-Building & Infra Category
Gold Award for Excellent Health, Safety & Environment Management System – 2013
Silver Award for Effective Health, Safety & Environment Management System – 2011
WCT Berhad

SI-KPMG Shareholder Value Awards

Winner of the Construction, Infrastructure and Property Category – 2001
Awarded by Smart Investor-KPMG



AWARDS & ACHIEVEMENTS

cont'd

CLIENT'S RECOGNITION

Awarded by MMC Gamuda KVMRT (PDP SSP) Sdn Bhd

640,000 Safe Man-Hours without Lost Time Injury (LTI) as of 25 May 2022
MRT Putrajaya Line Project, Package V204

410,000 Safe Man-Hours without Lost Time Injury (LTI) as of 25 May 2022
MRT Putrajaya Line Project, Package S204

Contribution to MMC Gamuda's 5 STAR rating for Design and Construction
MRT Putrajaya Line Project, Package V204 and S204

Awarded by Petronas Refinery & Petrochemical Corporation

12 Million Safe Man-Hours without any Lost Time Injury (LTI)
Petronas RAPID Pengerang Projects Package P20C1, Package 14-0401, Package 14-1702, Package 14-0302 and Package 14-0303
18 March 2018 - 5 November 2018

Focused Recognition Award 2016 – Compliance to High HSE Standards
Petronas RAPID Pengerang Projects Package 14-0302/0303/1702/0401

Awarded by Putrajaya Holdings Sdn Bhd

HSE Certificate of Recognition – Gold Award
Excellent Achievement of 4 million Man-Hours without Lost Time Injury (LTI) for Lot 2C5, Putrajaya, Malaysia
17 July 2013 - 9 November 2016

Environmental Best Practice (EBEP) Award – 2015
Best Waste Minimisation Programme by Contractor for Lot 2C5, Putrajaya, Malaysia

Certificate of Award for Best Environmental Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

Certificate of Award for Best Safety & Health Management System 2007
Design, Construction and Completion of the Office Building on Plot 3C4, Precinct 3, Putrajaya, Malaysia

Awarded by Lusail Real Estate Development Company (LUSAIL)

5 Million Man-Hours without Lost Time Injury (LTI)
Lusail Development Project, Package CP 7C-1B, State of Qatar
20 October 2015 – 30 November 2016

Awarded by Lusail City

HSE Certification of Recognition – 2015
Most Improve HSE Performance – 2nd Place on Lusail Development Project, State of Qatar

Environmental Champion Award – 2016
Lusail Development Project, State of Qatar

Awarded by Overseas Bechtel Incorporated (OBI)

28 Million Accident Free Man-Hours
New Doha International Airport (NDIA), Project CP10, State of Qatar
May 2012



QUALITY, HEALTH & SAFETY AND ENVIRONMENTAL CERTIFICATIONS

QUALITY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 9001 : 2015
Quality Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. QMS 00887

ISO 9001 : 2015
Quality Management System for WCT Machinery Sdn Bhd
Certification No. QMS 01762

ISO 9001 : 2015
Quality Management System for WCT Land Sdn Bhd and its related subsidiaries
Certification No. QMS 01306

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM CERTIFICATIONS

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. OHS 00221

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Machinery Sdn Bhd
Certification No. OHS 00503

ISO 45001 : 2018
Occupational Health and Safety Management System for WCT Land Sdn Bhd and its related subsidiaries
Certification No. OHS 00227

ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATIONS

ISO 14001 : 2015
Environmental Management System for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. EMS 00520

ISO 14001 : 2015
Environmental Management System for WCT Machinery Sdn Bhd
Certification No. EMS 00931

CORE BUSINESSES AND OPERATING UNITS

ENGINEERING & CONSTRUCTION

MALAYSIA

WCT Berhad
 WCT Construction Sdn Bhd
 WCT Machinery Sdn Bhd
 WCT Products Sdn Bhd
 WCT TSR Sdn Bhd
 WCT International Sdn Bhd
 (formerly known as WCT
 Property Management Sdn Bhd)
 W Facade Sdn Bhd (formerly known
 as WCT Plantations Sdn Bhd)
 KKBWCT Joint Venture Sdn Bhd

OVERSEAS

WCT Bahrain W.L.L
 WCT Berhad (Qatar Branch)
 WCT Berhad (Dubai Branch)
 Cebarco-WCT W.L.L (Bahrain)
 WCT Engineering Vietnam Co. Ltd



PROPERTY DEVELOPMENT

Atlanta Villa Sdn Bhd
 Camellia Tropicana Sdn Bhd
 Gabungan Efektif Sdn Bhd
 Gemilang Waras Sdn Bhd
 Jubilant Courtyard Sdn Bhd
 Kekal Kirana Sdn Bhd
 Labur Bina Sdn Bhd
 One Medini Sdn Bhd
 Pioneer Acres Sdn Bhd
 Platinum Meadow Sdn Bhd
 Urban Courtyard Sdn Bhd
 WCT Acres Sdn Bhd
 WCT Green Sdn Bhd
 WCT Perkasa Sdn Bhd
 WCT OUG Development Sdn Bhd



CORE BUSINESSES AND OPERATING UNITS

cont'd



PROPERTY INVESTMENT & MANAGEMENT

BBT Hotel Sdn Bhd
BBT Mall Sdn Bhd
Jelas Puri Sdn Bhd
Labur Bina Management Sdn Bhd
Segi Astana Sdn Bhd
Subang SkyPark Sdn Bhd
SkyPark FBO Malaysia Sdn Bhd
SkyPark RAC Sdn Bhd

WCT F&B Management Sdn Bhd
WCT Hartanah Jaya Sdn Bhd
WCT Malls E-Shop Sdn Bhd
WCT Malls Management Sdn Bhd
WCT Properties Sdn Bhd

CORPORATE INFORMATION

Executive Chairman
Tan Sri Lim Siew Choon

Group Managing Director
Dato' Lee Tuck Fook

Deputy Managing Director
Datuk Chow Ying Choon

BOARD OF DIRECTORS

Independent Non-Executive Director
Tan Sri Marzuki Bin Mohd Noor
Datuk Ab Wahab Bin Khalil
Dato' Ng Sooi Lin
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

AUDIT COMMITTEE

Tan Sri Marzuki Bin Mohd Noor
(Chairman)
Datuk Ab Wahab Bin Khalil
Dato' Ng Sooi Lin
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

BOARD RISK AND SUSTAINABILITY COMMITTEE

Dato' Ng Sooi Lin
(Chairman)
Tan Sri Marzuki Bin Mohd Noor
Datuk Ab Wahab Bin Khalil
Ng Soon Lai @ Ng Siek Chuan
Rahana Binti Abdul Rashid

NOMINATION & REMUNERATION COMMITTEE

Datuk Ab Wahab Bin Khalil
(Chairman)
Tan Sri Marzuki Bin Mohd Noor
Dato' Ng Sooi Lin

COMPANY SECRETARIES

Loh Chee Mun (MAICSA 7025198)
(SSM PC NO.: 201908002041)
Chong Kian Fah (MIA 17238)
(SSM PC NO.: 201908003381)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6610
E-mail : enquiries@wct.my
Web : www.wct.com.my

DIVISIONAL OFFICES

Engineering & Construction
WCT Berhad
(198101000433/66538-K)
B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7806 6688
Fax : +603-7806 6677

Property

WCT Land Sdn Bhd
(199401039203/324888-H)
B-19-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7681 7878
Fax : +603-7681 7880

OVERSEAS CORPORATE OFFICES

Qatar

Al Rufaa Tower, Third Floor
Room No.3, Building No. 54
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P.O.Box 200238
Doha, State of Qatar
Tel : +974- 4427 9780
Fax : +974- 4427 9781

Vietnam

B2-17, Nam Thien 2, Ha Huy Tap Street
Tan Phong Ward, District 7
Ho Chi Minh City, Vietnam
Tel : +848-5412 2474/75
Fax : +848-5412 2473

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(199601006647/378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603-7890 4700
Fax : +603-7890 4670
E-mail : BSR.Helpdesk@boardroomlimited.com
Web : www.boardroomlimited.com

AUDITORS

Messrs Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

PRINCIPAL BANKERS

Al Rahji Banking & Investment Corporation
(Malaysia) Bhd
Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Bangkok Bank Berhad
DBS Bank Ltd, Labuan Branch
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

SOLICITORS

Sanjay Mohan
Jeyaratnam & Chong
Ang & Koh
Raja, Darryl & Loh
Al-Tamimi & Company

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : WCT
Stock Code : 9679

CORPORATE PROFILE



WCT Group was first established as WCT Earthworks & Building Contractors Sdn Bhd on 14 January 1981 before changing its name to WCT Berhad (“WCTB”). WCTB made its debut on the Second Board of the then Kuala Lumpur Stock Exchange now known as Bursa Malaysia Securities Berhad (“Bursa Securities”) on 16 February 1995 and was subsequently promoted to the Main Market of Bursa Securities on 7 January 1999. On 8 July 2013, WCTB successfully undertook an internal reorganisation and transferred its listing status to WCT Holdings Berhad (“WCTH”).

As an investment holding company, WCTH also provides management services to its subsidiaries, joint venture, and associates companies. Its three core businesses are Engineering and Construction, Property Development and Property Investment & Management. With a track record of over 43 years, WCT Group strongly believes in delivering product excellence and quality services in all its business ventures. The Group has undertaken a diverse range of award-winning infrastructure and building projects, engaged in building modern living lifestyles from ground up, served the communities with our malls and hospitality segments and handled the niche private aviation market.

To date, WCT has successfully completed and delivered more than 400 infrastructure and building related construction projects worth approximately RM40 billion with its global presence seen in Malaysia, India, Qatar, UAE and Bahrain. WCT's scope of Engineering and Construction encompasses:

- Formula 1 Racing Circuits
- Airports
- Shopping Malls
- Hospitals
- Dam and Water Supply Schemes
- Iconic Buildings/ Infrastructures
- Expressways and Highways
- Civil Works
- Buildings
- Rail-based Infrastructure Works
- Marine Structures and Ports

Meanwhile, the Group's Property Development portfolio includes townships, luxury homes, high-rise residences, integrated commercial developments, office towers, hotels, and shopping malls. WCT is a reputable developer of three integrated townships in Klang. They are known as Bandar Bukit Tinggi 1 & 2 and Bandar Parklands. Having grown from strength to strength, WCT strives to be a Lifestyle Community Developer of affordable luxury homes with emphasis on safety, connectivity, community living and lifestyle convenience. Its most recent development in the Klang Valley, namely The Maple Residences, is the second residential tower of the 63-acre integrated and sustainable mixed-use development of WCity OUG @ Kuala Lumpur. The newly launch Pavilion Mont' Kiara, is a luxurious condominium development in Mont' Kiara Kuala Lumpur. The Group has also expanded its presence to Kota Kinabalu, Sabah as well as Johor. W City Larkinton, a 68-acre freehold Integrated Commercial and Residential Lifestyle Centre located next to the Johor Golf & Country Club, is WCT's latest development. The first phase of the development features AdisonWest, a collection of compact serviced apartments anchored by AdisonShop stylish retail spaces. Since 1997, WCT has delivered more than 18,000 units of residential and commercial properties worth RM6 billion in Gross Development Value. Currently, WCT has a land bank of approximately 189 acres in Malaysia.

On the other hand, WCT's Property Investment & Management Division primarily includes the ownership and management of shopping malls, office buildings, hotels, and concession assets. The Group owns five shopping malls, namely Bukit Tinggi Shopping Centre in Klang, gateway@klia2 and SkyPark Terminal in Selangor which are the airport malls, Paradigm Mall in Petaling Jaya and Paradigm Mall in Johor Bahru. Besides that, it also owns Première Hotel in Klang, Le Méridien Petaling Jaya in Petaling Jaya as well as the Hyatt Place Johor Bahru Paradigm Mall which opened its door to the public in November 2023. The SkyPark Aviation Group business offers a comprehensive list of private aviation handling amenities comprising fixed-based operation services, ground handling, and integrated hangarage facilities at the Sultan Abdul Aziz Shah Airport, Subang.

WCT's unwavering commitment to achieving a higher level of quality and excellence is reflected in all its projects and investments, as well as the numerous recognitions and accolades it received both locally and internationally. In 2022, the Group bagged the PropertyGuru Asia Property Awards in partnership with iProperty.com.my – People's Choice Awards; and subsequently in 2023, WCT took home a total of 9 golden awards, including the top nod as Malaysia Best Developer at the 10th PropertyGuru Asia Awards Malaysia in partnership with iProperty.com.my.

In recent years, WCT has started embarking on sustainable development. In 2023, WCT's Property Development Division received the provisional GreenRE Bronze certificate for The Maple Residences, WCity OUG, Kuala Lumpur, while in 2024, it was awarded the provisional GreenRE Silver certificate for Pavilion Mont' Kiara, Kuala Lumpur.

On top of that, WCT has also demonstrated its occupational safety and health excellence by achieving the highest 5-star rating in the Safety and Health Assessment System in Construction (SHASSIC) awarded by CIDB for its involvement in MRT2 V204 construction and completion of viaduct guideway alongside other associated works from Bandar Malaysia South Portal to Kampung Muhibbah, MRT2 S204 construction and completion of elevated stations and other associated works at Kuchai Lama and Taman Naga Emas, as well as the construction of the West Coast Expressway, (Taiping – Banting), Malaysia. Additionally, WCT was also crowned winner of the International Safety Awards 2023 by the British Safety Council for its commitment and compliance to best occupational safety and health standards at project sites, meeting international safety standards.

Being an ISO-certified company, WCT will continue to adhere to the international standards covering various aspects of its business operations to ensure efficiency, consistency, and continuous improvement in the delivery of its products and services.

As WCT continues to grow its portfolio, the Group remains committed to staying true to its core values of **Winning**, **Commitment**, **Teamwork**, **Humility** and **Respect**.

CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

cont'd

Dear Stakeholders,

The past year saw WCT Group overcoming unprecedented challenges compounded by the lingering effects of the pandemic alongside global and local economic uncertainties. Through steadfast commitment, strategic operational efficiencies, and judicious cost rationalisation, we navigated these turbulent times with resilience and adaptability, emerging stronger as a Group. Looking ahead, we remain determined to strengthen the Group's financial position and fortify our core businesses, all while recognising the opportunities that lie before us. Leveraging on our extensive industry experience and growing human capital, WCT is well-positioned to capitalise on the evolving trends and drive sustainable growth. Our commitment to Building Sustainable and Thriving Communities remains unwavering, as we continue to deliver value to shareholders, customers, and stakeholders alike.

On behalf of the Board of Directors of WCT Holdings Berhad ("WCT"), I present to you the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2023.

ECONOMIC OVERVIEW

In 2023, the global economy remained resilient despite a challenging external environment brought by the on-going geopolitical turbulence, aggressive tightening of monetary policy to manage inflation levels, and weaker-than-expected recovery in China. The global supply chains also showed signs of normalising due to lower demand, after almost three years of disruptions and shortages caused by the pandemic.

In the fourth quarter of 2023, Malaysia's gross domestic product (GDP) growth moderated to 3%, lower than the 3.3% growth registered in the third quarter of 2023. The factors driving growth were continued expansion in household spending in both necessities and discretionary items which were supported by improvement in labour market conditions, stronger growth of inbound tourism and higher investment growth. The sustained investment activities were underpinned by the progressive realisation of multi-year projects and capacity expansion by firms. Meanwhile in 4Q 2023, the nation's unemployment rate inched lower to 3.3% (3Q 2023: 3.4%), reaching pre-pandemic levels while labour force participation rate was at a historic high in 2023. (Source: BNM Quarterly Bulletin – Fourth Quarter 2023, Bank Negara Malaysia).

For full year 2023, the economy normalised to 3.7% following a strong growth of 8.7% registered in 2022 amid a challenging global environment. On the local front, despite the lapse of large policy support as the economy gradually reopened in 2022, the continued recovery in economic activity and labour market conditions supported growth throughout 2023. The nation's headline inflation declined to 2.5% (2022: 3.3%) while core inflation averaged at 3% (2022: 3%). (Source: BNM Quarterly Bulletin – Fourth Quarter 2023, Bank Negara Malaysia).

The newly opened Hyatt Place Johor Bahru Paradigm Mall hotel adds vibrancy to the Paradigm Johor Bahru integrated development

CHAIRMAN'S STATEMENT

cont'd

FINANCIAL REVIEW

In the financial year ended 31 December 2023 ("FY2023"), the Group recorded lower revenue of RM1.73 billion as compared to RM2.1 billion registered in the preceding year ("FY2022"). The Group recorded a loss attributable to equity holders of RM254.1 million as compared to the profit attributable to equity holders of RM128.7 million registered in FY2022.

The Group's Engineering and Construction Division reported revenue and operating loss of RM1.15 billion and RM219.8 million respectively as compared to RM1.47 billion revenue and RM47.7 million operating profit recorded in FY2022. The lower revenue in FY2023 was mainly due to slower construction progress, while the operating loss was due to lower margins as a result of prolongation cost, increase in the price of construction materials and labour costs. The lowered margins led to the reversal of profits which have been accrued on the various projects.

Meanwhile, the Group's Property Development Division recorded revenue of RM362 million (FY2022: RM451.5 million) with a higher operating profit of RM20.2 million (FY2022: RM17.9 million).

The Property Investment and Management Division recorded higher revenue of RM217.1 million (FY2022: RM184.5 million) and lower operating profit of RM121.4 million as compared to RM157.4 million in FY2022. The higher revenue is mainly attributable to the resurgence of business activities in the retail sector with an uptick in occupancy rates and positive rental reversion of the Group's retail malls.

CORPORATE AND KEY BUSINESS DEVELOPMENTS

In 2023, the engineering and construction sector continued to weather the effects of economic uncertainty and post-pandemic operational challenges, in particular inflation, volatility in construction material prices and supplies, increasing labour costs, and prolonged construction period. Despite these challenges, the Group's Engineering and Construction Division successfully completed a range of projects, namely the TRX Infrastructure and Roadway Works, The Exchange TRX and Pavilion Damansara Heights (Parcel One - retail section), demonstrating its strong technical expertise, innovative construction methods and commitment to deliver on its promise.

The real estate sector displayed good growth momentum, supported by improved labour market conditions, and encouraging government policies and incentives. The improved outlook continued to drive investment potential to both local and foreign buyers. Riding on the positive sentiments, the Group's Property Development Division launched Pavilion Mont' Kiara in August 2023. The development, comprising 336 exclusive high-rise residences and five private villas in the upscale neighbourhood of Mont' Kiara Kuala Lumpur recorded favourable take-up rates and positive market reception.

To align with consumer preferences and market trends, the Property Development Division embarked on adopting sustainability into its business operations. In July 2023, The Maple Residences, WCity OUG at Kuala Lumpur was awarded the provisional GreenRE Bronze certificate in the Residential Category by GreenRE Sdn Bhd, signifying the division's commitment to creating distinctive and sustainable developments. In 2024, Pavilion Mont' Kiara was awarded the provisional GreenRE Silver certificate.



The Group's Property Investment and Management Division added a third hotel to its portfolio. On 8 November 2023, Hyatt Place Johor Bahru Paradigm Mall, the first Hyatt Place hotel in Johor Bahru opened its doors to guests, and successfully introduced a leading global hospitality brand to the vibrant city of Johor. The hotel is centrally located near the southern state's local attractions and enjoys seamless access to shopping and entertainment options at Paradigm Mall Johor Bahru.

As one of the key retail mall owners in Malaysia, WCT Malls continues to elevate its market competitiveness with exciting new offerings at its malls – Paradigm Mall Petaling Jaya and Johor Bahru, gateway@klia2 and SkyPark Terminal, driving commendable increase in its overall footfall, occupancy rate, and a 22% year-on-year growth in retail sales performance.

CHAIRMAN'S STATEMENT

cont'd

Meanwhile, the SkyPark Aviation Group successfully heightened its brand to international audience and enhanced its brand visibility as a key business aviation player following its participation in two key events, i.e., the 16th Langkawi International Maritime and Aerospace Exhibition (LIMA'23) as the main coordinator for ground handling services and the 2023 Selangor Aviation Show ("SAS") as the venue provider at SkyPark RAC's hangarage complex.

Detailed information regarding the Group's financial performance and business operation highlights can be found in the Management Discussion and Analysis section.

AWARDS AND RECOGNITION

At the International Safety Awards 2023 organised by the British Safety Council, WCT's Engineering and Construction Division was crowned a winner. The accolade recognises the company's strong commitment and compliance to best occupational safety and health management system at its project sites as well as its adherence to International Safety & Health standards.



The Group's Property Development Division, WCT Land was crowned the biggest winner at the 10th PropertyGuru Asia Awards Malaysia in partnership with iProperty.com.my 2023 and took home nine awards, including the coveted Best Developer (Malaysia), Best Developer (Central Malaysia) and Best Mixed Use Developer Awards. WCT's latest projects, Pavilion Mont' Kiara, Kuala Lumpur and W City Larkinton Johor Bahru also won multiple awards, symbolising its commitment to product excellence, innovation, and community well-being. WCT's list of awards include:

- Best Developer (Malaysia)
- Best Developer (Central) Malaysia
- Best Mix Used Developer (Malaysia)
- Best High-End High-Rise Development (Southern) for Greenville Residences
- Best Luxury High-Rise Architecture Design for Pavilion Mont' Kiara
- Best High-Rise Landscape Design for Pavilion Mont' Kiara
- Best Luxury High-Rise Development (Central) Pavilion Mont' Kiara
- Special Recognition in CSR
- Special Recognition in Sustainable Design & Construction



WCT Malls' innovative Voucher Bonanza Sale (VBS) campaigns, which supported tenants and offered significant savings to shoppers during the COVID-19 pandemic, were awarded the prestigious Marketing Initiative of the Year awards by Retail Asia Magazine. The initiative also received a Silver Award in the Shopper/Retailer Experience category at the Marketing Excellence Awards 2023.

In advancing the Group's aim of progressing towards becoming a sustainable organisation, WCT Holdings Berhad is pleased to retain its position as one of the constituents of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index in 2023.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to extend my deepest gratitude and thanks to my fellow Directors on the Board, the management team and all staff for their relentless commitment and contribution to the Group in pursuit of sustainable financial performance while responding to the uncertainties and volatilities brought about by the challenging operating landscape. I would also like to thank all our shareholders, investors, customers, sub-contractors, business associates, media, various Government agencies and local authorities for their kind co-operation and support.

Tan Sri Lim Siew Choon

Executive Chairman

23 April 2024

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESSES AND OPERATIONS

Since 1981, WCT has completed a portfolio of engineering and construction projects encompassing both local and international ventures, including roads and highways, railways, MRT and LRT, sea ports and airports, dams, residential, industrial and commercial buildings, offices, shopping malls, and F1 racing circuits. The Group's extensive expertise in property development is evident in the Bandar Bukit Tinggi, Klang township developments as well as integrated developments in Paradigm Petaling Jaya and Johor Bahru. Moving forward, the division is setting its sights on driving sustainable developments at WCity OUG in Kuala Lumpur and the upcoming launch of W City Larkinton in Johor Bahru. With the recovery and improvement in retail landscape post COVID-19, rising tourist arrivals in Malaysia as well as the management teams' concerted effort in various cost efficiency initiatives despite inflationary challenges, WCT's Property Investment and Management Division is increasingly becoming an important income contributor to WCT and will continue to generate resilient recurring income stream for the Group through its portfolio of shopping malls, hotels, and business aviation assets.

FY2023 marked a period of recovery following the World Health Organisation's declaration of an end to the COVID-19 global health emergency. Despite the easing of the pandemic, the macro environment presented various challenges, and the Group remained committed in driving sustainable business performance. Operational highlights include successful deliveries of engineering and construction projects, improved property sales which is mainly attributed to the newly launched Pavilion Mont' Kiara project, a luxurious condominium development in Mont' Kiara Kuala Lumpur, coupled with healthy uptake of the Group's property inventories. Additionally, the Group's shopping malls, hotels and business aviation businesses recorded commendable performance, with higher footfalls and good occupancy rates.

The Group continues to drive its purpose of "Building Sustainable and Thriving Communities", through its sustainability goals of "Empowering People", "Protecting the Environment", "Enhancing Livelihood" and "Embracing Responsible and Fair Business Practice", alongside a set of targets and commitments towards 2030. Following the launch of the Group's Sustainable Procurement Policy, Responsible Supply Chain Policy, Supplier Code of Conduct and Material Use Policy in 2022, WCT embarked on its inaugural Environment and Social Assessments in early 2023. Selected suppliers from the Group's Engineering and Construction and Property Development Division were assessed via an online survey. At the end 2023, WCT carried out a materiality assessment exercise to update the Group's materiality matters to align with the current business operating environment and sustainability reporting requirements. The materiality assessment informed WCT's prioritisation of material matters in terms of importance. The details on the prioritisation and the Group's sustainability updates are highlighted in the 'Sustainability Statement' of this Annual Report.



In August 2023, the Property Development Division launched Pavilion Mont' Kiara high-rise residences in the upscale cosmopolitan community at Mont' Kiara, Kuala Lumpur

MANAGEMENT DISCUSSION & ANALYSIS

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MANAGEMENT DISCUSSION & ANALYSIS

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GROUP FINANCIAL REVIEW

Financial Performance

For the financial year ended 31 December 2023 ("FY2023") the Group recorded revenue and loss attributable to equity holders of RM1.73 billion and RM254.1 million respectively, as compared to the preceding year's revenue and profit attributable to equity holders of RM2.1 billion and RM128.7 million. Losses in FY2023 were mainly due to the reversal of profits recognised in prior years by engineering and construction division amounting to RM197.8 million. In addition, the Group also impaired its property inventories by RM25.3 million in FY2023 in line with WCT's all-out inventory clearing initiatives.

The Group's segmental financial results for FY2023 and FY2022 are set out below:-

Segmental Review	Engineering and construction	Property development	Property investment and management	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2023				
Revenue	1,148,226	362,005	217,118	1,727,349
Revenue contributions (%)	66%	21%	13%	100%
(Loss)/profit from operations	(219,765)	20,179	121,356	(78,230)
Operating (loss)/profit contributions (%)	281%	-26%	-155%	100%
31 December 2022				
Revenue	1,468,861	451,509	184,498	2,104,868
Revenue contributions (%)	70%	21%	9%	100%
Profit from operations	47,656	17,938	157,416	223,010
Operating profit contributions (%)	21%	8%	71%	100%

Engineering and Construction Division

For FY2023 this segment recorded revenue and operating loss of RM1.15 billion (FY2022: RM1.47 billion) and RM219.8 million (FY2022: operating profit of RM47.7million) respectively. Lower revenue in current year were mainly due to the slower construction progress, whereas the operating loss was due to project margins being lowered due to prolongation, materials and labour costs escalation. The lowered margins led to the reversal of profits which have been accrued on the various projects.

Property Development Division

For FY2023, this segment achieved revenue of RM362.0 million (FY2022:RM451.5 million) and operating profits of RM20.2 million (FY2022: RM17.9 million) respectively. The higher revenue in the preceding year were primarily attributed to the sale of vacant lands with sales proceeds of about RM214.6 million.

Property Investment and Management Division

For FY2023, this segment achieved revenue of RM217.1 million (FY2022:RM184.5 million) and operating profits of RM121.4 million (FY2022:RM157.4 million) respectively. The increase in revenue in current year were attributed to higher occupancy and rental rates for its malls. The higher operating profit in preceding year were attributed to higher fair value gain on investment properties.

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

An analysis of the Group's consolidated financial position as at 31 December 2023 and 2022 is set out below: -

	2023	2022	Variance
As at 31 December	RM'000	RM'000	
Non-current assets	4,871,908	4,884,305	-0.3%
Current assets	3,795,709	3,408,484	11%
Assets classified as held for sale	-	10,955	100%
Total Assets	8,667,617	8,303,744	4%
Non-current liabilities	1,964,722	1,715,406	15%
Current liabilities	3,016,029	2,681,828	12%
Total liabilities	4,980,751	4,397,234	13%
Total Equity	3,686,866	3,906,510	-6%

TOTAL ASSETS

The Group's total assets increased by 4% to RM8.67 billion from RM8.30 billion, largely attributable to the increase in contract assets of RM287.4 million and cash and bank balances of RM180.9 million. The increase is negated by the decrease in completed property inventories amounting to RM120.3 million which was mainly attributable to the Group's aggressive marketing roadshows and exhibitions, coupled with the offering of attractive sales packages and easy entry packages to homeowners.

TOTAL LIABILITIES

The Group's total liabilities increased 13% from RM4.40 billion to RM4.98 billion primarily due to the increase in payables and borrowings. Total borrowings increased by RM295.7 million mainly due to the increase in revolving credit facilities and term loans. These funds were partly utilised for the repayment of RM150.0 million Sukuk during the financial year.

An analysis of the maturities of the Group's borrowings as at end of FY2023 is as follows:-

At 31 December 2023	Within 1 year	1 - 2 years	> 2 years	Total
Group	RM'000	RM'000	RM'000	RM'000
Term loans	81,721	556,267	241,553	879,541
MTN	310,000	-	-	310,000
Sukuk Murabahah	200,000	350,000	310,000	860,000
Revolving credits	982,562	-	-	982,562
Trade facilities	61,169	-	-	61,169
Total	1,635,452	906,267	551,553	3,093,272
Percentage	53%	29%	18%	100%

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximise shareholders' value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which are attached to the Group's loans and borrowings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders and/or issue new shares as well as repurchase the Company's own shares. The Group also monitors its capital structure using a gearing ratio, which is computed based on the Group's net debt divided by total equity.

The net gearing ratio of the Group as at the end of FY2023 stood at 0.73 time (FY2022: 0.66 time). The Group is continuously working towards reducing its gearing level via various de-gearing initiatives, which include equity fund raising, assets monetisation, equity divestment and disposal of land bank which are not for immediate development as well as intensifying sales of the Group's existing properties under the Property Development Division in order to strengthen the Group's financial position and thereby improving the gearing level of the Group.

EQUITY

The Group's total equity decreased by 6% to RM3.69 billion (FY2022: RM3.91 billion) mainly due to the reversal of profits recognised in prior years amounting to RM197.8 million.

LIQUIDITY

The Group's current ratio at the end of FY2023 stood at 1.26 times (FY2022: 1.28 times), indicating the Group's liquidity adequacy to meet its short-term financial obligations.

Consolidated Cash Flow Analysis

Consolidated Cash Flow Analysis	2023	2022
	RM'000	RM'000
Net cash generated from operating activities	134,036	213,031
Net cash generated from/(used in) investment activities	11,773	(44,658)
Net cash generated from/(used in) financing activities	11,923	(254,392)
Net increase/(decrease) in cash and cash equivalents	157,732	(86,019)

The Group's net cash inflows was primarily from ongoing projects particularly Pavilion Damansara Heights Parcel 1, Kota Bahru Airport and 118 Mall, Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

REVIEW OF OPERATING ACTIVITIES - ENGINEERING AND CONSTRUCTION

In the fourth quarter of 2023, the country's construction sector registered an increase of 6.8% to reach RM34.1 billion of work done value (Q3 2023: 9.6%; RM33.4 billion). The growth was reinforced by the stronger expansion in the civil engineering sub-sector, which saw a surge of 18% (Q3 2023: 17.1%) while the residential buildings and special trade activities expanded at a slower pace of 2.3% (Q3 2023: 7.9%) and 0.3% (Q3 2023: 16.2%) respectively. *(Source: Construction Statistics, Fourth Quarter 2023, Ministry of Economy, Department of Statistics Malaysia).*

In 2023, the Group's Engineering and Construction Division faced challenges in a difficult macro environment, contending with scarcity of skilled labour, rising operational costs from the price of construction materials and labour costs to prolongation costs, consequently affecting its project margins. Despite these challenges impacting the sector, the division optimised cost efficiency and showcased resilience to successfully complete several key retail projects, further enhancing its portfolio of shopping malls and commercial buildings.

WCT was the main contractor of the Pavilion Damansara Heights, which saw the official opening of Parcel One, its retail section – Pavilion Damansara Heights Mall on 9 October 2023. The mall will have six floors upon its completion and is part of a larger freehold integrated development that includes corporate towers and luxury residences. In addition, WCT was also involved in the construction of The Exchange TRX's superstructure, façade, and architectural works for the four-level shopping complex, three-level underground car park, and rooftop park.

Meanwhile, WCT's TRX Infrastructure and Roadway Works project, which includes the construction of roadways and 2.5km of underground road structures, have enabled major roads and highways to be connected to Malaysia's international financial centre, the Tun Razak Exchange.



TRX Infrastructure and Roadway Works

The division's sound technical expertise, commitment to quality, and capability in collaborating with local and international conglomerates and consultants to undertake iconic projects, contributed to the successful completion of the projects. In 2023, the division acquired a subsidiary, W Façade Sdn Bhd to strengthen its expertise in façade engineering and design services encompassing the supply, fabrication, and meticulous installation of building facade architectures. In addition, the division is addressing the skills gap between the supply of skilled employees and the demand for talented professionals by enhancing its talent development programme. The programme provides technical and soft-skills training with the aim of attracting, growing, and retaining a highly skilled workforce while helping employees to thrive in an ever-evolving business environment.

As of end 2023, the division's outstanding orderbook stood at RM2.72 billion.

Moving forward, WCT remains steadfast in actively pursuing project tenders and acquiring new project opportunities to replenish its order book. In anticipation of the roll-out of several government mega-infrastructure projects such as Pan Borneo, Penang LRT, MRT3 and Kuala Lumpur-Singapore high-speed rail (HSR), the division is participating in over RM12 billion worth of tenders, locally and internationally. Leveraging on its strong track record and in an endeavour to widen its tender portfolio, WCT is eyeing tender opportunities in the development of new industrial facilities such as warehouses, data centres, and power generation plants as well as contracts in the Middle East.

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

REVIEW OF OPERATING ACTIVITIES - PROPERTY DEVELOPMENT

In 2023, the country's property market recorded a total of 399,008 transactions worth RM196.83 billion, which showed an increase of 2.5% in volume and an increase of 9.9% in value as compared to its performance in 2022. Specifically, the residential sub-sector recorded 250,586 transactions worth RM100.93 billion, which was a marginal increase of 3.0% by volume and 7.1% by value, year-on-year, respectively. *(Source: National Property Information Centre via the Property Market Report 2023).*

Amidst market recovery, the property market showed an improvement in the overhang situation, with a total of 25,816 overhang units worth RM17.68 billion being recorded in 2023 – a decrease of 7.0% by volume and 4.0% by value respectively as compared to the performance recorded in 2022. *(Source: National Property Information Centre via the Property Market Report 2023).*

In 2023, the sales performance of the Group's Property Development Division surged by 203% to RM856 million (2022: RM421 million), contributed largely by the division's latest launch of Pavilion Mont' Kiara, Kuala Lumpur alongside inventories sales, which accounted for 49% and 25% respectively of the overall sales performance. On top of the encouraging government policies and convenient financing schemes that supported the division's overall sales performance, WCT also participated in aggressive roadshows and exhibitions, as well as offering attractive sales packages and easy entry packages to homeowners.

As a testament to the division's commitment and dedication in prioritising customer satisfaction, creating real value for customers, embracing sustainable and eco-friendly practices through green spaces and energy-efficient designs, WCT garnered nine prestigious awards at the 10th PropertyGuru Asia Awards Malaysia in partnership with iProperty.com.my. The list of awards include:

- Best Developer (Malaysia)
- Best Developer (Central) Malaysia
- Best Mix Used Developer (Malaysia)
- Best High-End High-Rise Development (Southern) for Greenville Residences
- Best Luxury High-Rise Architecture Design for Pavilion Mont' Kiara
- Best High-Rise Landscape Design for Pavilion Mont' Kiara
- Best Luxury High-Rise Development (Central) Pavilion Mont' Kiara
- Special Recognition in CSR
- Special Recognition in Sustainable Design & Construction

On-going Projects

The Maple Residences is the second residential development located within the 63-acre WCity OUG Kuala Lumpur comprising three towers with a combined Gross Development Value ("GDV") of RM940 million. Tower A, which comprises 303 units featuring six layouts with unit sizes ranging from 808 to 1163 sq. ft., achieved 92% of take-up rate as at 31 December 2023. Meanwhile, Tower B comprises 295 units featuring five layouts with unit sizes ranging from 808 to 1152 sq.ft. On the other hand, Tower C, which caters to the multi-generational household, comprises 342 units with two layouts comprising unit sizes of 1,163 sq.ft. and 1,378 sq.ft. The



The Maple Residences is a freehold residential condominium featuring three towers

Maple Residences is WCT's first green-certified project, having received provisional Bronze certification from GreenRE Sdn Bhd for its Energy Efficiency, Water Efficiency, and Environmental Protection aspects in the residential category.

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Launched in August 2023, Pavilion Mont' Kiara, Kuala Lumpur comprises 336 high-rise residence units with sizes ranging from 1,000 sq.ft. and 5 private villas with spaces of over 5,000 sq.ft. The development hosts resort-inspired lifestyle facilities, including a wellness area with a boxing studio, steam and sauna rooms, yoga facilities, a 50m pool, as well as a glasshouse and herb garden. As at 31 December 2023, Pavilion Mont' Kiara attained a take-up rate of 68% and is expected to be completed by the third quarter of 2027. In early 2024, the development was awarded the provisional GreenRE Silver certificate.



Pavilion Mont' Kiara features 336 high-rise residence units and 5 private villas

A low-density apartment, Adenia comprises 181 units in a single 22-floor tower that is developed within the established integrated township of Bandar Parklands, Klang. Adenia offers premium amenities to homebuyers at an affordable price of RM375,000.00 per unit. The development offers a variety of amenities, including a 25m-length pool, children's pool, sun deck, pool deck, children's playground, garden, surau, basketball (half-court), multipurpose hall with a badminton court, and gymnasium. Adenia units are designed with a built-up area of 915 sq. ft., featuring three bedrooms and two bathrooms. Each unit comes with two covered parking bays with direct access to the lift lobby. Adenia is developed with safety in mind, as the development is complemented by a range of security features, including 24-hour security patrol, Vehicle Access Control, and CCTV at the Guardhouse. As at 31 December 2023, the apartment achieved a take-up rate of 70%.



Adenia Apartments offers premium amenities to homebuyers at an affordable price

MANAGEMENT DISCUSSION & ANALYSIS

cont'd

WCT's latest development, W City Larkinton, is a 68-acre freehold Integrated Commercial and Residential Lifestyle Centre, located next to the prestigious Johor Golf & Country Club. The first phase of the development features AdisonWest, a collection of compact serviced apartments anchored by AdisonShop stylish retail spaces. AdisonWest offers three different unit types, with a built-up area ranging between 501 sq. ft. (Type A), 608 sq. ft. (Type A2 – with balcony), 651 sq. ft. (Type B), 791 sq. ft. (Type C), and 961 sq. ft. (Type C2 – with balcony) comprising a studio unit, a 2-bed-1-bathroom unit, and a 2-bed-2-bathroom unit. With a combined Gross Development Value ("GDV") of RM551 million, W City Larkinton is scheduled to launch in phases in the second quarter of 2024.



AdisonWest is the first phase of W City Larkinton

REVIEW OF OPERATING ACTIVITIES - PROPERTY INVESTMENT AND MANAGEMENT

In the fourth quarter of 2023, the country's private consumption expanded by 4.2% (3Q 2023: 4.6%). This is mainly supported by better labour market conditions and easing cost pressures. *(Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2023).*

The Group's Property Investment and Management Division primarily owns and manages shopping malls, hotels, and business aviation assets. In FY2023, the division demonstrated stellar performance, emphasising its priority in delivering unique retail experiences, appealing tenant mix, active engagement with the local community and customers through events and promotions while ensuring the delivery of high-quality standard hospitality services.

Shopping Malls

The shopping malls segment under WCT Malls comprises a portfolio of five shopping malls which are strategically located in key catchment areas around Selangor and Johor Bahru. WCT Malls manages Paradigm Mall in Petaling Jaya and Johor Bahru, the airport malls – gateway@klia2 in Sepang and SkyPark Terminal in Subang; all of which have a combined retail lettable area of approximately 2.4 million sq. ft. The Bukit Tinggi Shopping Centre in Klang, on the other hand, has a gross lettable area of 1 million sq. ft.

Bukit Tinggi Shopping Centre, WCT's flagship retail project in Klang is currently under a long-term lease arrangement with AEON Co. (M) Bhd, generating a steady, recurrent income for the Group.

Paradigm Mall Petaling Jaya, which is a wholesome family community mall in Petaling Jaya, is the Group's second retail mall with a diverse tenant mix across all segments operating on an approximately 670,000 sq. ft. of retail space since 2012. The mall's occupancy rate remained strong at 97% as at 31 December 2023.

gateway@klia2 airport mall is an integrated complex that not only provides a one-stop convenience to shoppers and travellers, but it also houses the transportation hub connecting KLIA Terminal 2 to the Kuala Lumpur City Centre via buses, taxis, and the Express Rail Link. Boasting approximately 380,000 sq. ft. in net lettable area, the airport mall offers a broad range of retail offerings, including relaxation lounges, eateries, and retail outlets. As at 31 December 2023, the mall recorded commendable occupancy rate of 95% and welcomed several new reputable food and beverage brands.

Paradigm Mall Johor Bahru is the Group's largest retail mall with over 500 tenants across its approximately 1.3 million sq. ft. of retail space. The mall registered an occupancy rate of 97% as at 31 December 2023. Paradigm Mall Johor Bahru is also part of the 13-acre integrated development with a freehold service residence, Paradigm Residence Johor Bahru, and Hyatt Place Johor Bahru Paradigm Mall.

SkyPark Terminal serves as a hub to domestic commercial turbo-prop operations for Firefly and Malindo Air flights at the Sultan Abdul Aziz Shah Airport, Subang. Situated 30 minutes away from the Kuala Lumpur City Centre, it is the preferred city airport terminal that caters to the commercial airline passengers from the surrounding vicinity. The airport mall registered an occupancy rate of 84% as at 31 December 2023 with dining, shopping and services choices, providing greater convenience for both business and leisure travellers alike.

MANAGEMENT DISCUSSION & ANALYSIS

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In the first half of 2023, the retail industry recorded significant growth due to the lifting of the pandemic restriction measures and the return to normal consumer lifestyles. Despite heavier footfalls recorded in shopping malls, shoppers were impacted by weaker spending power due to higher cost of living and high inflation. In the 3Q2023 Malaysia Retail Industry Report, the retail industry recorded better-than-expected growth rate of 2.7%, prompting a growth forecast of 2.8% for 4Q2023. The industry also saw the opening of new retail malls in Kuala Lumpur, further contributing to the overcrowded shopping malls environment in the country.

Despite the competitive operating environment, WCT Malls differentiates itself through its diverse portfolio of shopping malls that cater to various needs and demands of its customers, offering a multifaceted and differentiated retail experience. Paradigm Mall Petaling Jaya is strategically located in the neighbourhood of Kelana Jaya and caters to regular day-to-day shopping needs, offering family-friendly retail offerings. Meanwhile, its sister mall, Paradigm Mall Johor Bahru, is a larger regional mall offering a wider mix of retail, dining, and entertainment options to locals and tourists, especially from Malaysia's neighbouring country, Singapore. WCT's airport malls – gateway@klia2 and SkyPark Terminal focus on their surrounding catchment areas and travellers, with promotional activities aimed at attracting tourists' spending.

As creating unique atmospheres and shopper experiences is crucial to engage shoppers and further drive tenant sales, WCT Malls launched attractive festive campaigns, thematic and sales-driven events in 2023 such as the *Lunar New Year Q-Zai's Do It 过好年 with 988 radio station*, *Warnai Raya with SuriaFM Station and Tourism Malaysia*, *Arm Wrestling Competition*, *Push Bike Tournament*, *WCT Buddy Kids Playland in partnership with Hasbro*, *Star Wars "I am Your Father"*, *3x3 Basketball Tournament@klia2*, *National Robotics League*, *Pameran Warna Warni Busana Malaysia Pop Up Museum*, *First Thai Halal Fest*, *A Vrooming Christmas featuring Robocar Poli*, *Ultra Heroes Tour by Tamashii Nations* and many more. Campaigns targeting domestic and international tourists include the *Student Travel Rewards* at gateway@klia2 and *The Ultimate Reward* at Paradigm Mall Johor Bahru. In addition, WCT Malls continued to reward its shoppers with value-added benefits through the WCT Buddy mobile app.

Overall, WCT Malls' commitment to creating an engaging and attractive shopping environment, coupled with a well-curated tenant mix ensured a consistent increase in footfalls and encouraging tenant occupancy rates. The increase in flight destinations and incremental growth in tourist arrivals have led to an outstanding improvement in sales turnover at gateway@klia2 and Paradigm Mall Johor Bahru, with an increase of 90% and 16% respectively, as compared to 2022.



WCT Buddy Kids Playland in partnership with Hasbro event and The Ultimate Reward media launch

Hotels

The Group's hospitality assets include Première Hotel in Klang, Le Méridien Petaling Jaya in Paradigm Petaling Jaya, and the newly opened Hyatt Place Johor Baru Paradigm Mall, boasting a combined total of more than 700 rooms. Première Hotel is a 250-room 4-star corporate hotel in Klang, while Le Méridien Petaling Jaya is a 5-star hotel featuring 300 tastefully designed guestrooms with meeting rooms and banquet facility. Hyatt Place Johor Bahru Paradigm Mall is a 202-room hotel which represents the Hyatt Place brand's intuitive design, casual atmosphere, and practical amenities, such as free Wi-Fi and 24/7 conveniences to create an easy to navigate experience for multi-tasking travellers.

MANAGEMENT DISCUSSION & ANALYSIS

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*The cosy Lobby Lounge at
Hyatt Place Johor Bahru Paradigm Mall*

In the fourth quarter of 2023, the services sector continued to expand by 4.2% (3Q 2022: 5%), supported by ongoing recovery of tourism activities. (Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2023). According to the Immigration Department's statistics, Malaysia recorded 26 million tourist arrivals from 1 January 2023 to 15 November 2023, with most tourists arriving from Singapore, Indonesia, and Thailand.

The resurgence of consumer activity following the pandemic has led to an increase in demand for leisure and business travel, therefore supporting WCT's commendable business performance. In 2023, Première Hotel recorded 14% improvement in hotel revenue as compared to 2022, with both the hotel rooms and F&B revenue experiencing double digit growth. However, the hotel's occupancy rate experienced a slight decline due to the slower recovery in tourist segment and corporate events in Klang compared to the city centre as well as, intense competition from neighbouring newly opened hotels. In May 2023, Première Hotel launched its loyalty programme, offering patrons an array of advantages such as enticing discounts on food & beverage offerings, and complimentary accommodations. The programme includes both 'Corporate' and 'Privileges' that target the business and avid travellers respectively.

Meanwhile, the 5-star rated Le Méridien Petaling Jaya continued to leverage on the strong loyalty programme and wide distribution network of Marriott International to enhance its corporate and group bookings. In 2023, the hotel recorded a significant increase of 66% in room revenue as compared to 2022, while the food & beverage revenue steadily increased by 30%, primarily due to higher occupancy rates and an uptake in corporate and wedding events. Overall, the hotel saw remarkable growth of over 100% in gross operating profit as compared to 2022, following the hotel's concerted drive to improve cost efficiencies and focus in improving profit margins.

Hyatt Place Johor Baru Paradigm Mall was officially opened on 8 November 2023. This modern and trendy international branded hotel is conveniently located next to Paradigm Mall Johor Baru and is just a 15-minute drive from Johor Premium Outlet and Legoland Malaysia. Upon its opening in November 2023, Hyatt Place Johor Baru Paradigm Mall received good response and high demand from guests particularly from Singapore. This hotel is anticipated to continue its growth trend in the ensuing years.

Moving forward, the hotels will focus on guest satisfaction, enhancement of the hotel's amenities and effective marketing strategies to drive business performance. In 2024, WCT's hotels are expected to see an upturn in its performance following the Government's announcement of the 30-day visa-free travel programme for citizens of China and India as well as the various initiatives and promotional activities spearheaded by Tourism Malaysia to attract tourist arrivals to Malaysia, setting the trend leading up to Visit Malaysia Year 2026.

MANAGEMENT DISCUSSION & ANALYSIS

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Business Aviation

SkyPark Aviation Group ("SkyPark") services and facilities at the Sultan Abdul Aziz Shah Airport, Subang offer a one-stop and comprehensive list of private aviation handling amenities. The services comprise fixed-based operation services; ground handling and support services and integrated hangarage facilities.

SkyPark has been delivering consistent growth since 2019 with CAGR for revenue from 2019 to 2023 of 16% for SkyPark Regional Aviation Centre ("RAC") and 38% for SkyPark Fixed-Based Operation ("FBO") which handles ground handling and other aviation related services. In 2023, SkyPark RAC achieved a growth of 2% in revenue compared to its 2022 performance with a notable 37% improvement in gross profit, while SkyPark FBO registered 29% increase in revenue and 53% growth in gross profit. SkyPark RAC registered an occupancy rate of 96% in FY2023, with a rental growth rate of 9%. SkyPark also successfully improved its debtors' aging from five months in 2019 to one month in 2023.

The demand for the Group's aviation services continues to be strong, driven by the established branding of SkyPark over the years and the expansion of its key verticals that are beyond SkyPark Aviation's base in Subang. SkyPark now operates not only in Subang Airport but Penang International Airport, Kota Kinabalu International Airport, Kuching International Airport, Senai Airport, Ipoh, Melaka, Kuantan as well as Alor Setar Airports. SkyPark is also charting its path towards expanding its operations and branding to Singapore. In May 2023, SkyPark participated in the 16th Langkawi International Maritime and Aerospace Exhibition (LIMA'23) as the main coordinator for ground handling services of 16 nation companies. This participation at LIMA'23 has further elevated SkyPark's branding and reputation to the international market which will help in generating more future business opportunities with international aviation industry players.



SkyPark was the main coordinator for ground handling services at LIMA'23 for 16 nation companies, including the servicing of the US Air Force aircraft

In September 2023, SkyPark RAC once again hosted the 2023 Selangor Aviation Show ("SAS") at SkyPark RAC's hangarage complex. The 2023 SAS was of a larger scale than earlier years featuring even more participation from global aviation industry players such as Textron, Dassault, Bombardier and Gulf Stream. The 3-day event showcased a total of 49 aircrafts and garnered approximately 19,000 local and international visitors with good reviews, exposure, and mileage, once again setting SkyPark higher on the international aviation platform.

MANAGEMENT DISCUSSION & ANALYSIS

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The Selangor Aviation Show held at the hangar of SkyPark RAC featured a display of 49 aircraft

SkyPark business will continue to focus on building new business pillars to expand revenue base, explore new geographical expansion, and source for opportunities to provide its ground handling services in overseas market.

GROUP OUTLOOK

In 2024, Malaysia' growth is expected to improve, supported by resilient domestic expenditure and external demand. The stronger external demand and continued improvement in the tourism sector will provide support to Malaysia's exports while household spending will be supported by employment growth. Investment activity will be underpinned by further progress of multi-year projects, by both the private and public sectors, as well as the implementation of catalytic initiatives under the various national master plans. Malaysia's inflation is expected to remain modest, reflecting stable cost and demand conditions. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2023, Bank Negara Malaysia).*

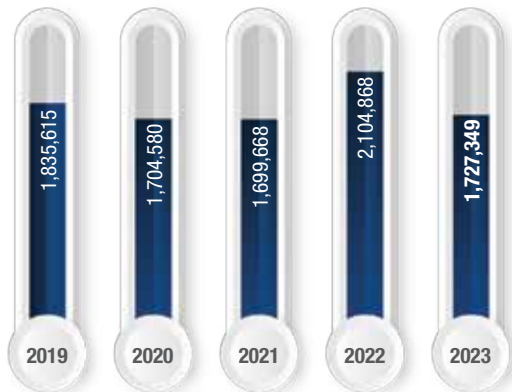
The Group will focus on driving sustainable financial growth from all three core businesses. WCT's Engineering and Construction Division will concentrate on engineering and construction projects execution, cost recovery from completed projects and order book replenishment, where the rate of order book replenishment would depend largely on the roll-out of government mega-infrastructure projects. The Property Development Division looks forward to new property launches of affordable luxury projects in Johor Bahru. In line with the Group's purpose, the division aims to further integrate an array of sustainability initiatives in its operation to deliver projects with green certification. Meanwhile, the Group's shopping malls and hotels will continue to leverage on the higher tourist arrivals and encouraging consumer spending, which is supported by the improved labour market conditions. The continuous recovery of the domestic economy as well as improving consumer and business sentiments will augur well for the Group's businesses.

Moving forward, WCT will align its business strategies to its purpose of Building Sustainable and Thriving Communities, optimise cost efficiencies, adopt an agile mindset, and leverage on its strong multi-business expertise to strengthen its businesses and embark on a journey of progress to deliver value to the stakeholders of the Group.

FINANCIAL HIGHLIGHTS

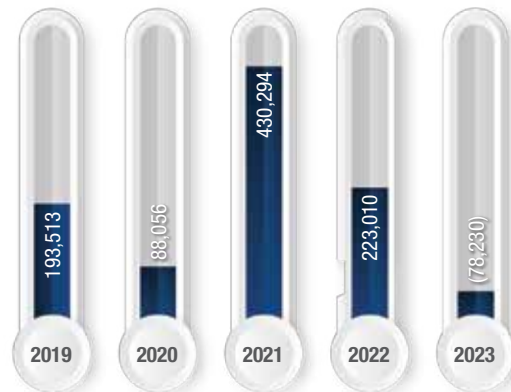
REVENUE

RM'000



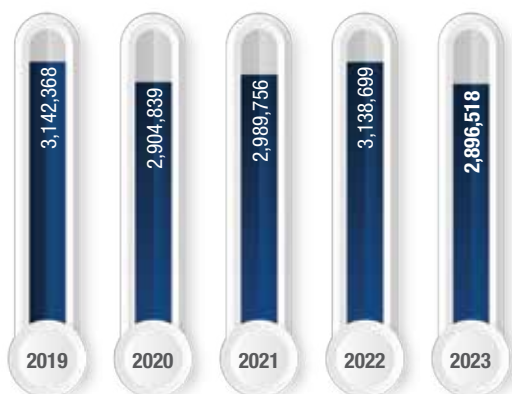
PROFIT/(LOSS) FROM OPERATIONS

RM'000



SHAREHOLDERS' FUND

RM'000



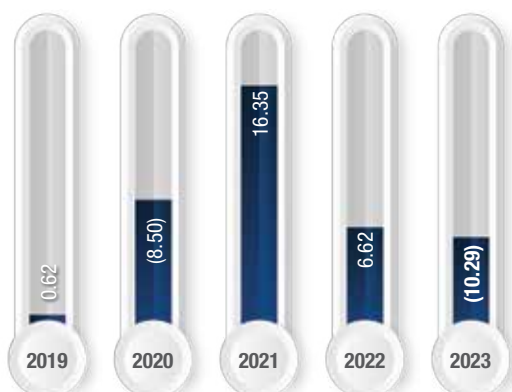
TOTAL ASSETS

RM'000



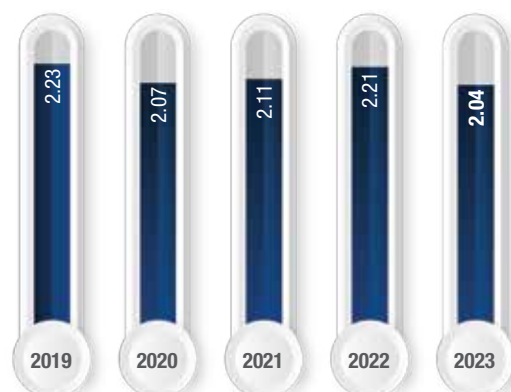
PROFITABILITY RATIO

%



NET ASSETS PER SHARE

RM



FINANCIAL HIGHLIGHTS

cont'd

FINANCIAL YEAR ENDED 31 DECEMBER		2023	2022	2021	2020	2019
Revenue						
Engineering and Construction	RM' 000	1,148,226	1,468,861	1,230,183	1,252,980	1,285,644
Property development	RM' 000	362,005	451,509	317,333	278,921	346,501
Property investment and management	RM' 000	217,118	184,498	152,152	172,679	203,470
Total revenue	RM' 000	1,727,349	2,104,868	1,699,668	1,704,580	1,835,615
(Loss)/profit from operations						
Engineering and Construction	RM' 000	(219,765)	47,656	301,994	44,555	(17,661)
Property development	RM' 000	20,179	17,938	61,811	48,016	95,004
Property investment and management	RM' 000	121,356	157,416	66,489	(4,515)	116,170
Total (loss)/profit from operations	RM' 000	(78,230)	223,010	430,294	88,056	193,513
(Loss)/profit attributable to equity holders of the Company	RM' 000	(254,148)	128,675	97,245	(213,573)	(27,321)
Issued share capital	RM' 000	3,212,796	3,212,796	3,212,796	3,212,796	3,212,796
Shareholders' fund	RM' 000	2,896,518	3,138,699	2,989,756	2,904,839	3,142,368
Total assets	RM' 000	8,667,617	8,303,744	8,228,970	8,600,153	8,820,178
(Loss)/earnings per share	Sen	(17.93)	9.08	6.90	(15.24)	(1.95)
Net assets per share	RM	2.04	2.21	2.11	2.07	2.23
Return on total assets	%	(2.42)	2.08	1.70	(2.09)	(0.39)
Net gearing ratio	times	0.73	0.66	0.68	0.66	0.66
<u>Price Performance</u>						
Ordinary Share						
High	RM	0.595	0.610	0.710	0.875	1.190
Low	RM	0.390	0.340	0.435	0.245	0.667
Close	RM	0.495	0.400	0.510	0.530	0.870
Warrant 2015/2020 (WCT-WE)¹						
High	RM	-	-	-	0.040	0.180
Low	RM	-	-	-	0.005	0.035
Close	RM	-	-	-	0.005	0.040

Notes:

1. WCT-WE had expired on 27 August 2020 and the last day of trading was on 10 August 2020.

PROFILE OF DIRECTORS

TAN SRI LIM SIEW CHOON

Executive Chairman

Malaysian/Male/Age: 64

Tan Sri Lim Siew Choon was appointed to the Board on 2 November 2016. He received his tertiary education in the United States of America and graduated with a Degree in Business Administration and Finance from University of Central Oklahoma.

He has more than 41 years of management experience in property development, construction, retail design, retail development as well as corporate management. He is currently the Non-Independent Non-Executive Chairman of Malton Berhad, the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust as well as a director of WCT Berhad and Pavilion REIT Bond Capital Berhad. Both Malton Berhad and Pavilion Real Estate Investment Trust are listed on the Main Market of Bursa Malaysia Securities Berhad. He has no conflict of interest with the Company and its subsidiaries save for the related party transaction as disclosed in Section 4 & 5 under Other Disclosures of this Annual Report.

He is a major shareholder of the Company through his direct shareholdings in the Company and indirect equity interest held by Dominion Nexus Sdn Bhd.

DATO' LEE TUCK FOOK

Group Managing Director

Malaysian/Male/Age: 70

Dato' Lee Tuck Fook was appointed to the Board on 2 November 2016 as a Non-Independent Non-Executive Director and subsequently re-designated as Group Managing Director of the Company on 3 April 2017. He is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He also holds a Master Degree in Business Administration from the International Management Centre, Buckingham.

Dato' Lee began his career with KPMG in 1974 under articleship, was subsequently admitted as a partner in 1985 until he left the practice in 1990. From 1990 to 1992, he was appointed the Vice President of Samling Group in Sarawak. He later joined the Renong Berhad Group as the Managing Director of Renong Overseas Corporation. Between 1994 and 2000, he was the Chairman of the Executive Committee of the board of Peremba-Kentz Ltd. He was the Managing Director of Cement Industries of Malaysia Bhd from 2001 to 2002.

From 2002-2006, he was the Managing Director of Paracorp Berhad. In 2003, he was appointed as an Executive Director of Malton Berhad and was re-designated as its Managing Director in December 2003. He resigned from the board of Malton Berhad in 2009.

He is currently a Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust as well as a director of Pavilion REIT Bond Capital Berhad and WCT Berhad. He is also the Independent Non-Executive Chairman of Pesona Metro Holdings Berhad and sits on the board of directors in several private limited companies which are involved in property development, retail management and operations. He has no conflict of interest with the Company and its subsidiaries save for the related party transaction disclosed in the notes to the financial statement of the Company.

Dato' Lee chairs the Management Committee of the Company.

DATUK CHOW YING CHOON*

Deputy Managing Director

Malaysian/Male/Age: 69

Datuk Chow Ying Choon was appointed to the Board on 19 August 2020. He holds a Bachelor of Economics (Honours) Degree from the University of Malaya.

Datuk Chow began his career in D&C Bank Berhad (now RHB Bank Berhad) in October 1978. During his tenure with the bank, he held positions as Head of Credit Supervision and Control, Head of Local Corporate and Head of Commercial Banking at its Head Office.

In February 1995, Datuk Chow joined EON Bank Berhad as Head of Corporate Banking and was promoted through the ranks to Deputy Chief Executive Officer, Group Business and Investment Banking. In 2011, upon the merger of EON Bank Berhad and Hong Leong Bank Berhad, he was appointed Chief Operating Officer, Group Business and Corporate Banking until his retirement in February 2014. During his banking career, he held senior management positions with revenue and profit accountability and had implemented business transformation strategies to continually drive business and revenue growth.

Prior to joining the Company, Datuk Chow was the Managing Director of Global Oriental Berhad, a company with its principal activities in property development and construction.

Datuk Chow serves as a member of the Management Committee of the Company.

PROFILE OF DIRECTORS

cont'd

TAN SRI MARZUKI BIN MOHD NOOR*

Independent Non-Executive Director

Malaysian/Male/Age: 76

Tan Sri Marzuki Bin Mohd Noor was appointed to the Board on 2 November 2016. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya.

Tan Sri Marzuki started his career in the Administrative and Diplomatic Service of Malaysia in 1972 and retired in August 2006. From 1972, he served at various Malaysian Diplomatic Missions abroad before being appointed as Ambassador to Argentina with concurrent accreditation to Uruguay and Paraguay in 1992.

In 1996, he was appointed High Commissioner of Malaysia to India (concurrently accredited as Ambassador to Nepal). Prior to his retirement, he was the Ambassador of Malaysia to Japan from 1999 to July 2006. Subsequently, he was a Director in various companies within the DRB-Hicom Berhad Group until 2016.

Tan Sri Marzuki is the chairman of the Audit Committee and serves as a member of the Board Risk and Sustainability Committee and Nomination & Remuneration Committee of the Company. He is also the Senior Independent Non-Executive Director of the Company.

DATUK AB WAHAB BIN KHALIL

Independent Non-Executive Director

Malaysian/Male/Age: 75

Datuk Ab Wahab Bin Khalil was appointed to the Board on 2 November 2016. He is a holder of a M.Litt from Universiti Kebangsaan Malaysia and a Bachelor of Arts (Honours) in Anthropology and Sociology from University of Malaya. He also holds a Certificate in Education from the Teachers Training College, Singapore.

Datuk Ab Wahab started his career as a management trainee in Lever Brothers (M) Sdn Bhd before moving to Warner Lambert (M) Sdn Bhd as a Product Manager. He subsequently joined Yardley of London as a Marketing and Sales Manager and subsequently Cold Storage (M) Bhd as a Business Manager where he rose to the position of General Manager of Bakeries, Ice & Meat Division. In 1990, he joined Perbadanan Perwira Niaga Malaysia (PERNAMA), a wholly-owned subsidiary of Lembaga Tabung Angkatan Tentera (LTAT) which specializes in the running of retail chain stores in military camps as the General Manager until 2015.

Served as Adjunct Professor at the Faculty of Business and Management UiTM and Arshad Ayub Graduate Business School UiTM. Adviser to the Institute of Business Excellence UiTM.

Datuk Ab Wahab chairs the Nomination & Remuneration Committee and is a member of the Audit Committee and Board Risk and Sustainability Committee of the Company.

DATO' NG SOOI LIN

Independent Non-Executive Director

Malaysian/Male/Age: 69

Dato' Ng Sooi Lin was appointed to the Board on 3 April 2017. He holds a Bachelor in Engineering from the University of Liverpool and a Full Technology Certificate from the City & Guild's London.

Dato' Ng is an engineer by profession with extensive working experience in the field of property development and management. He started his career in the property consultancy in Kuala Lumpur before moving on to play key roles in various development companies in Malaysia, Singapore and Brunei.

He joined Berjaya Land Berhad in November 1994 and was the Senior General Manager (Group Properties & Development) prior to his appointment as Executive Director of Berjaya Land Berhad in March 2003. He was subsequently appointed the Chief Executive Officer of Berjaya Land Berhad from 21 December 2006 until 31 December 2016 and re-designated as Non-Independent and Non-Executive Director with effect from 1 January 2017 till 11 December 2020.

Dato' Ng chairs the Board Risk and Sustainability Committee and is a member of the Audit Committee and Nomination & Remuneration Committee of the Company.

PROFILE OF DIRECTORS

cont'd

NG SOON LAI @ NG SIEK CHUAN

*Independent Non-Executive Director
Malaysian/Male/Age: 70*

Mr. Ng Soon Lai @ Ng Siek Chuan was appointed to the Board on 1 February 2017. He is a fellow member of the Institute of Chartered Accountants in England & Wales.

Mr. Ng has had several years of experience in the accounting profession with Coopers & Lybrand in London and Kuala Lumpur before moving on to the financial sector in 1980. Prior to joining Alliance Bank in July 1991 as General Manager of Credit, he had served in various positions in a leading local merchant bank and finance company. He was appointed as the Chief Executive Director of Alliance Bank Malaysia Berhad in 1994 and to the Board of Alliance Merchant Bank Berhad in 2002 until his resignation in 2005. Since then, he has held the post of Independent Director in several public listed companies. He is currently an Independent Non-Executive Director of ELK-Desa Resources Berhad and Eco World Development Group Berhad.

Mr. Ng serves as a member of the Audit Committee and Board Risk and Sustainability Committee of the Company.

RAHANA BINTI ABDUL RASHID*

*Independent Non-Executive Director
Malaysian/Female/Age: 63*

Puan Rahana Binti Abdul Rashid was appointed to the Board on 1 January 2019. She completed her studies with a Bachelor of Science (Economics and Finance) in 1983 from Indiana State University, Terre Haute, Indiana, United States of America and continued her studies to receive a Master in Business Administration from the same university in 1984.

Puan Rahana started her career as Trainee Officer, Corporate Services Department with Raleigh Berhad (now known as Inter-Pacific Industrial Group Berhad) in 1984 before she extended her career into investment banking by joining Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) in 1985. She joined Puncak Niaga (M) Sdn Bhd in 1996 as the General Manager, Corporate Finance. In 2001, Puan Rahana took a break from the corporate sector and undertook several consultancy assignments from various entrepreneurs.

In 2014, Puan Rahana took up the position of Chief Financial Officer in ORO Financecorp Ltd, a licensed microfinance corporation in Phnom Penh, Cambodia. Upon her return to Malaysia, Puan Rahana joined Tass Tech (Malaysia) Sdn Bhd, an IT specialist company, as the Finance Consultant in July 2016 and subsequently promoted to Director of Finance before she resigned from this company in 2019. She is currently an Independent Non-Executive Director of Asian Pac Holdings Berhad.

Puan Rahana is a member of the Audit Committee as well as Board Risk and Sustainability Committee of the Company.

Notes:

Save as disclosed in their respective profile, none of the Directors have:

- (i) any other directorship in public companies and listed companies.
- (ii) any family relationship with any Director and/or major shareholder of the Company.
- (iii) any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.
- (iv) been convicted of any offences within the past 5 years other than traffic offences, if any.
- (v) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Please refer to Corporate Governance Overview Statement for the number of Board Meeting attended by the Directors during the financial year.

* Directors who will be retiring at the forthcoming Annual General Meeting of the Company in accordance with the Company's Constitution and being eligible, are offering themselves for re-election.

PROFILE OF KEY SENIOR MANAGEMENT

IR. ANTHONY TEOH TEIK THIAM

Managing Director - Engineering and Construction

Malaysian/Male/Age: 56

Ir. Anthony Teoh Teik Thiam joined WCT Group as the Managing Director - Engineering and Construction on 1 January 2024 and he is also a Director of WCT Berhad. He graduated with a Bachelor of Engineering (1st Class Honours) Degree in Civil Engineering from University of Malaya in 1993 and attained his Professional Engineer registration with the Board of Engineers Malaysia in 1997. He is also a corporate member of The Institution of Engineers, Malaysia.

Ir. Anthony Teoh brings with him 30 years of experience and expertise in areas of project management, infrastructure and toll highways construction, Industrialised Building System (IBS), property and power plant assets construction as well as business development, strategic planning and end to end risk management.

He commenced his career as a Design Engineer with Gamuda Berhad in 1993 after which he joined Zelan Berhad in 1999 and in his tenure at the company, supervised the development of power plant assets and other infrastructure projects in Malaysia, India and Indonesia. In 2009, he joined Macrobro Sdn Bhd as Head of Commercial responsible for seeking and establishing new development and construction ventures in China, Australia and Malaysia. Prior to joining Mudajaya Group Berhad in 2014, he was the Country Director for IJM India involved in the construction, real estate development and tollway business. His last position in Mudajaya was as Managing Director of Mudajaya Corporation Berhad after which he assumed the position of Executive Director at Sunway Construction Sdn Bhd.

ANG KENG HONG

Deputy Chief Executive Officer - Engineering and Construction

Malaysian/Male/Age: 55

Mr. Ang Keng Hong joined WCT Group as the Deputy Chief Executive Office - Engineering and Construction on 1 January 2024 and he is also a Director of WCT Berhad. He graduated with a Diploma in Building Technology from Tunku Abdul Rahman College (TARC) in 1992 followed by Master of Science in Construction (Project Management) Degree from Heriot-Watt University, Edinburgh in 1998. He is currently a Chartered Member of the Chartered Institute of Building (CIOB), a Professional Technologist registered with MBOT, Certified Construction Project Manager (CCPM) registered with CIDB and a member of the Association of Construction Project Managers, Malaysia.

Mr. Ang has 31 years of experience in the construction industry having started his career as Project Coordinator for the Lion Group in 1992 and was involved in various building projects till 1996 before joining Zelleco Construction Sdn Bhd where he served as Construction Manager involved in various building and infrastructure works till 2000. He then joined Zelan Berhad where he was involved in various building and infrastructure works in Malaysia and Indonesia as Project Manager. He was promoted to the post of General Manager of Zelan Berhad in 2007 and remained as their General Manager until 2009 when he left to join Team Builders LLC/Eminent Ace Sdn Bhd as Head of Operation (from 2009 to 2014) where he was involved in business development for new ventures in the middle east and property development opportunities in Malaysia. Prior to joining WCT Group, he was the Executive Director of Construction of Mudajaya Corporation Berhad.

NG ENG KEAT

Director of Construction

Malaysian/Male/Age: 59

Mr. Ng obtained his Diploma in Technology (Building) in 1990 from Tunku Abdul Rahman College, Kuala Lumpur, and a Bachelor of Applied Science degree in Construction Management and Economics from the Curtin University of Technology, Perth, Australia, in 2000.

He joined WCT Group as a Quantity Surveyor in 1990 and was successively promoted to the positions of Senior Quantity Surveyor in 1995, Contracts Manager in 1999, Senior Contracts Manager in 2004, Head of Contracts (Local Projects) in 2005, General Manager (Contract & Business Development – South East Asia) in 2007, Regional Director (South East Asia) in 2009, General Manager (Engineering & Construction Division) in 2011 and subsequently promoted to the current position on 1 April 2017.

PROFILE OF KEY SENIOR MANAGEMENT

cont'd

NG MUN WAI

Chief Operating Officer - Engineering and Construction
Malaysian/Male/Age: 47

Mr. Ng Mun Wai brings over two decades of comprehensive experience to his role as Chief Operating Officer - Engineering and Construction at WCT Group. Graduating with a Bachelor's Degree in Civil Engineering from the esteemed University of Science Malaysia (USM), Mr. Ng commenced his career trajectory in 2002 with Road Builder (M) Sdn. Bhd. as a Project Engineer. His dedication and proficiency propelled him to join WCT Group in 2005 and was gradually promoted to the current position on 1 January 2023, marking the onset of a remarkable journey within the organization.

Over the years, Mr. Ng has exhibited exceptional leadership and expertise across various high-profile projects, both domestically and internationally. Noteworthy endeavors include his pivotal contributions to projects such as the Hamad International Airport in Doha, Infrastructure Works for MEDINI Development in Iskandar Johor, Vale's Iron Facility in Lumut, PETRONAS Pengerang Integrated Petroleum Complex, Mass Rapid Transit Line 2 (MRT2), and Office Towers and Shopping Mall in Pavilion Damansara Heights, among numerous others.

In addition to his role as Chief Operating Officer, Mr. Ng also serves as a Director of WCT Berhad, further underscoring his commitment and influence within the organization.

IR. DR. TONY CHAN TUCK LEONG

Chief Executive Officer - Business Development
Malaysian/Male/Age: 49

Ir. Dr. Tony Chan joined WCT Group as the Chief Executive Officer - Engineering and Construction on 3 October 2022 and was subsequently entrusted to the current position on 1 January 2024 to lead business development initiatives, seek new partnerships, collaborations, and opportunities for growth for the Engineering & Construction Division. He graduated with a First-Class Honours Degree in Civil Engineering and a PhD in Flood Hydraulics and Engineering from Loughborough University, UK. He is also a qualified Professional Engineer (Ir.) with Practising Certificate (PEPC) registered with the Board of Engineers Malaysia (BEM), a qualified Chartered Civil Engineer (CEng) with Fellow Membership with the Institute of Civil Engineers, UK, as well as Honorary Member of ASEAN Federation of Engineering Organisation (MAFEO).

Ir. Dr. Tony possesses over twenty-five years of extensive experience in technical advisory and execution of multi-disciplinary infrastructure developments, both domestically and internationally. Previously serving as the Managing Director of Opus Consultants, an Engineering Consultancy and Infrastructure Asset Management Company under UEM Edgenta Berhad, he played a pivotal role in driving the company's business development initiatives while maintaining overall profit and loss accountability.

During his tenure at Opus Consultants, Ir. Dr. Tony demonstrated exceptional leadership through challenging periods, including navigating the soft construction market in 2018 and overcoming the unprecedented challenges posed by the COVID-19 pandemic. Through strategic decision-making and proactive measures, he successfully secured new business ventures in East Malaysia, implemented cost-saving measures and increased revenue to ensure the company's resilience and meet bottom-line expectations.

With his solid international consultancy experience and strong business acumen, Ir. Dr. Tony has held key leadership positions in renowned organizations such as Atkins, Mott MacDonald and the World Bank. He managed a diverse portfolio of engineering consultancy projects before returning to Malaysia in 2015 under the Returning Expert Programme of TalentCorp Malaysia. Upon his return, Ir. Dr. Tony joined the MMC Corporation Berhad Group of Companies as Group General Manager, Engineering & Technical. In this capacity, he provided strategic guidance and leadership to multi-disciplinary engineering businesses across various sectors, including ports and logistics, energy and power, water infrastructure and mass rail transit projects.

Ir. Dr. Tony is the present Country Representative of Institution of Civil Engineers, UK for the Malaysia Chapter and an Industry Panel Advisor for Civil Engineering Faculty, SEGi University and Colleges.

PROFILE OF KEY SENIOR MANAGEMENT

cont'd

SELENA CHUA KAH NOI

Chief Executive Officer –Malls Management

Singaporean/Female/Age: 54

Ms Selena Chua joined WCT Group as the Chief Executive Officer for malls management on 3 April 2017. She holds a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore.

Ms. Selena Chua oversees all the malls in WCT's portfolio i.e. Paradigm Mall in Petaling Jaya, the airport malls - gateway@klia2 and SkyPark Terminal in Selangor, Bukit Tinggi Shopping Centre in Klang and Paradigm Mall in Johor Bahru. She is also involved in the planning and development/purchase of new malls for the Group. She has more than 30 years of retail leasing, planning and operation experience. Prior to joining WCT Group, she was the Managing Director/Retail Director with Synergistic Retail Consultancy and Management Pte Ltd. She was also the General Manager of John Little Department Store ("John Little") and was responsible for the performance and growth of the business in Singapore and the region. Prior to joining John Little, she was the Head of Group Retail Leasing Singapore at CapitalLand Retail Limited for 9 years, the Leasing Manager of Scotts Shopping Centre and was also with CB Richard Ellis (Pte) Ltd's Retail Department for 4 years. She also took care of the operations of Parkway Parade Shopping Mall for 2 years. Some of the malls she was involved in includes Ion Singapore, Raffles City Singapore, Raffles City Shanghai, Plaza Singapura, Tampines Mall, Junction 8, IMM. Ms. Selena was part of the team that listed the 1st retail REIT in Singapore.

CHONG WAH HING

Chief Operating Officer – Property Development

Malaysian/Male/Age: 51

Mr. Chong joined WCT Group as Assistant Development Manager in April 2004 and was gradually promoted to the current position on 1 July 2019. He graduated with a Bachelor of Architecture (Honour) from Deakin University, Melbourne, Australia in 1998.

Prior to joining WCT Group, he was an Architect with 2 architecture firms in Kuala Lumpur for 5 years. He is now responsible for the operations of the Development, Contract & Project Departments in WCT's Property Division and has been taking over the responsibility for overseeing the Company's overall marketing and sales strategies since year 2020. He had been involved in several projects in Klang Valley, namely the mixed residential & commercial development projects in Bandar Bukit Tinggi 1 & 2, Bandar Parklands and Première Hotel in Klang, Le Méridien Petaling Jaya, Paradigm Mall and Service Apartment in Petaling Jaya as well as a mixed commercial and residential development in Kuala Lumpur. Besides, he was also involved in several projects in the Southern Region, namely the Medini Iskandar Condominium & Mixed Commercial Development and Paradigm Mall Johor Bahru as well as a high-end landed property project in Kota Kinabalu, Sabah.

LAI CHENG YEE

Director (Executive Chairman's Office)

Malaysian/Female/Age: 50

Ms. Lai joined the Company as the Director (Executive Chairman's Office) on 15 August 2018. She is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) and she also holds a Master's Degree in Economics from the University of Malaya, Kuala Lumpur.

Ms. Lai has more than 20 years of professional experiences working in local conglomerates such as B.I.G. Industries Berhad and the Pavilion Group as well as multinational FMCG companies such as Diethelm Malaysia, Procter & Gamble and F&N Malaysia. Ms Lai had built her career over the past years in the areas of corporate planning, projects management and research & analysis. She was heading the Corporate Planning & Insights department at F&N Malaysia before joining WCT Group. Ms. Lai now leads the hospitality and aviation divisions within WCT Group and she also undertakes special projects for the development of new businesses. Ms. Lai was recently appointed as a Board Member of Tourism Malaysia and she will be working together with other industry leaders to support MOTAC in promoting the growth of Malaysian Tourism Industry.

PROFILE OF KEY SENIOR MANAGEMENT

cont'd

CHONG KIAN FAH

Director of Finance and Accounts / Company Secretary
Malaysian/Male/Age: 55

Mr. Chong joined WCT Group as Chief Accountant in 2008 and was gradually promoted to the Director of Finance and Accounts on 1 January 2017. Currently, he is responsible for WCT Group's overall accounting and financial matters, including WCT Group's overseas interests in Vietnam, India and the Middle East. Mr. Chong is also a Company Secretary of WCT Group. He is a Chartered Accountant by profession, having completed his professional qualification with the Malaysian Institute of Certified Public Accountants in 1995 and is currently a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

During his earlier tenure with Messrs Ernst & Young Malaysia from 1993 to 1999, his scope of work included audit, due diligence review and consultancy services. In 1999, he joined Degem Berhad as its Head of Accounts & Finance before moving on to Scomi Engineering Berhad in 2006 as its General Manager of Finance.

KHOR LOKE YEW

Director of Legal Affairs and Secretarial
Malaysian/Male/Age: 55

Mr. Khor joined WCT Group as its Head of Legal Affairs in 2007 and has remained with WCT Group since where he was promoted to and appointed as the Director of Legal Affairs and Secretarial on 1 January 2017. He graduated with a Bachelor of Laws (Honours) degree from the University of Malaya in 1993 and was called to the Malaysian Bar in 1994.

Prior to joining WCT Group, he was a practising lawyer and a partner in an established law firm in Kuala Lumpur for 14 years. He is responsible for all WCT Group's legal and company secretarial matters, both locally and overseas, including all joint ventures and projects in Malaysia, Vietnam, India and the Middle East.

FLORENCE LEE GUAT CHOO

Head of Human Resources and Administration
Malaysian/Female/Age: 63

Ms. Lee joined WCT Land Sdn Bhd as the Human Resource Manager in 2006 and was promoted to Senior Manager – Human Resource and Administration in 2017. She was subsequently promoted to the current position on 1 May 2023. She holds a double major degree in Management Economics from University of Guelph, Canada.

Ms. Lee has over 38 years of experience working in the Retail, Hotel, Trading, Property & Construction industry. Prior to joining WCT, she worked with a public listed construction company for 12 years. She currently oversees the human resources and administration function matters of WCT Group.

Notes:

Save as disclosed in their respective profile, none of the Key Senior Management have:

- (i) any other directorship in public companies and listed companies.
- (ii) any family relationship with any Director and/or major shareholder of the Company.
- (iii) any conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries.
- (iv) been convicted of any offences within the past 5 years other than traffic offences, if any.
- (v) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE DIARY 2023

JANUARY

WCT Malls Launches Student Travel Rewards Programme

WCT Malls launched the Student Travel Rewards on 12 January 2023, a programme at gateway@klia2 that focused on assisting students to minimise travel costs while allowing them to enjoy travelling to and from their homes during the festive season.



WCT Berhad X CCCC Kickstart Latest Industrial Collaboration Programme

On 31 March 2023, WCT Berhad ("WCTB") in collaboration with China Communications Construction Company (M) Sdn Bhd kickstarted an Industrial Collaboration Programme (ICP) with the Universiti Malaysia Sabah through the Sapangar Bay Container Port Expansion project.



MARCH

MAY

Première Hotel, Klang Introduces Loyalty Programme

Première Hotel, Klang launched its loyalty programme to offer patrons enticing discounts on Food & Beverage offerings, and complimentary accommodations on 19 May 2023.

PREMIÈRE
CORPORATE



WCTB Bags British Safety Council International Safety Awards 2023

The prestigious accolade is in recognition of the company's strong commitment and compliance to best occupational safety and health management system at its project sites and having met the International Safety & Health standards.

JUNE

CORPORATE DIARY 2023

cont'd

JUNE

12th Annual General Meeting

WCT Holdings Berhad held its virtual 12th Annual General Meeting and broadcasted live to shareholders and proxies from Le Méridien Petaling Jaya on 15 June 2023.



WCT Malls Honoured For Voucher Bonanza Sale Innovations

WCT Malls was awarded Marketing Initiative of the Year at the Retail Asia Awards 2023 on 15 June 2023 for its Voucher Bonanza Sale (VBS) initiative that supported tenants and offered significant savings to shoppers during the COVID-19 pandemic.

JUNE

JUNE

Première Hotel, Klang Introduced Colourful Batik Uniforms

On 16 June 2023, Première Hotel, Klang introduced colourful Batik Uniforms to reflect its appointment as Klang Tourism Ambassador.



First Green-Certified Project Under WCT Land Sdn Bhd ("WCT Land")

On 18 August 2023, The Maple Residences, WCity OUG at Kuala Lumpur was awarded a provisional Bronze in the Residential Category by GreenRE Sdn Bhd, thereby making it the first green-certified project under WCT Land.

AUGUST

CORPORATE DIARY 2023

cont'd

SEPTEMBER

Selangor Aviation Show 2023

Skypark Regional Aviation Centre (RAC) successfully hosted the Selangor Aviation Show 2023 from 7 September to 9 September 2023. This event served as a dynamic networking platform, specifically targeting the business and general aviation sectors within the aerospace industry.



NOVEMBER

WCT Malls Wins Silver in Marketing Excellence Awards for Voucher Bonanza Sale!

WCT Malls won the Silver Award in the Best Shopper/Retailer Awards Experience category at the Marketing Excellence Awards 2023 on 7 November 2023.

Hyatt Place Johor Bahru Paradigm Mall Officially Opens

WCT's integrated development, Paradigm JB, recently witnessed the opening of Hyatt Place Johor Bahru Paradigm Mall on 8 November 2023. The opening ceremony was graced by the Board of Directors of the Company; Dato' Haji Mohd. Noorazam Bin Dato' Haji Osman, Datuk Bandar Johor Bahru; Mr Richard Van Westing, Regional Vice-President of Select Service Hotels Asia Pacific and Mr Sean Yoon, General Manager of Hyatt Place Johor Bahru Paradigm Mall.



NOVEMBER



CORPORATE DIARY 2023

cont'd

NOVEMBER

WCT Land Sweeps Nine Awards at PropertyGuru Asia Awards 2023

WCT Land was crowned the biggest winner at the 10th PropertyGuru Asia Awards Malaysia in partnership with iProperty.com.my 2023 on 24 November 2023, and took home nine awards, including the coveted Best Developer (Malaysia), Best Developer (Central Malaysia) and Best Mixed Use Developer Awards.



Successful Completion of The Exchange TRX

WCTB's involvement in The Exchange TRX's superstructure, façade and architecture works for the four-level shopping complex, three-level underground car park, and rooftop park reaffirms WCTB's expertise in the construction of shopping malls and commercial buildings. The successful completion of The Exchange TRX has added another completed shopping mall to WCTB's portfolio of shopping malls constructed to date.

NOVEMBER

DECEMBER

WCT Participates in National Technical Profession Day

WCTB proudly served as a strategic partner during the celebration of Hari Profesion Teknikal Negara (HPTN) 2023 held at Dewan Damar Sari, Putrajaya on 4 & 5 December 2023. The event which was officiated by YAB Dato' Seri Anwar bin Ibrahim, Prime Minister of Malaysia, attracted over 3,000 attendees, including government and private sector professionals, members of the public, and representatives from local universities.



SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

WCT Holdings Berhad (“WCT” or the “Group”) presents its Sustainability Statement 2023 (“SS2023”) for the financial year ended 31 December 2023 (“FY2023”). SS2023 details a comprehensive account of the Group’s continuous efforts of steering and bolstering its sustainability agenda, with information on the Group’s continued progress in improving its sustainability performance shown.

SS2023 contains economic, environmental, governance and social information that can be utilised by various stakeholders including those making financial decisions about WCT. Information regarding the governance of WCT can be found in the Corporate Governance section of the Annual Report. Combined, the information will adequately provide the Environmental, Social and Governance (“ESG”) data needed to aid stakeholder investment or lending decisions on WCT based on its ability to create short, medium and long-term value.

Beyond providing disclosures on WCT’s sustainability journey and plans, SS2023 aims to provide readers with information on non-financial value creation as per the Group’s selected United Nations Sustainable Development Goals (“UN SDGs”) as below:



Specific information on WCT’s strategic efforts in realising sustainability outcomes that correspond to these selected UN SDGs is provided in the ‘Aligning with the UN SDGs’ section.

MANAGING RISKS AND CREATING OPPORTUNITIES IN SUSTAINABILITY

The emphasis on sustainability is additionally motivated by the ongoing rise of various sustainability risks and opportunities in the operating landscape e.g. climate change impact, stricter regulations on greenhouse gas (“GHG”) emissions, heightened customer expectations for more responsible developments, supply chain disruptions, social and labour issues, stakeholder engagement, circular economy practices and more. Therefore, WCT’s continuous efforts in sustainability also aim to decrease and address the risks associated with the Group’s business activities, which include engineering and construction, property development and property investment and management which includes shopping malls, hotels and business aviation.

By focusing on material sustainability matters and implementing strategic measures, WCT seeks to effectively manage and prevent risks while enhancing the business model to ensure resilience against emerging concerns like climate change and disruptions in the supply chain, among others.

For a more in-depth understanding of WCT’s business performance and strategies for creating value, we recommend that readers review SS2023 in conjunction with WCT’s Annual Report 2023 (“AR2023”), especially the ‘Management Discussion and Analysis’ section, as this section offers Management’s perspective on the Group’s business, operational, and financial performance for the reporting year.

APPLIED FRAMEWORKS

Information contained in SS2023 has been prepared by referring to the following reporting frameworks and guidelines:

- Global Reporting Initiative (“GRI”) Standards 2021 (Referencing information to the GRI is provided in the GRI content index at the end of SS2023)
- Bursa Malaysia’s Sustainability Reporting Guide 3rd Edition
- United Nations Sustainability Development Goals (“UN SDGs”)
- Taskforce on Climate Change Financial Disclosures (“TCFD”) Recommendations

SUSTAINABILITY STATEMENT

cont'd

REPORTING SCOPE AND BOUNDARY

The reporting period for this statement is from 1 January 2023 to 31 December 2023, with most statistics presented based on a three-year timeframe. WCT reports its sustainability performance annually. The previous report published was for FY2022 ("SS2022").

WCT's scope and boundary for disclosure in SS2023 is based on the disclosure requirements of the frameworks and guidelines mentioned above, with disclosures covering the Group's operations in Malaysia for the following business divisions:



The list of projects and offices are covered below.

Engineering and Construction	
Scope	Category
118 Mall, Kuala Lumpur	Project Site
Tun Razak Exchange ("TRX C2"), Kuala Lumpur	Project Site
The Exchange TRX Retail ("TRX Retail"), Kuala Lumpur	Project Site
The Exchange TRX Hotel and Office ("TRX Hotel and Office"), Kuala Lumpur	Project Site
Pavilion Damansara Heights, Kuala Lumpur	Project Site
West Coast Expressway ("WCE"), Selangor	Project Site
Pan Borneo Highway, Sarawak	Project Site
Light Rail Transit Line 3 ("LRT3 GS02 & GS03"), Selangor	Project Site
Elevated Highway Project, Sprint Highway, Kuala Lumpur	Project Site
WCT Machinery, Selangor	Office
Sapangar Bay Container Port Expansion ("Container Port"), Sabah	Project Site
Sapangar Bay Jetty Expansion ("Jetty Extension"), Sabah	Project Site
Sultan Ismail Petra Airport, Kelantan	Project Site
The Ascent, Selangor	Corporate Office
Property Development	
Scope	Category
W City Larkinton, Johor Bahru	Project Site
WCity OUG, Kuala Lumpur	Project Site
Paradigm Johor Bahru Hotel and Residence ("Paradigm Hotel and Residence"), Johor	Project Site
Parklands Gravity Sewerage, Selangor	Project Site
Pavilion Mont' Kiara, Kuala Lumpur	Project Site
Adenia Apartments, Selangor	Project Site
The Ascent, Selangor	Corporate Towers - Facility Management
BBT One, Selangor	Carpark - Facility Management
Impiria Residences, Selangor	Carpark - Facility Management

SUSTAINABILITY STATEMENT

cont'd

Property Development	
Scope	Category
The Landmark, Selangor	Carpark - Facility Management
Waltz Residences, Kuala Lumpur	Temporary Office - Facility Management
Aronia Apartments, Selangor	Temporary Office - Facility Management
One Medini Sdn Bhd ("OMSB"), Selangor	Shoplots - Facility Management
The Ascent, Selangor	Corporate Office
WCT OUG Development Sdn Bhd ("WCT OUG"), Kuala Lumpur	Project Site Office
Labur Bina Sdn Bhd ("LBSB"), Selangor	Project Site Office
WCT Property Gallery @ W City Larkinton, Johor Bahru	Sales Gallery
WCT Property Gallery @ W City OUG	Sales Gallery
WCT Property Gallery @ Paradigm Mall Johor Bahru, Johor	Sales Gallery
WCT Property Gallery @ Pavilion Bukit Jalil, Kuala Lumpur	Sales Gallery
Property Investment and Management	
Scope	Category
Paradigm Mall Petaling Jaya, Selangor	Shopping Mall
Paradigm Mall Johor Bahru, Johor	Shopping Mall
gateway@klia2, Selangor	Shopping Mall
SkyPark Terminal, Selangor	Shopping Mall
Scope	Category
Le Méridien Petaling Jaya, Selangor	Hotel
Première Hotel, Selangor	Hotel
Scope	Category
SkyPark Aviation Group, Selangor	Business Aviation

Most subsidiaries under WCT's management control and some outsourced operations to contractors and sub-contractors such as property development project sites, the Elevated Highway Project, the Container Port project are included in FY2023's reporting. Meanwhile, WCT's activities of joint venture companies, namely Paradigm Mall Petaling Jaya and gateway@klia2 are covered in the reporting for this statement.

Data and information provided in SS2023 are based on recognised metrics and industry standards such as the GHG Protocol and have been sourced from official records within the Group and collected from our stakeholders, i.e., contractors.

GRI Reporting Principles have also been applied in the determination of our disclosures.

EXCLUSIONS AND LIMITATIONS

WCT is cognisant that despite its best efforts, data for certain disclosures may be unavailable. However, the Group has begun closing many gap areas in relation to data disclosure, which was notably contributed by the Environmental & Social Assessment conducted in FY2023. The Group is also progressively strengthening its ongoing data collection, which includes supply chain information.

Towards this end, FY2022 and FY2023 have seen WCT develop the necessary framework for effective supply chain management and application of its Responsible Supply Chain Policy, Sustainable Procurement Policy, Supplier Code of Conduct and WCT Material Use Policy through engagement and data collection of its selected supply chain. These efforts will continue to pave a systematic and effective supplier assessment process regarding social and environmental issues now and in the future, as well as data collection from the supply chain going forward.

SUSTAINABILITY STATEMENT

cont'd

MEMBERSHIP IN ASSOCIATIONS AND PROFESSIONAL BODIES

WCT is a member of the following industry associations and professional bodies and has obtained relevant industry certifications from regulatory bodies. All of these indicate a strong commitment to environmental and social compliance practiced by the Group across its operations.

WCT adheres to the standards and practices set by these bodies with regard to sustainability and where possible and relevant, may adopt more stringent practices of that espoused by these bodies. Regarding WCT's Business Aviation segment, we have listed the relevant official authorities governing related operations.

Engineering and Construction

Construction Industry Development Board (CIDB) - WCTB, WCTC, WCT TSR S/B, KKBWCT Joint Venture S/B, WCT CCCC JV
CIDB - Sijil Perolehan Kerja Kerajaan (SPKK) – WCTB
CIDB - Contractor's Capacity & Capability Evaluation (SCORE) – WCTB, WCTC
Suruhanjaya Perkhidmatan Air Negara (SPAN)
Permit IPA Jenis C1 (Bekalan Air) – WCTB
Permit IPA Jenis C1 (Pembetulan) – WCTB
Kementerian Kerja Raya Malaysia (KKR) - Sijil Kontraktor Penyiap - WCTB
Jabatan Kerja Raya Malaysia (JKR) Sijil Kompetensi Kontraktor Kesihatan (SKKK) - WCTB
Pusat Pendaftaran Kontraktor Kerja, Bekalan Dan Perkhidmatan Negeri Sabah - Kementerian Kewangan Sabah (PUKONSA) – WCTC
Sabah Trading License - WCTB, WCTC
Sarawak Trading License - WCTB, WCTC, WCT Machinery, KKBWCT Joint Venture S/B
National Institute of Occupational Safety and Health (NIOSH) – WCTB
Master Builders Association Malaysia (MBAM) – WCTB

Property Development

Construction Industry Development Board (CIDB)
Real Estate & Housing Developers' Association Malaysia (REHDA)
Malaysian Employers Federation (MEF)
International Real Estate Federation (FIABCI), Malaysian Chapter

Shopping Malls

Persatuan Pengurusan Kompleks Malaysia (PPK), also known as Malaysia Shopping Malls Association

Hotels

Malaysian Association of Hotels (MAH) - Première Hotel and Le Méridien Petaling Jaya
Malaysian Association of Hotel Owners (MAHO) - Première Hotel and Le Méridien Petaling Jaya
Association of Hotel Employers (AHE) - Le Méridien Petaling Jaya
Malaysia Inbound Chinese Association (MICA) - Le Méridien Petaling Jaya
Malaysian Employers Federation (MEF) - Le Méridien Petaling Jaya

Business Aviation (Aviation Authorities)

Civil Aviation Authority of Malaysia (CAAM)
Malaysian Aviation Commission (MAVCOM)
Malaysia Airports Holdings Berhad (MAHB)

SUSTAINABILITY STATEMENT

cont'd

ASSURANCE

The indicators presented in the Economic Performance section of this statement are derived from the audited consolidated financial statements AR2023.

In strengthening the credibility of WCT's sustainability reporting and in following Bursa Malaysia's Sustainability Reporting Guide 3rd Edition, selected parts of this SS2023 have been subjected to an internal review by the Group Internal Audit Department; and the Scope, Subject Matter(s) covered, and Conclusion are provided below:

Material Matters	Subject Matter	Scope	Conclusion
Occupational Health and Safety	OHS Performance	The following operations in Malaysia: 1. Property Development (which includes Property Management) 2. Shopping Malls 3. Hotels 4. Business Aviation	Based on the audit procedures and methodologies we have performed as well as the evidence we have obtained, we are of the opinion that the data collected reflects our sustainability performance and initiatives. However, the accuracy, completeness, consistency, and reliability of data recorded against data sources can be continually improved through better validation procedures and fostering data stewardship. Higher data quality will support better-informed decision-making.
Waste and Environmental Pollution	Recycled waste		
	Reused waste		
	Landfilled waste		
	Scheduled waste		
	Electronic waste		
	Used Cooking Oil (UCO)		
Water Use	Water consumption		
	Rainwater harvesting		
Responsible Sourcing and Supplier Management	Materials		
GHG Emissions & Climate Change	Electricity consumption		
	Diesel consumption		
	Liquefied Petroleum Gas (LPG) consumption		
	Renewable Energy		
	Business travel (automobile)		
	Business travel (air)		
	Company vehicle (petrol consumption)		
	Jet fuel (business aviation)		

The Group plans to undertake external assurance of sustainability-related data in the future.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements such as targets, prospects, plans and reasonable assumptions that were set about expected or future performances, which are based on presently available data and information as well as current operating environment conditions. However, readers should be advised not to place undue reliance on such statements as our business is subject to risks and uncertainties that are beyond our control. Actual results may differ.

SUSTAINABILITY STATEMENT

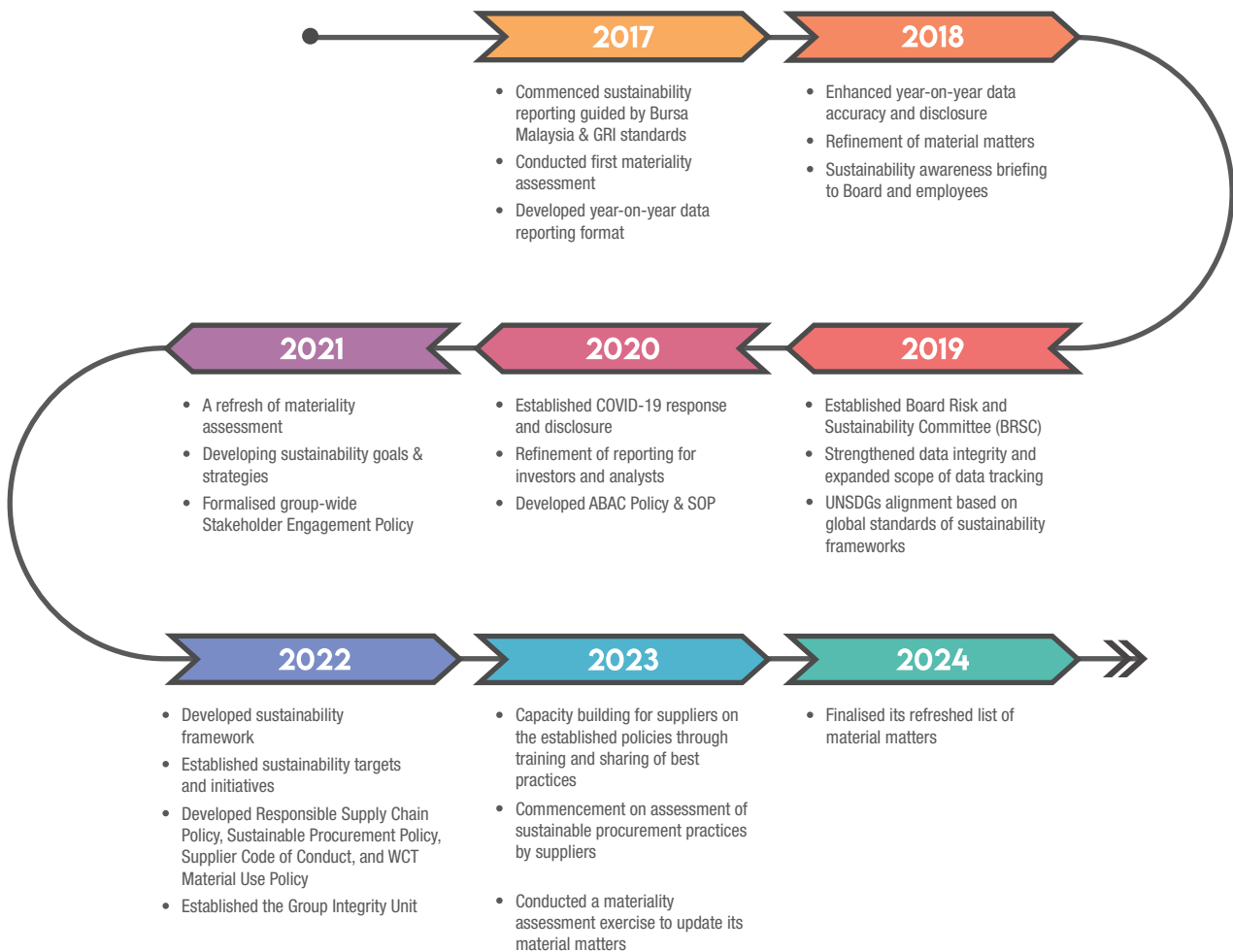
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REPORT AVAILABILITY AND FEEDBACK

SS2023 is prepared as part of WCT's AR2023, which can be downloaded from the Group's website at <https://www.wct.com.my/>. The Group welcomes feedback, comments, and suggestions for improvement, which can be sent to the following:

**Manager, Corporate Affairs,
Group Corporate Affairs,**
WCT Holdings Berhad,
B-30-01,
The Ascent, Paradigm,
No. 1, Jalan SS7/26A, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel: +(603) 7806 6688
Email: corporate.affairs@wct.my

MILESTONES AND SUSTAINABILITY JOURNEY



SUSTAINABILITY STATEMENT

cont'd

NOTABLE SUSTAINABILITY-RELATED DEVELOPMENTS

WCT maintains its dedication to engaging in significant projects and has thus incorporated sustainable principles into its operations. Through this approach, WCT is well-prepared to achieve positive results in all its undertakings, including nation-building initiatives that foster job opportunities, improve community access, stimulate growth in nearby areas, and enhance public transportation infrastructure. Furthermore, WCT acknowledges the urgent demand for affordable housing and has proactively taken measures to tackle this concern. In summary, WCT's steadfast commitment to sustainability underscores its identity as a responsible corporate entity and its pledge to advance sustainable development within Malaysia.

2023

WCity OUG, Kuala Lumpur



WCity OUG is a 63-acre mixed development of Connected Community Hub in Taman OUG, Kuala Lumpur comprising residential and commercial developments such as Lifestyle Retail and public space components. The development is designed with an emphasis on sustainability such as walkability via a green promenade, enabling ease of pedestrian movements safely and conveniently, within and across the development to commercial components and a 2-acre integrated green centre park that offers well-crafted green landscapes and open spaces. The development provides immediate accessibility to major highways, nearby rail station and established amenities surrounding the development.

Tun Razak Exchange (TRX), Kuala Lumpur



WCT was involved in the Infrastructure and Roadway Works project at Malaysia's first dedicated international financial district, Tun Razak Exchange ("TRX"). The project involved the construction of 2.5km (out of 5km) of underground road structures, installation of direct buried utilities, at-grade and elevated roadways, as well as associated earthworks, mechanical and electrical works.



Construction of this underground road structures and tunnels is expected to alleviate some traffic congestion into the city while linking TRX to a network of other major roads and highways including Jalan Sultan Ismail and Maju Expressway ("MEX"). Ultimately, this structure aims to provide easy access to and from major thoroughfares to the various points within the TRX integrated development.

SUSTAINABILITY STATEMENT

cont'd





ALIGNING WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

the Group's ongoing sustainability efforts is consistent with global aspirations, notably with the UN SDGs. WCT continues to align its ongoing efforts with the UN SDGs and the following shows the Group's notable sustainability highlights and achievements:

SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
 1 NO POVERTY	Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	<ul style="list-style-type: none"> WCT Gives impacted 480 beneficiaries including B40 families and women, underprivileged senior citizens, students and others in 2023. WCT also provided food aid worth RM15,734.70 to the needy. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Contributing to the Economy <ol style="list-style-type: none"> Invest 0.1% of the preceding year's revenue into CSR. (Target for 2023: RM2,104,868) 	<ul style="list-style-type: none"> Invested RM2,880,571.68 and benefitted 49 organisations through WCT's CSR programmes in 2023.
 4 QUALITY EDUCATION	Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> Total of 11,407.5 training hours for employees of WCT Group in 2023. WCT invested RM1,318,466.37 in several educational institutions. In 2023, 172 interns trained throughout WCT's business divisions. In 2023, 72 fresh graduates were hired for the Protégé RTW Programme. Since 2018, WCT has invested over RM671,384.47 in the programme to train 280 fresh graduates. 67 of the graduates were absorbed into full-time employment upon completing their training. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Workforce Learning & Development <ol style="list-style-type: none"> Conduct average training hours of 3 hours in 2023 (Baseline: 2022 and average of 3 hours were conducted per employee) 	<ul style="list-style-type: none"> 11.71 average training hours per employee



SUSTAINABILITY STATEMENT

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SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
	Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none"> 27% of workforce comprising women. WCT donated over RM42,745.61 to non-governmental organisations ("NGOs") such as En Yuan Old Folks Home and Ibupreneur which drives women economic empowerment. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Diversity, Equity & Inclusion <ol style="list-style-type: none"> 30% of the Board of Directors to be women by 2026. Increase the percentage of women in managerial roles by 5% by 2026 (Baseline: 2021 - 4.14%). 	<ul style="list-style-type: none"> 12.5% of the Board of Directors comprises women. 3% of women are employed in managerial roles.
	Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.			
	Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	<ul style="list-style-type: none"> Zero incidents of serious effluent discharge/water pollution. Zero fines for effluent discharge. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Waste & Environmental Pollution Water Use <ol style="list-style-type: none"> Maintain zero significant instances of legal non-compliance on environmental pollution leading to fines or non-monetary action from authorities. 	<ul style="list-style-type: none"> Zero incidents of regulatory non-compliance on environmental pollution were recorded in 2023.
	Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.	<ul style="list-style-type: none"> Invested 45,155 gallons of rainwater harvesting tanks across all business divisions to reduce consumption of potable water. 	<ol style="list-style-type: none"> To reduce the Group-wide average water intensity by 10% by 2030. (Baseline: 2019 – 0.013m³/ft²) 	<ul style="list-style-type: none"> Group-wide average water intensity at 0.132 m³/sqft in FY2023*. (FY2022: 0.014 m³/sqft) <p><i>Note: In FY2023, the water intensity of Engineering & Construction and Property Development Division is calculated based on the total water consumed against total sqft of the divisions' offices and business operation sites only. It excludes all project sites, including outsourced operations to contractors and sub-contractors.</i></p>


SUSTAINABILITY STATEMENT

cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Target 7.2:</p> <p>By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>Target 7.3:</p> <p>By 2030, double the global rate of improvement in energy efficiency.</p>	<ul style="list-style-type: none"> Paradigm Mall Petaling Jaya and Johor Bahru generates a total of 14,987,000kWh of electricity from renewable energy sources under the Green Electricity Tariff Programme ("GET") by Tenaga Nasional Berhad. 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> GHG Emissions & Climate Change <ol style="list-style-type: none"> 1. Reduce the group-wide average electricity intensity as measured against total square feet ("sqft") by 10% by 2030. (Baseline: 2019 -1.25 kWh/sqft) 	<ul style="list-style-type: none"> Group-wide average electricity intensity at 11.73 kWh/sqft in FY2023*. (FY2022: 1.15 kWh/sqft) <p><i>Note: FY2023, the electricity intensity of Engineering & Construction and Property Development Division is calculated based on the total electricity consumed against total sqft of the Divisions' offices and business operation sites only. It excludes all project sites, including outsourced operations to contractors and sub-contractors.</i></p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Target 8.5:</p> <p>By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.</p> <p>Target 8.8:</p> <p>Protect labour rights and promote safe and secure working environments for all workers, including migrant workers.</p>	<ul style="list-style-type: none"> WCT employed a total of 2,238 people in 2023 (362 new employees). 83% local employment in FY2023. 24% of employees aged 30 years old and below. WCT's Engineering and Construction Division was crowned winner of the International Safety Award 2023 by the British Safety Council in UK. 1,380 employees attended OHS training in FY2023. WCT allocated RM1,312,900.00 for health and wellbeing initiatives for WCT personnel across the Group. 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> Human Rights & Labour Matters Occupational Health & Safety <ol style="list-style-type: none"> 1. Zero violation cases of human rights (child labour and forced labour) throughout business operations. 2. Zero fatality for employees and contractors.* 3. Zero accidents resulting in permanent disability for employees and contractors.* <p><i>* Contractors working on locations/sites under WCT control</i></p>	<ul style="list-style-type: none"> Zero cases of human rights violation recorded in FY2023. Zero work-related fatalities involving employees and contractors were recorded in FY2023. Zero accidents resulting in permanent disability were recorded in FY2023.



SUSTAINABILITY STATEMENT

cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Target 9.1:</p> <p>Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>	<ul style="list-style-type: none"> Continued proliferation of digital tools and technologies to progressively contribute to the development of a more sustainable construction and property development industry, i.e., Industrial Building System ("IBS") and Building Information Modeling ("BIM"). gateway@klia2 was awarded a 5-star rating under the Public Toilets Grading System by the Sepang Municipal Council, while Paradigm Mall Petaling Jaya received the 2023 Clean Premises Award for Public Toilets by the Petaling Jaya City Council. Première Hotel received the BeSS (Bersih, Selamat dan Sihat) certification (2022 – 2025) from the Ministry of Health for its restaurants. 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> Product Safety & Quality <ol style="list-style-type: none"> Achieve more than 85% score on customer satisfaction surveys by 2023 (Baseline: 2019-81%). 	<ul style="list-style-type: none"> Average 86% score on customer satisfaction survey.




SUSTAINABILITY STATEMENT

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SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
 11 SUSTAINABLE CITIES AND COMMUNITIES	Target 11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.	<ul style="list-style-type: none"> High retention of green landscapes, notably for property development projects. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Community Engagement <ol style="list-style-type: none"> Zero official substantiated complaints related to environmental pollution from neighbouring communities at WCT locations by 2030. <i>Note: Official substantiated complaints refers to the complaint received via defined medium (written platform and Facebook) and with the pollution level not exceeding the Permissible Exposure Level ("PEL") that is declared by authorities.</i>	<ul style="list-style-type: none"> Zero official substantiated complaints regarding environmental pollution recorded in FY2023.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.	<ul style="list-style-type: none"> WCT's Landfill Waste Reduction Programme at offices diverted 4.41 tonnes of waste from landfill in 2023. 	<i>Relevant Material Matter:</i> <ul style="list-style-type: none"> Waste & Environmental Pollution Responsible Sourcing & Supplier Management <ol style="list-style-type: none"> 100% of locally sourced materials purchased by the Group. Procure materials in accordance with WCT Material Use Policy. Reduce Group-wide waste sent to landfill by 10% by 2026, and 20% by 2030 (Baseline: 2019 – 43%). 	<ul style="list-style-type: none"> 99.08% of materials are sourced locally. Procurement practices are in accordance with WCT Material Use Policy. 37% of group wide waste sent to landfill in FY2023.
	Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> 167.4 tonnes of cooking oil collected for recycling. Organised Waste Segregation and Recycling Awareness Workshop for employees to generate awareness on the proper ways to segregate and recycle waste. 		

SUSTAINABILITY STATEMENT

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SDG	SDG Targets	Highlights and Achievements	Commitments and Targets	Commitments, Target Realisation
	<p>Target 13.1:</p> <p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>Target 13.2:</p> <p>Integrate climate change measures into national policies, strategies and planning.</p>	<ul style="list-style-type: none"> Identification of climate change risks and opportunities and development of mitigation plans for all business divisions. Continued participation in urban rail transportation projects that reduce cars and ultimately emissions and energy consumption. Continued forging a stronger adoption of the Task Force for Climate-Related Financial Disclosures ("TCFD") in pursuit of improving climate change management. 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> GHG Emissions & Climate Change <p>1. Reduce 10% of CO₂ emissions intensity (total Scope 1 and Scope 2) as per measured against total square feet ("sqft") across the Group by 2030. (Baseline: 2019 - 0.7442 CO₂e/sqft)</p> <p><i>Note: Moving forward, WCT will be conducting a greenhouse gas emissions scoping exercise to establish our greenhouse gas inventory and reevaluate the emissions target set.</i></p>	<p>● Group-wide average carbon emissions intensity is 0.4933 CO₂e/sqft in FY2023. (FY2022: 0.9432 CO₂e/sqft)</p>
	<p>Target 15.5:</p> <p>Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.</p>	<ul style="list-style-type: none"> Compliance with all Environmental Impact Assessments carried out by clients for Engineering and Construction projects ("EIA"). 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> Biodiversity <p>1. Replant 30% of felled trees or 500 trees per year (whichever lower).</p>	<p>● No tree planted in FY2023 due to no land clearing activity that necessitated replanting of felled trees.</p>
	<p>Target 16.5:</p> <p>Substantially reduce corruption and bribery in all their forms.</p>	<ul style="list-style-type: none"> 75% of Board of Directors received ABAC training. 	<p><i>Relevant Material Matter:</i></p> <ul style="list-style-type: none"> Ethical Business Conduct <p>1. Zero public legal cases regarding corruption brought against WCT or its employees.</p>	<p>● Zero incidents of corruption case brought to court in FY2023.</p>

Legend: Progress tracking

- Meeting target
- In the progress
- Falling short of target

SUSTAINABILITY STATEMENT

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MESSAGE FROM THE CHAIRMAN OF WCT'S BOARD RISK AND SUSTAINABILITY COMMITTEE

At WCT, we view sustainability as one of the core drivers of our business and is an integral component in generating long-term value creation. As we move forward, we are committed to enhancing our sustainability efforts, particularly in response to the urgent need to address climate related risks.

Our sustainability strategy aligns with our adopted UN SDGs and our Group's purpose of "Building Sustainable and Thriving Communities" as well as our goals of "Empowering People," "Protecting the Environment," "Enhancing Livelihoods," and "Embracing Responsible and Fair Business Practices," where we endeavour to create positive impacts that extend beyond our business.

In FY2023, we made progress in reducing our carbon footprint and placed a stronger emphasis on promoting a sustainable supply chain. Meanwhile, improved waste management, including recycling and hazardous waste reduction remain as key focus areas through our Landfill Waste Reduction Programme and used cooking oil recycling efforts from our shopping malls and hotels. Other Reduce, Reuse, and Recycle ("3R") practices on all construction sites continue to be emphasised.

Not only have we strengthened our emission data disclosures with the introduction of Scope 3 emissions concerning climate change since SS2022, but we have also enhanced our Task Force on Climate-related Financial Disclosures ("TCFD") in line with Bursa's latest requirements. In June 2023, the Senior Management and selected key employees of WCT Group attended an enlightening TCFD training. The training was aimed at building knowledge on the TCFD framework and identifying potential climate-related financial risks and opportunities at WCT.

Our Property Development Division has made great strides in incorporating sustainable design features in The Maple Residences development at WCity OUG. The development was awarded a provisional GreenRE Bronze Certificate in the Residential Category by GreenRE Sdn Bhd, exemplifying the Division's commitment to sustainable building practices.

Social impacts remain a priority, with efforts to benefiting local communities and improving occupational health and safety performance. Our Engineering and Construction Division's International Safety Award 2023 recognition from the UK's British Safety Council is a testament of our commitment to a safe and productive workforce. To reinforce our stand on respecting human rights and adopting good labour practices, we have developed the Human Rights Policy and Diversity, Equity and Inclusion Policy.

These efforts have paid off thus far, as we have retained our position as one of the constituents of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index in 2023.

Looking ahead, we remain dedicated to enhancing our environmental and social impacts while driving forward-looking developments. With your support, we are confident that we can continue to create value for our stakeholders and contribute to a sustainable future.

Dato' Ng Sooi Lin

Independent Non-Executive Director and Chairman of WCT Board Risk and Sustainability Committee

SUSTAINABILITY STATEMENT

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STAKEHOLDER ENGAGEMENT

As in previous financial years, FY2023 continued to see WCT engage its diverse stakeholder base throughout the year through a wide range of communication platforms and channels in order to maintain inclusivity of perspectives in WCT's value creation agenda.



Beyond assessment and prioritisation of material sustainability matters, engagement with stakeholders were on a wide range of matters and to achieve various objectives. Stakeholder engagement is guided by the Group's Stakeholder Engagement Policy. The Policy can be viewed here: https://www.wct.com.my/about/governance_and_policies/?c=stakeholder_engagement_policy.

Engaging stakeholders support the Board and Management in determining material sustainability matters for the Group by understanding how these individuals or groups can impact WCT's business model in terms of its capital, brand reputation and value creation

WCT notably held its FY2023 Annual General Meeting ("AGM") on 15 June 2023. The number of days between the date of notice, 26 April 2023, and date of the actual AGM is 51 days.





WCT views its stakeholders as individuals, entities, or organisations who are influenced by the Group's business model and its operations, and reciprocally, those who possess the ability to influence WCT's business model and operations.

STAKEHOLDER ENGAGEMENT AT WCT

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter	Outcomes / Values Created
1	 <p>Customers (including property developers, home buyers, shopping mall tenants and visitors, hotel guests and visitors, aircraft operators, airlines, business aviation and general aviation customers).</p>	<ul style="list-style-type: none"> Satisfaction surveys Suggestion boxes Social media Newsletters Campaigns Events, exhibitions and roadshows Mobile and email communications Company website Customer service concierge counters Virtual Property Gallery 	<ul style="list-style-type: none"> Compliance with product specifications and other deliverables Quality products and services Fair product pricing Products that meet customer's needs e.g., GreenRE, environmentally sound products Timely and responsive communication and actions - good customer service Demonstration of compliance obligations Conducive environment to conduct business Public safety and security Good housekeeping 	<ul style="list-style-type: none"> Product Safety & Quality Ethical Business Conduct Waste & Environmental Pollution Personal Data Protection Community Engagement Diversity, Equity & Inclusion Occupational Health & Safety 	<ul style="list-style-type: none"> Enhanced customer satisfaction by delivering improved customer service levels and response times. Organised attractive customer campaigns and promotions.
2	 <p>Employees</p>	<ul style="list-style-type: none"> Internal communications Virtual / Face-to-face meetings Performance reviews Code of Conduct and Ethics Interviews Community development programmes Conferences, seminars, and workshops Whistleblowing channel Employee Handbook Employee Satisfaction Survey 	<ul style="list-style-type: none"> Workplace safety and health Fair treatment of employees according to legal requirements and labour standards (mandatory and voluntary) Competitive remuneration (benefits) Training, guidance and support Equal opportunity and career development Diversity at the workplace, representation Secure employment Job satisfaction 	<ul style="list-style-type: none"> Human Rights & Labour Matters Workforce Learning & Development Occupational Health & Safety Diversity, Equity & Inclusion Contributing to the Economy Ethical Business Conduct 	<ul style="list-style-type: none"> A safe and comfortable workplace Enhanced employees' competency Volunteering opportunities




SUSTAINABILITY STATEMENT

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No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter	Outcomes / Values Created
3	 <p>Government body, regulatory authorities & local council e.g., Department of Safety and Health, Ministry of Health, Malaysian Public Works Department, Department of Environment, Malaysian Highway Authority</p>	<ul style="list-style-type: none"> Virtual / Face-to-face meetings Regular engagement for knowledge sharing Media releases Conferences / industry events Surveys Attending seminars and training sessions Site visit Machinery inspections (for plant and machinery operation approval purposes) Annual and quarterly audits 	<ul style="list-style-type: none"> Demonstration of compliance with respective authorities' requirements Supporting government policies and objectives Timely and responsive communication and actions Information sharing 	<ul style="list-style-type: none"> Ethical Business Conduct Human Rights & Labour Matters Community Engagement Occupational Health & Safety Personal Data Protection Waste & Environmental Pollution Contributing to the Economy GHG Emissions & Climate Change 	<ul style="list-style-type: none"> Displayed strong compliance with authorities' requirements
4	 <p>External goods and service providers e.g., contractors, sub-contractors, vendors, suppliers, consultants</p>	<ul style="list-style-type: none"> Virtual / Face-to-face meetings Annual supplier re-assessments Environmental and social performance surveys Responsible Supply Chain Policy 	<ul style="list-style-type: none"> Clear contract specifications Honouring contractual agreements e.g., prompt payment Fair treatment of workers according to legal requirements and labour standards (mandatory and voluntary) Fair price Timely and responsive communication and actions Continued business Support for enhancing resource capacity 	<ul style="list-style-type: none"> Ethical Business Conduct Contributing to the Economy Human Rights & Labour Matters Diversity, Equity & Inclusion 	<ul style="list-style-type: none"> Cost-effective and reliable delivery of goods and services Better understanding of suppliers' environmental and social performance
5	 <p>Investors, shareholders, analysts, & fund managers</p>	<ul style="list-style-type: none"> Quarterly briefings Virtual / Face-to-face meetings Conferences Media releases and interviews Annual reports and sustainability statement Company website 	<ul style="list-style-type: none"> Continued profitability and growth Product innovation to meet changing demands WCT's good image and reputation Compliance with ESG requirements for specific funds where applicable 	<ul style="list-style-type: none"> Contributing to the Economy Ethical Business Conduct GHG Emissions & Climate Change Human Rights & Labour Matters 	<ul style="list-style-type: none"> Regular engagement and meetings to deliver credible and consistent corporate messaging
6	 <p>Local communities and the general public e.g., resident associations, neighbouring communities, NGOs</p>	<ul style="list-style-type: none"> Town-hall meetings Community development programmes Media releases Social Media Sponsorships Complimentary event spaces Food Bank 	<ul style="list-style-type: none"> Avoid adverse impacts from operations to public safety, security, and the environment Avoid quality of life deterioration Participation in community programmes Timely and responsive communication and actions Support NGOs' objectives Participate in NGOs' programmes Potential job opportunities 	<ul style="list-style-type: none"> Community Engagement Contributing to the Economy Waste & Environmental Human Rights & Labour Matters GHG Emissions & Climate Change Biodiversity Water Use Specific to NGO 	<ul style="list-style-type: none"> Engagement with the local communities/ NGOs in need through community programmes and WCT Gives initiatives

SUSTAINABILITY STATEMENT

cont'd

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Matter	Outcomes / Values Created
7	 <p>Financial institutions e.g., lenders, insurers</p>	<ul style="list-style-type: none"> Virtual / Face-to-face meetings Product presentation 	<ul style="list-style-type: none"> Manage risks to ensure financial soundness (physical and reputational risks) Honouring borrowing terms and conditions Timely and responsive communication and actions 	<ul style="list-style-type: none"> Contributing to the Economy Ethical Business Conduct Product Safety & Quality GHG Emissions & Climate Change Human Rights & Labour Matters 	<ul style="list-style-type: none"> Improved corporate credibility
8	 <p>Industrial affiliates e.g., Construction Industry Development Board, Real Estate & Housing Developers' Association, Malaysia Shopping Malls Association, Malaysian Association of Hotel Owners, universities</p>	<ul style="list-style-type: none"> Surveys Conferences Interviews Virtual / Face-to-face meetings Industrial collaboration programmes 	<ul style="list-style-type: none"> Demonstration of compliance obligations Knowledge sharing Adherence to affiliates' charter/code Timely and responsive communication and actions Active participation in affiliates' initiatives 	<ul style="list-style-type: none"> Specific to industrial affiliate 	<ul style="list-style-type: none"> Displayed strong compliance, obligations, and commitment as an industry player Lend support to research projects by education institutions
9	 <p>Media</p>	<ul style="list-style-type: none"> Community development programmes Media releases Advertising Conferences 	<ul style="list-style-type: none"> Timely and accurate communication Responsive to queries 	<ul style="list-style-type: none"> Ethical Business Conduct Specific to communicated information 	<ul style="list-style-type: none"> Enhanced communication with the larger community on our sustainability efforts and performance
10	 <p>JV & Business Partners</p>	<ul style="list-style-type: none"> Virtual / Face-to-face meetings 	<ul style="list-style-type: none"> Honouring terms and conditions Continued business opportunities 	<ul style="list-style-type: none"> Contributing to the Economy Ethical Business Conduct 	<ul style="list-style-type: none"> Displayed strong compliance and obligations as a business partner

SUSTAINABILITY STATEMENT

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STAKEHOLDER ENGAGEMENT HIGHLIGHTS

With Government Body, Regulatory Authorities and Local Council



On 28 February 2023, WCT's LRT3 GS02 & GS03 project team organised the Safety, Health, and Environment Campaign 2023 at its project site. The event was officiated by Tn Hj Zulkifly bin Sulaiman, Timbalan Pengarah (Operasi), Department of Safety and Health (DOSH) Selangor. The event was aimed at engaging the relevant stakeholders and local authorities, raising awareness on health and safety practices at the construction site and in celebration of the project site's achievement of 1.9 Million Safe Man-Hours without Lost Time Injury (LTI).



On 4 April 2023, WCT engaged with the CIDB Quality Division – Technology Development Sector to provide guidance and knowledge sharing in relation to the areas of Quality, Safety and Health as well as Environment and Sustainability in the construction industry.

This meeting held on 23 May 2023 saw WCT engage the DOSH of Wilayah Persekutuan Kuala Lumpur to have a deeper understanding of the necessary legislative compliance and OHS management at WCT's project sites, in line with the National and State DOSH Zero Incident Vision and Master Plan 2025.



SUSTAINABILITY STATEMENT

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On 13 June 2023, WCT had a meeting with the Department of Environment (DOE), similar to the one that was held with DOSH earlier, to obtain a deeper understanding of the relevant legislative compliance needed at the Group's project sites. In addition, WCT aims to collaborate with DOE Selangor as a strategic partner in environmental-related events and campaigns which aligns with the Engineering and Construction Division's QESSH policy.

WCT's Property Development Division had an engagement with the fire department from Balai Bomba dan Penyelamat Sri Petaling for Emergency Drill Exercise on 31 October 2023 at WCity OUG to:

1. Evaluate the effectiveness of the Emergency Response Team at the project site in terms of communication, knowledge and their roles and responsibilities during the emergency.
2. Educate the workers and help them to be more aware of any potential emergency occurrences at the project site.



WCT was honoured to be one of the strategic partners at the Hari Profesion Teknikal Negara ("HPTN") 2023 organised by the Malaysian Public Works Department held at Dewan Damar Sari, Putrajaya from 4-5 December 2023. Apart from showcasing its Engineering & Construction's expertise and achievements, the event provided WCT with a platform to engage with government and private sector professionals, members of the public and representatives from local universities.

SUSTAINABILITY STATEMENT

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With Workers



A CEO Engagement Session involving more than 200 foreign workers was held at WCT's Kayu Ara Centralised Labour Quarters (CLQ) to understand the challenges faced by the workers at the CLQ and construction site. Through this fruitful session, WCT aimed to enhance the welfare of the workers while aligning them with the company's direction, and Sustainable Procurement Policy.

With Customers



WCT's Property Development and Property Investment and Management Division regularly organised events for its customers. These events aimed to showcase and update customers on its latest offerings and allowed customers to interact and stay connected with WCT. In 2023, WCT customers were invited to participate in the Mid-Autumn Festival at WCity OUG Sales Gallery and Paradigm Mall PJ respectively.

With Local Communities (Schools)

WCity OUG project team actively engages with Sekolah Kebangsaan Seri Indah, OUG KL during on-going construction works to ensure minimal disruption to the school sessions. In 2023, WCT donated RM165,819.37 to the school to fund the school's activities and programmes and support the general upkeep of the school's facilities. This initiative was part of the 'WCTGives' Corporate Social Responsibility efforts to support local community services and infrastructure.



SUSTAINABILITY STATEMENT

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With Media and Business Partners



Throughout the year, WCT organised media events to keep the media updated on the Group's happenings. Apart from media events, press releases are circulated to update the media on the Group's financial performance on a quarterly basis.



In ushering the festive seasons in January and April 2023, the Group's retail malls unveiled its Do It 过好年 Chinese New Year celebration theme in collaboration with 988 Chinese Radio Station, as well as its Warnai Raya festive celebration theme in partnership with SuriaFM Station and Tourism Malaysia. These events took place, respectively, at Paradigm Mall Petaling Jaya, Paradigm Mall Johor Bahru, gateway@klia2 and SkyPark Terminal.

SUSTAINABILITY STATEMENT

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MATERIALITY

In 2021, WCT undertook its first comprehensive materiality assessment which involved identifying any significant impact the Group may have to the environment, economy and society, as well as understanding our internal and external stakeholders' views to determine our material matters. 19 material matters were approved by the Senior Management in the Group Sustainability Committee and the Board of Directors in the Board Risk and Sustainability Committee. These material matters remained relevant throughout 2021 and 2022 as WCT worked towards implementing its strategy to address them.

In FY2023, WCT carried out a review of its material matters to align with current socioeconomic circumstances.

The review process is shown here:



In the future, WCT hopes to further enhance its materiality processes by garnering feedback from a wider range of stakeholders towards developing a more inclusive and comprehensive perspective of its material matters.

SUSTAINABILITY STATEMENT

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MATERIAL MATTERS

The following table lists WCT's prioritisation of its material matters in tiers.

Material Matters (listed in alphabetical order):	
Ethical Business Conduct GHG Emissions & Climate Change <i>(includes "Energy")</i> Human Rights & Labour Matters <i>(previously "Respect for Human Rights" and "Employee Welfare")</i> Occupational Health & Safety Personal Data Protection Product Safety & Quality <i>(previously "Product Safety" and "Product Service Quality")</i>	Tier 1 - Greatest potential for WCT to have an impact
Contributing to the Economy <i>(previously "Economic Contribution to Stakeholders" and "Local Sourcing")</i> Responsible Sourcing & Supplier Management <i>(previously "Materials")</i> Waste & Environmental Pollution <i>(previously "Waste" and "Pollution")</i> Water Use <i>(previously "Water")</i> Workforce Learning & Development <i>(previously "Learning & Growth")</i>	Tier 2 - High potential for WCT to have an impact
Biodiversity <i>(previously "Biodiversity Loss")</i> Community Engagement <i>(previously "Local Community & Wellbeing")</i> Diversity, Equity & Inclusion <i>(previously "Diversity, Equality & Inclusion")</i>	Tier 3 - Moderate potential for WCT to have an impact

SUSTAINABILITY STATEMENT

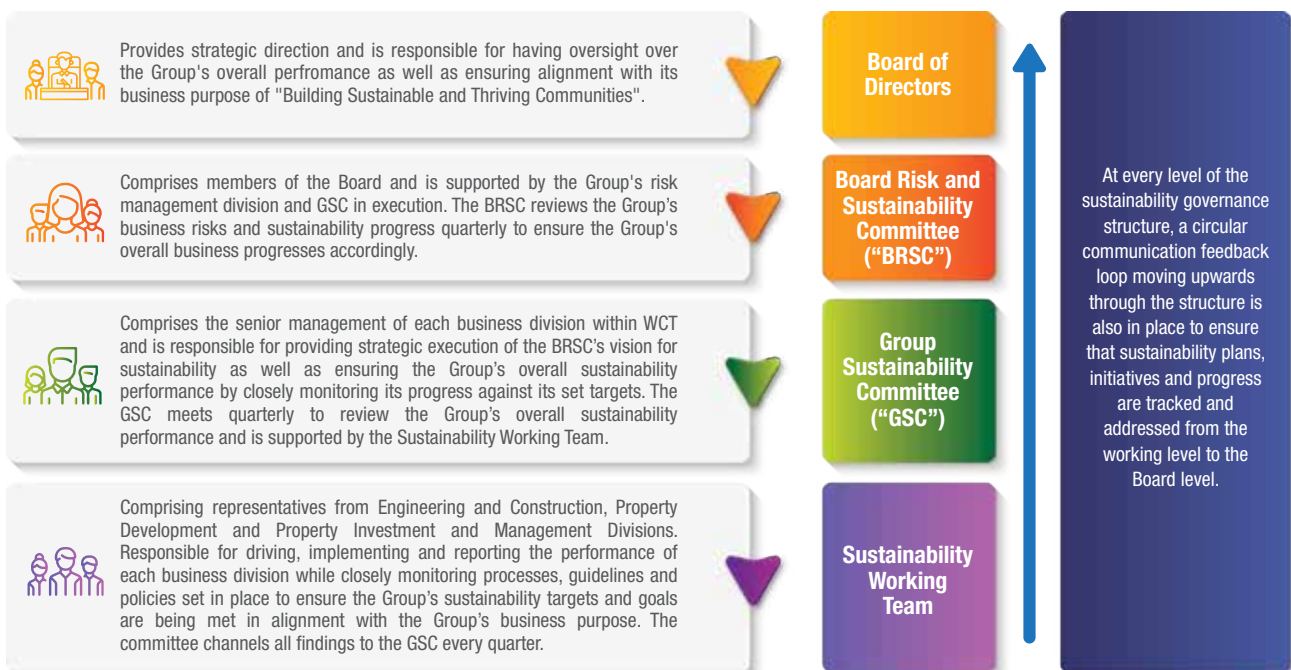
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SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE STRUCTURE

Sound governance is at the core of driving WCT's sustainability strategy across the organisation. Bursa's climate-related disclosures and TCFD Recommendations which have been cascaded to all listed issuers, mark an increasing importance in forging good governance on sustainability-related and climate-related matters.

In WCT, sustainability is integrated into the Group's overall corporate governance structure. This ensures the sustainability agenda is given sufficient oversight by the Board and Management. This approach allows for sustainability concerns to be given due consideration at the organisation's highest decision-making level.



WCT has applied all sustainability practices (as stipulated in Practices 4.1 and 4.25) and adopted Practice 4.5 of the updated Malaysian Code of Corporate Governance 2021 ("MCCG 2021"). The WCT Corporate Governance Report which provides information on how WCT has met these and other practices, is provided here:

https://www.wct.com.my/about/governance_and_policies/?c=corporate_governance.

While the entire Board bears the ultimate responsibility for WCT's sustainability performance, the BRSC holds a prominent position in advocating for the sustainability agenda. This committee convenes quarterly and is tasked with the responsibility of reviewing the Group's business risks and sustainability progress to ensure the Group's overall business and sustainability agenda progresses smoothly.

The BRSC, comprising five Independent Non-Executive Directors is responsible to oversee sustainability-related risks and therefore has the strong support of the Group's risk management division.

This sustainability governance structure bolsters sustainability considerations to be incorporated in the Group's businesses and strategies to create value for the businesses and our stakeholders in the long term, as well as to ensure business continuity and competitiveness.

Further details on the Board's role in driving good corporate governance across WCT is in the Corporate Governance Overview Statement in this annual report; or in the standalone Corporate Governance Report available at: https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=corporate_governance.

SUSTAINABILITY STATEMENT

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SUSTAINABILITY AND BOARD PERFORMANCE

The Board is presently exploring methods to enhance its performance assessment process by integrating relevant criteria, which includes the achievement of significant sustainability-related KPIs. This idea is currently in the examination phase to assess its potential impact on other policies, such as the Remuneration Policy.

BOARD DIVERSITY

The Group maintains its commitment to promoting diversity within its Board by appointing individuals from a variety of professional backgrounds, experiences, and skill sets. This diversity of expertise, talents, and capabilities strongly cultivates a broader range of perspectives and insights that ultimately lead to improved top-level decision-making.

At the same time, WCT aligns with the Malaysian government's aspirations and follows the MCCG 2021 guidelines, which aim to have a minimum of 30% women directors on the boards of publicly listed companies. Therefore, the 30% target remains a significant factor in the selection of new Board members. As of FY2023, the proportion of women directors on the Board stands at 12.5%.

Board Composition (Ethnicity) (%)	FY2021	FY2022	FY2023
Bumiputera	30%	37.5%	37.5%
Chinese	70%	62.5%	62.5%
Board Composition (Gender) (%)	FY2021	FY2022	FY2023
Female	10%	12.5%	12.5%
Male	90%	87.5%	87.5%
Board Composition (Age) (%)	FY2021	FY2022	FY2023
60 to 69 years old	80%	25%	50%
70 to 80 years old	20%	75%	50%
Board Composition (Disability) (%)	FY2021	FY2022	FY2023
Non-disabled	100%	100%	100%
Disabled	0%	0%	0%

ESG RISK MANAGEMENT

WCT's Board acknowledges its overall responsibilities in establishing a sound system of risk management and internal control as well as reviewing its adequacy and effectiveness to safeguard shareholders' investments and the Group's assets. This includes pertinent sustainability related risks as well as and ESG risks that can affect the Group's financial standing or reputation.

Transparency in reporting the Group's risk management system is enhanced through the utilisation of frameworks such as GRI, FTSE4Good and the ISO 31000 Risk Management Standard.

Among the staple risks that the Group Risk Management Department ("GRMD") addresses, ESG risks are being increasingly considered across all WCT's divisions. Notably in FY2023, GRMD conducted a risk assessment on all sustainability material matters with the risk owners of all business divisions. The Economic, Environment, and Social ("EES") risk register containing 97 EES risk was deliberated by the Risk Management Committee and accepted by BRSC.

The Board also has oversight over the Group's Code of Conduct and Ethics. The Senior Management and Heads of Division are also responsible in overseeing the effectiveness of the Code of Conduct and Ethics.

When it comes to potential non-compliance, the Group approaches it by enacting its control procedures in place, which allows it to investigate, follow up and address any issues or uncertainties that may arise at project sites. More information on non-compliance matters may be read in the Regulatory Non-Compliance section of SS2023.

WCT updates its risk register as needed and will ensure to further drive sound ESG risk management within the Group. More information on risk management can be found in WCT's Statement of Risk Management and Internal Control in the AR2023.

SUSTAINABILITY STATEMENT

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UPHOLDING ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY

WCT has established a Code of Conduct and Ethics, which outlines the standards and expectations for all employees to follow while carrying out their responsibilities. Essentially, this Code defines what constitutes unacceptable behaviour or practices that none within the Group should emulate.

Furthermore, the Group's directors are expected to adhere to this Code based on principles of honesty, integrity, responsibility, and corporate social responsibility. The Code is designed to elevate the level of corporate governance and behaviour, with the goal of fostering ethical conduct among directors rooted in trustworthiness and universally-accepted values.

Additionally, the Code aims to uphold a sense of responsibility and social responsibility in alignment with relevant legislation, regulations, and guidelines governing corporate governance. The Code is available in English and can be accessed online. WCT also has plans to translate the Code into other languages in the future to ensure all employees fully understand the Group's expectations and help support the creation of an ethical workplace.

WCT EMPLOYEE HANDBOOK

To ensure a holistic understanding of WCT's Code and policies, all staff members receive an Employee Handbook. This handbook is readily available for download through the Group's intranet portal, ensuring that employees have convenient access to the information they need. The handbook's purpose is to provide detailed information about the company's policies, procedures, and guidelines, thereby promoting a clear understanding of the expectations placed upon staff members.

To enhance communication clarity and make the Group's Employee Handbook more accessible and inclusive, it has been translated into relevant languages, including Bahasa Melayu. These translations aim to facilitate easier access to the handbook.

WCT CORPORATE POLICIES

WCT has a list of corporate governance statements and policies that complement the Code of Conduct and Ethics. These policies aim to strengthen good corporate governance practices, promote transparency, accountability, integrity, professionalism, anti-corruption, equality, and diversity in the workplace.



In addition to employees, all relevant external stakeholders such as suppliers and contractors are required to adhere to these policies, including the respective division's Environmental, Quality, and Safety & Health Policies. By doing so, corporate governance is reinforced across the Group's value chain. Further details on our policies can be accessed on our official company's corporate website at https://www.wct.com.my/about/governance_and_policies/?c=corporate_governance.

SUSTAINABILITY STATEMENT

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ZERO-TOLERANCE APPROACH TO BRIBERY AND CORRUPTION

Since FY2020, WCT has implemented its Anti-Bribery and Anti-Corruption ("ABAC") Policy and SOP throughout the organisation, in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Board oversees the ABAC Policy, which is subjected to regular review to ensure its effectiveness in line with changes in the operational environment. The ABAC Policy can be accessed via WCT's corporate website at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=anti_bribery_policy.

The ABAC Policy offers a precise definition of corrupt acts and stringently prohibits their occurrence in any form. It also states the repercussions that will be imposed on employees and other stakeholders who engage in corrupt activities. Furthermore, the ABAC Policy makes it clear that commercial organisations will be held responsible for any bribery or corrupt activities, with individuals and groups within the Group, such as directors, employees, service providers (including consultants, advisors, suppliers, and agents), bearing liability.

The ABAC Policy encompasses a wide range of behaviours that constitute bribery and corruption, including commissions, incentives, unofficial payments, gifts and entertainment, political contributions and donations, gratuities, charitable support as well as other specified activities.

To ensure that the ABAC Policy is well-understood, it has been translated into Bahasa Melayu and Mandarin and is accessible by the general public, including service providers on the corporate website and intranet portal for employees. Apart from the corporate website, WCT endeavours to communicate the ABAC Policy with its supply chain through a clause in contracts and service agreements.

MAINTAINING STRONG CORPORATE INTEGRITY

WCT is dedicated to continually upholding its strong corporate integrity management. A core component of WCT's efforts in this ongoing commitment is the Group Integrity Unit ("GIU"), established in FY2022, which oversees four primary functions: Governance, Complaint Management, Detection and Verification, and Integrity Enhancement.

The GIU tracks and monitors reported corruption incidents and the number of anti-corruption training sessions conducted for employees and the Board. The GIU operates under an Integrity Management Framework ("IMF") developed based on the following principles:



The IMF complies with the relevant bribery and corruption laws of the Government of Malaysia. The enforcement of the IMF has the support of the Board, BRSC, Deputy Managing Director, ABAC Officer and Manager - Integrity.

In accordance with the ABAC Policy and in alignment with the Guidelines on Adequate Procedures ("Guidelines") issued by the Prime Minister's Department, GIU undertakes due diligence procedures for contracts with purchase value of more than RM100,000.00 to evaluate the integrity of service providers. The Guidelines strongly recommends that any commercial organisation establish key considerations or criteria for conducting Integrity Due Diligence ("IDD") prior to formalising business relationships. The add aims to fortify Group-wide internal controls and procedures to reduce and mitigate corruption risks.

SUSTAINABILITY STATEMENT

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ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING

Since FY2020, 1,453 employees of WCT have received anti-bribery and anti-corruption training, including the Board of Directors, management personnel as well as executive and non-executive employees across the Group. All employees, including new employees are given a comprehensive introduction to the Group's Anti-Bribery Management Systems ("ABMS"), including the Group's Whistleblowing system. The training covers an introduction to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, guidance on common forms of bribery and corruption, as well as compliance to elements in the TRUST (Top-level commitment, Risk assessment, Undertake control measures, Systematic review, monitoring and enforcement, Training and Communication) principles to provide adequate procedures as guided by the Malaysian Anti-Corruption Commission ("MACC") for commercial organisations.



On 29 December 2023, the GIU conducted its inaugural ABAC engagement with the management team of the newly opened Hyatt Place Johor Bahru Paradigm Mall. The session provided the team with an overview of WCT's ABAC practices and an ABAC training session. The session ended with a declaration of integrity by the attendees of the session.

Employees That Have Received Training on Anti-Corruption by Employee Category (Cumulative Since 2020)	Percentage	Total Number
Board of Directors	75%	6
Top Management	42%	8
Senior Management	74%	70
Middle Management	72%	236
Executive	98%	797
Non-Executive	79%	336
Total	-	1,453

The Group constantly strives for all employees to attend ABAC-related training. Maintaining acute awareness of ABAC ethics is crucial for ensuring that the organisation operates ethically and complies with relevant laws and regulations. As with any company, the natural hiring and attrition trends of WCT throughout the year may mean that not every employee during the financial year may have had the opportunity to attend our ABAC-related training. Given this scenario, the Group aims to increase the level of training and to cascade anti-corruption training to all employees at all organisation levels eventually on an ongoing basis via annual ABAC refresher courses.

COMMUNICATION OF ANTI-CORRUPTION AWARENESS

Anti-bribery and anti-corruption materials continue to be disseminated within the workplace through internal communication channels. These include bulletin boards, WCT's corporate website, e-mails, intranet portal, teleconferencing technology, and verbal reminders from peers and respective Heads of Department ("HODs").

In addition, ABAC information has been communicated to all employees and workers through the way of providing pamphlets and putting up posters at approximately 45 locations as of 2023. These locations include management and site offices, sales galleries, terminal lounges as well as project sites.

SUSTAINABILITY STATEMENT

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Throughout FY2023, anti-corruption matters have been effectively communicated to all office employees via email, with the following content:

Description
Gifts & Entertainment - Chinese New Year & Thaipusam (Open House) Invitation and Festive Gifts
WCT Holdings Berhad ABAC Policy
Iftar Ramadhan & Hari Raya Aidilfitri (Open House) Invitation and Festive Gifts
ABAC Gifts and Entertainment Deepavali Open House Invitation and Festive Gifts
National Integrity Day - Integrity e-poster
International Anti-Corruption Day
Hyatt Place Johor Bahru Paradigm Mall ABAC Engagement
Gift & Entertainment - Christmas Invitation and Festive Gifts

In conjunction with the National Integrity Day, the GIU organised an Integrity e-Poster competition where the e-Poster which best embodies the spirit of integrity was selected as the winner.



SUSTAINABILITY STATEMENT

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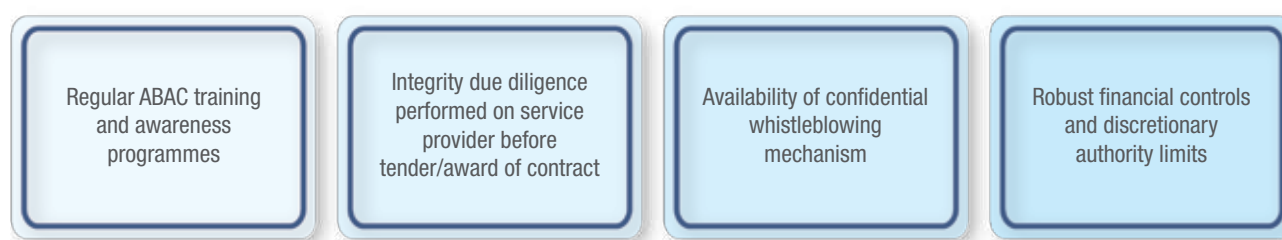
IDENTIFICATION OF OPERATIONS WITH POSSIBLE HIGHER RISK FOR CORRUPTION

A comprehensive group-wide Corruption Risk Assessment ("CRA") was conducted internally by GIU with all business divisions and 100% of operations were assessed for risks related to corruption. The CRA involves evaluating the likelihood and potential impact of corrupt practices within the business operation, as well as in its interaction with external stakeholders.

The assessment identified 206 giving and receiving bribery risks scenarios. Based on the scenarios, the likelihood and potential impact of the risks were evaluated. It was concluded that, with robust controls and preventive measures in place, coupled with the Group's IDD practice, ABAC policy and training, there were zero significant risks related to corruption. The Group saw a reduction in significant risks related to corruption as compared to FY2021 and FY2022 because the knowledge and understanding on corruption related risks, as well as the methodology of risk identification by the respective business divisions have improved significantly following the regular awareness and training conducted by GIU.

	FY2021	FY2022	FY2023
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Significant risks related to corruption identified through the risk assessment	152	152	0

As always, the Group takes additional preventive measures to increase stronger vigilance in its departments, including:



In FY2023, the Group recorded zero confirmed incidents of corruption. No cost of fines, penalties or settlements was incurred in relation to corruption. WCT will continue to conduct ABAC training sessions and awareness to all employees.

	FY2021	FY2022	FY2023
Confirmed incidents of corruption (including any official public cases involving the Group or its employees)	0	1	0
Actions taken on confirmed incident(s) of corruption	0	1	0
Cost of fines, penalties or settlements in relation to corruption	0	0	0

The Group continues to target to achieve zero public legal cases regarding corruption brought against WCT or its employees.

MANDATORY TENDER PROCESS FOR AWARDING OF CONTRACTS

WCT typically requires a tender process with multiple bids received for substantial contract awards. However, exceptions to this rule may be made for specific situations, such as jobs that require specialist or critical trades, and only with the approval of Management for direct negotiation. WCT follows best practices outlined in its management system procedures in this regard.

Any individual or group found to be in violation of WCT's ABAC Policy or engaged in acts of bribery and corruption will face stringent disciplinary actions, including the possibility of employment suspension or termination.

Furthermore, legal action may be initiated against offenders, which may involve reporting them to relevant authorities, such as Polis Diraja Malaysia ("PDRM"), the MACC, and other appropriate bodies.

SUSTAINABILITY STATEMENT

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WHISTLEBLOWING MECHANISM

To encourage employees and other stakeholders to report any instances of misconduct, wrongdoing, corruption, fraud, or abuse of power, WCT has put in place a whistleblowing procedure.

Anyone who wishes to make such a report can do so through an online form available on the company's corporate website, by sending an email to whistleblower@wct.my, or by mailing the Chairman of the Audit Committee at the following address:

Audit Committee Chairman

WCT Holdings Berhad

B-30-01, The Ascent, Paradigm

No. 1 Jalan SS7/26A, Kelana Jaya

47301 Petaling Jaya Selangor.

Tel: 03-78066688 / Fax: 03-78066633

After receiving the report, the Chairman of the Audit Committee will handle it and pass it through appropriate channels for further review and investigation.

The identity of the whistleblower will be kept confidential throughout the entire process of submitting the report, as well as during and after subsequent investigations, except when required by law or for the purpose of legal action taken by or against the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

WCT considers significant instances of non-compliance to be situations where an organisation fails to adhere to important or critical laws, regulations, standards, or policies that can have a substantial impact on affected parties, society, or the environment. Such instances can lead to severe consequences, including legal and financial penalties, reputational damage, and harm to individuals or society.

WCT aspires to achieve its target of maintaining zero significant instances of legal non-compliance on environmental pollution leading to fines or non-monetary action from authorities. This target encompasses activities that may cause air, water or soil pollution in a manner that poses a threat to public health or the environment.

In FY2023, WCT continues to uphold the highest hygiene standards at its project sites and has maintained a high level of regulatory compliance. However, there were several minor incidents of non-compliance across the Engineering and Construction Division and Property Development Division. The Group therefore paid RM16,800.00 in fines and penalties for regulatory non-compliance in FY2023.

These were mostly due to water ponding at sites after unexpected heavy rainfall that caused aedes larvae to be discovered at some sites. These sites have been immediately cleared of water ponding and the Group continues to heavily prioritise ongoing efforts to ensure there are zero aedes larvae breeding grounds remaining at its sites at all times.

More stringent actions including ensuring proper drainage on sites, frequent mosquito fogging at sites, establishing a dengue vector control programme, patching up of potholes, educating workers on site hygiene, and carrying out larvaciding activities were also taken to address the non-compliances.

When it comes to its contractors and consultants, the Group always aims to ensure that contractors or consultants have not violated regulations, and that any transgression from them would lead to punitive action taken by the Group. The Property and Development Division received one such notice of non-compliance related to violation of rules prohibiting work on public holidays, which the Group swiftly remedied by strongly reminding contractors to comply with all related legal requirements and rules as stipulated by the local authority.

On a separate note, WCT has proudly maintained zero incidents of non-compliance regarding labour matters.

APOLITICAL STANCE

WCT remains an apolitical organisation and did not provide any financial assistance to political parties in FY2023. The Group refrains from engaging in political activities or endorsing any political stance. WCT respects the freedom of association and allows its staff, value chain partners, and other stakeholders to join or support political parties, civil societies, or non-governmental organisations ("NGOs") that are legally recognised. WCT upholds the right of citizens to vote according to their convictions.

Exceptions are made when it comes to supporting government-led charitable causes or sponsored event that positively impact the community and society.

SUSTAINABILITY STATEMENT

cont'd

ECONOMIC PERFORMANCE

The Group intends to continue serving as a catalyst for socioeconomic development where it operates in alignment to our goal of Enhancing Livelihoods. This is achieved through the creation of financial value for stakeholders as well as other socioeconomic multiplier effects.

These same principles apply in terms of mitigating environmental impacts and addressing climate change concerns. For example, replacing and installing conventional lighting with LED lightbulbs for energy saving that would require upfront investment costs but could reduce emissions and provide tangible returns in the long run. Improved financial performance enables a greater distribution of wealth to stakeholders, including shareholders and investors, employees, charitable organisations, NGOs, and others.

Here is an overview of WCT's FY2023 economic performance:

INDICATOR	FY2021	FY2022	FY2023
Group revenue (RM'000)	1,699,688	2,104,868	1,727,349
Group profit/(loss) before tax (RM'000)	277,875	139,343	(177,760)
Group profit/(loss) after tax and minority interests (RM'000)	97,245	128,675	(254,148)
Shareholders' funds (RM'000)	2,989,756	3,138,699	2,896,518
Total assets (RM'000)	8,228,970	8,303,744	8,667,617
Cash and bank balances (RM'000)	283,691	233,796	414,690
Earnings/(Loss) per share (sen)	6.90	9.08	(17.93)
Market capitalisation (RM'000)	722,790	566,894	701,531
Dividends (sen)	0.50	0.50	-

Detailed information regarding the Group's financial performance and the direct economic values generated can be found in the Management Discussion and Analysis section of AR2023.

ECONOMIC VALUE CREATED AND DISTRIBUTED TO STAKEHOLDERS

WCT generates and distributes a wide range of economic value to its stakeholders given its adherence to a responsible business model, as shown in this table here:

INDICATOR	FY2021 RM ('000)	FY2022 RM ('000)	FY2023 RM ('000)
Payments to Directors, Employees and Workers (Salaries, Wages and Emoluments)	149,329	149,754	168,328
Changes in Payables	341,983	(67,586)	(238,202)
Government (Income Tax)	42,800	70,197	(632)
Returns to Shareholders (Dividends)	7,086	7,086	-
Repayment to Financiers	552,376	1,244,840	1,845,018
Monies Distributed for Community Development (CSR, infrastructure development and societal contributions, etc.)	2,823	3,355	2,881

SUSTAINABILITY STATEMENT

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RESPONSIBLE SOURCING AND SUPPLIER MANAGEMENT

WCT is dedicated to responsible sourcing, supporting local supply chains wherever it operates, working with and developing with them wherever possible. This approach not only supports WCT's value creation strategy but also enhances efficiency and productivity.

The benefits of WCT engaging in local procurement include:



WCT's management approach to procurement is reinforced by Sustainable Procurement Policy, Responsible Supply Chain Policy, WCT Material Use Policy, and Supplier Code of Conduct, all of which are available for viewing on the company's corporate website at https://www.wct.com.my/about/governance_and_policies/.

These policies requires all companies within the Group to prioritise local procurement, except when goods or services cannot be sourced locally or when the desired level of quality or expertise is not available. Thus far, almost 100% of WCT's requirements are sourced locally.

Procurement Sources: Local vs Foreign (%)	FY2021	FY2022	FY2023
Local	99.0%	99.63%	99.08%
Foreign	1%	0.37%	0.92%

Supplier Composition: Local vs Foreign (%)	FY2021	FY2022	FY2023
Local	98.38%	99.06%	99.50%
Foreign	1.72%	0.94%	0.50%

Note:

1. Engineering and Construction Division purchases encompass those that are purchased by its procurement department. It does not include purchases by subcontractors.
2. Property Development Division's purchases come under subcontractors.

ENVIRONMENTAL AND SOCIAL COMPLIANCE AND PERFORMANCE ACROSS THE SUPPLY AND VALUE CHAIN

WCT is committed to promoting sustainability across its supply chains by encouraging an ethical base of goods and service providers who share the Group's business philosophy and sustainability approach. This is because some 80% of social and environmental impacts occur in the supply chain of companies.

With that in mind, WCT encourages its suppliers and subcontractors to cooperate with the Group towards increasing adoption of its principles by suppliers. The Group's Sustainable Procurement Policy (full policy at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=sustainable_procurement_policy) addresses the following aspects but are not limited to environmental and social matters such as:

Circular economy	Climate change and emissions	Energy consumption	Water consumption
Biodiversity	Human rights principles	Waste management	Materials used
Health and safety	Child labour and forced labour	Non-discrimination and equal opportunity	Freedom of association and collective bargaining
Minimal community disruption	Local procurement	Training and development	Prevent slavery and bondage labour

SUSTAINABILITY STATEMENT

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The following are the conduct, business practices and general principles by which suppliers must abide by in order to be eligible to bid for WCT contracts, as per our Supplier Code of Conduct (full policy at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=supplie_code_of_conduct):

CAUSE NO HARM TO THE ENVIRONMENT

- To comply with all applicable environmental, health and safety regulations.
- To promote safe and environmentally sound products and services.
- To adopt and implement suitable management systems in ensuring quality and safety standards in our products and services.
- To produce goods and services without causing harm, disturbance or hazard to the public at large.
- To strive to use non-renewable resources efficiently and apply energy-efficient, environmentally sound technologies.
- To reduce the generation of waste and promote a circular economy where possible.
- To reduce emissions and discharges to air, land and water.
- To prevent negative impacts on biodiversity, climate change and water scarcity.

ADVANCE SOCIAL WELL-BEING

- To advance internationally proclaimed human rights, avoid forced labour (including modern-day slavery and human trafficking), child labour and excessive working hours.
- To promote freedom of association and the right to collective bargaining in accordance with applicable laws.
- To accord due respect to employees and provide a workplace free of harassment, abuse of any kind, harsh or inhumane treatment, unlawful practices and discrimination.
- To implement a suitable grievance mechanism to enable workers to speak up against unlawful workplace practices.
- To comply with the provisions of the law with respect to employment and living conditions.

ETHICAL BUSINESS CONDUCT

- To comply with all domestic laws and regulations in the jurisdiction of your operations and advance international laws and regulations where applicable.
- To support all activities to promote a free market economy and open competition.
- To promote ethical business practices at all times.
- To prohibit all types of bribery, corruption and money laundering.
- To not give and/or receive any inducement and/or gifts corruptly, in order to give, obtain or retain any business or advantage, in the course of conducting business.
- To ensure privacy and confidentiality of all confidential information received in the course of conducting business with WCT.

These social and environmental policy commitments for our suppliers are communicated globally to all our suppliers. And as part of our purchasing policy and overall supplier contract negotiations, our supplier policy is communicated during the tender process and within the contract with the Supplier Code of Conduct attached to the contract for all our suppliers to acknowledge before an agreement is made.

Part of WCT's focus in ensuring sustainable procurement is to assess its supply chain with increased scope and frequency going forward. FY2023 saw WCT commencing preliminary engagements with its suppliers to create awareness on its various related corporate governance policies and Code of Conduct, and the Group also carried out the supplier assessment.

In April 2023, WCT conducted its risk-assessment based supplier survey, known as the Environmental and Social Assessment ("E&S Assessment"), with a total of 139 suppliers from Engineering and Construction and Property Development Divisions. Out of the 139 suppliers, 120 suppliers responded and participated in the survey. The majority of the suppliers had fared better in the social aspect as compared to environmental aspects. The results from the assessment had allowed WCT to identify key suppliers that are associated to higher risks, which require capacity building in environmental and social aspects. WCT endeavours to engage the remaining of the suppliers for the financial year ended 31 December 2024.

WCT has the right to conduct audits or assessments to ensure its supplier's compliance and will take appropriate steps regarding the relationship with the supplier if there is a reason for concern. These steps include discontinuing any relationship for non-adherence to international principles, failure to correct violations or displaying patterns of non-compliance with these standards.

SUSTAINABILITY STATEMENT

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WCT also has processes in place when engaging with our larger value chain of tenants and local communities regarding social issues. For example, our tenants at gateway@klia2 have been provided the Safety, Health and Environment Manual and also have the Safety and Health Policy in place for tenants to follow accordingly.

Moreover, all WCT shopping malls conducts for its tenants' periodic safety & hygiene inspections, memo issuance on safety and security (pertaining to any breaches of safety standards or issues requiring the attention of tenants), as well as health and safety briefings to new tenants conducting renovation or refurbishment works.



For local communities, WCT remains keen to support local suppliers within the geographical vicinity of its business operations to promote economic activities of the community. Additionally, WCT suppliers must ensure that there is minimal disruption to the local community due to their business activities with WCT.

COMMUNITY INFRASTRUCTURE AND SERVICES SUPPORTED

WCT maintains a steadfast commitment to supporting community services and infrastructure through a range of initiatives, even shouldering the cost of developing public amenities. Drawing upon its construction expertise, the Group contributes essential infrastructure that is accessible to the public and serves the broader community.



At the end of 2021, WCT's Property Development Division commenced work on upgrading the sewerage system at Bandar Parklands, Klang (Parklands Gravity Sewerage), as part of WCT's efforts to improve the community's sewerage infrastructure. Bandar Parklands, Klang, was launched in 2005 and is an integrated township comprising bungalows, semi-detached houses, terraced houses, shop offices, including the Rumah Selangorku projects. The upgrading works involve changing the current vacuum sewerage system to a more efficient, gravity sewerage system for the benefit of the residents and surrounding community. The works are due to be completed in early 2024.

PRODUCT SAFETY AND QUALITY

WCT's various business divisions strive to achieve and maintain compliance with product safety and quality standards, including ISO 9001:2015 standard and relevant food safety systems.

The Engineering and Construction and Property Development Division prioritises work quality, project timeliness, customer service levels, work coordination, project and site management skills, safety and health, and environmental compliance at all project sites. Both divisions underwent the necessary Management System internal audits on quality, environment, safety and health as well as SIRIM QAS audits and there have been no major non-conformities in both types of audits.

SUSTAINABILITY STATEMENT

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Additionally, the Property Development Division has implemented a defect rectification process to ensure stringent quality control during the construction period, prior to delivery of vacant possession of properties to owners. The carpark management operations of BBT One Car Park constantly aims to improve its customer experience. In FY2022, the management introduced cashless parking system for the convenience of its customers which continues in FY2023.

WCT's hotels comply with the Manual Procedure for Halal Certification ("MPPHM"). In addition, Le Méridien Petaling Jaya is guided by the Food Safety Management System guidelines and Marriott's Global Food Safety.

The company's business aviation operations continue to comply with MAVCOM Quality of Service ("QoS") standards for airports.



In 2023, gateway@klia2 was awarded a 5-star rating under the Public Toilets Grading System by the Sepang Municipal Council twice in a year, while Paradigm Mall Petaling Jaya received the 2023 Clean Premises Award for Public Toilets by the Petaling Jaya City Council. In addition, three of Première Hotel's restaurants, namely The Buzz, Royal Gourmet and Ichi Poolbar were certified by the Ministry of Health for Bersih Selamat dan Sihat ("BeSS") which has a validity of three years (from 2022 to 2025). Première Hotel was also selected by the Majlis Perbandaran Klang as one of the tourism ambassadors in Klang - Duta Pelancongan Daerah Klang 2022/2023.

In addition, WCT and its subsidiary companies have attained third party certifications from SIRIM QAS International Sdn. Bhd. in different aspects as per the following:

MANAGEMENT SYSTEM CERTIFICATIONS

Quality Management Systems Certifications

- **ISO 9001:2015**
Quality Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. QMS 00887
- **ISO 9001:2015**
Quality Management Systems for WCT Machinery Sdn Bhd
Certification No. QMS 01762
- **ISO 9001:2015**
Quality Management Systems for WCT Land Sdn Bhd and its subsidiaries
Certification No. QMS 01306

Occupational Health & Safety Management Systems Certifications

- **ISO 45001:2018**
Occupational Health and Safety Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. OHS 00221
- **ISO 45001:2018**
Occupational Health and Safety Management Systems for WCT Machinery Sdn Bhd
Certification No. OHS 00503
- **ISO 45001:2018**
Occupational Health and Safety Management Systems for WCT Land Sdn Bhd and its subsidiaries
Certification No. OHS 00227

Environmental Management Systems Certification

- **ISO 14001:2015**
Environmental Management Systems for WCT Berhad (including WCT Construction Sdn Bhd)
Certification No. EMS 00520
- **ISO 14001:2015**
Environmental Management Systems for WCT Machinery Sdn Bhd
Certification No. EMS 00931

CUSTOMER EXPERIENCE AND SATISFACTION

Customer satisfaction is vital for any organisation, especially in property development and customer service industries that are highly competitive. Therefore, keeping a consistent competitive advantage and building customer loyalty is important for any business, including WCT, to maintain a strong foothold in market perception.

WCT's business divisions have each developed their respective customer engagement strategies towards solicitation of feedback, in developing insights into market demographics, customer preferences and purchase and consumption behaviours.

SUSTAINABILITY STATEMENT

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In addition to continuing to hold exclusive customer experiences, attractive promotions and distinctive retail offerings at our shopping malls, WCT places a strong emphasis on ensuring satisfactory customer service and safety standards, maintaining the cleanliness of our malls as well as upholding excellent facility management.

Given the fast paced nature of the aviation sector, WCT's Business Aviation regularly engages customers using a wide range of communication channels. These include physical interaction with customers as well as utilising the convenience, speed and reach of digital mediums. This enables business operations to stay abreast with the constantly evolving nature of aviation products and services. Daily and weekly customer engagement has enabled SkyPark Aviation Group to develop a comprehensive understanding of customers' and to tailor regulatory compliant products and services that deliver positive experiences and high customer satisfaction.

Across all our business divisions, WCT consistently garners high ratings for product quality and customer satisfaction. The Group remains dedicated to actively engaging with customers and other pertinent stakeholders to collect feedback, which in turn drives the continuous improvement of our products and services. Below is the customer satisfaction scores for the respective businesses:

Businesses	Score (%)
Engineering and Construction	68%
Property Development - Sales and Marketing	89%
Hotel – Le Méridien Petaling Jaya	83%
Hotel – Première Hotel	88.31%

In FY2023, Paradigm Mall Petaling Jaya achieved a resolution rate of 92% for all customers complaints and feedback, while gateway@klia2 achieved 97%. In addition, all complaints received by our Property Management, Sales and Marketing teams were resolved accordingly.

TECHNOLOGY AND INNOVATION

In maintaining agility in an ever-increasing digital and technology-driven landscape while also adhering towards sustainability trends, WCT is determined to capture innovation and technological opportunities where relevant to improve efficiency that allows smoother, stronger, and better quality products and experience to its customers.

For instance, the Engineering and Construction division has increasingly digitised more of its documentation and processes, partially eliminating the need for vast paper consumption in FY2023 through the implementation of SAP, an ERP (Enterprise Resource Planning) solution. This digitisation also integrates and automates the processes of various departments, thus improving visibility, efficiency, and productivity at project sites and offices.

Going forward, the Group will continue to drive digitalisation efforts in its business model as it promotes a responsible and sustainable business model across the organisation and its value chain.

PERSONAL DATA PROTECTION

The Group handles substantial volumes of data from customers and other stakeholders, given its business model. In managing this data, WCT strictly complies with the Personal Data Protection Act ("PDPA 2010"). All personal data, including information such as demographics, income levels, and contract details, are treated with the utmost confidentiality and is only collected with the explicit consent of the data owner.

All collected data are protected by robust security systems, ensuring that it is accessible solely for internal use by intended parties for specific purposes. Data is not shared with third parties unless mandated by law enforcement agencies.

In FY2023, there have been zero reported cases of data breaches throughout WCT's operations and zero substantiated complaints concerning breaches of customer privacy and losses of customer data, highlighting the company's commitment to maintaining data privacy and security.

SUSTAINABILITY STATEMENT

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ENVIRONMENTAL PERFORMANCE

WCT is committed to managing and minimising its environmental impacts by following sound operational practices and adhering to relevant international and local standards. These include ISO Standards, as well as specific regulatory requirements for energy, water, waste and resource management established by relevant authorities such as the DOE, CAAM, and other industry bodies. Detailed information on these standards can be found in the respective sections of this report.

WCT Group's leadership in this area has inspired its subsidiary companies also to assess their operations and identify ways to become more efficient and sustainable. By pinpointing the most critical issues and environmental impacts for each division, WCT has tailored action plans to monitor and enhance performance.

GHG EMISSIONS AND CLIMATE CHANGE

WCT recognises climate change as a top priority due to its potential and actual impacts, not only on the Group's operations but also on its stakeholders. The Group's primary business operations are significant consumers of fossil fuels for energy and electricity consumption.

Therefore, the Group remains conscious of monitoring how its own business operations, mainly through energy consumption, emissions and waste production, can directly or indirectly contribute to climate change. To this end, WCT is committed to maintaining its target of reducing 10% of CO₂ emissions intensity (total Scope 1 and Scope 2) as per measured against total square feet ("sqft") across the Group by 2030 (Baseline: 2019 – 0.7442 CO₂e/sqft).

The ERM Department together with the BRSC and Group Sustainability Committee also have oversight in managing climate change risks as per stated in the EES Risk Register by providing recommendations on climate change mitigation and adaptation strategies to be carried out across WCT and its business divisions.

Similarly, climate change opportunities requires the Group to reorganise its business model or at least its business practices. WCT continues to conduct various initiatives to ensure effective adaptation to the climate change scenario.

The Group also ensures that its policy and stances on climate change align with the nation's major policies such as the National Construction Policy 2030 which our Sultan Ismail Petra Airport project implements through our usage of BIM in the project.

Going forward, WCT is looking to secure more green financing as it works to decarbonise part of its capital expenditure.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

WCT continues to strengthen the disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in response to Bursa Malaysia's updated requirements.

The Group acknowledges that all material sustainability matters, including climate change, are risks to the Group, and therefore, each business division is rolling out various initiatives to mitigate them. Hence, having sound governance, risk management, strategies, metrics, and targets based on the TCFD framework provides a valuable ground rule to help address sustainability impact.

Governance	<p>WCT's Board Risk and Sustainability Committee oversees this segment, assisted by the Group Sustainability Committee comprising Senior Management of respective business divisions. Their other functions include :</p> <ul style="list-style-type: none"> • Overseeing the implementation of the Group's sustainability strategies, initiatives, policies, and practices, including opportunities to limit climate change. • Reviewing and communicating the overall strategy and implementation of sustainability. • Implementing and monitoring the performance of Quality, Environment, Safety and Health ("QESH") programmes. • Conducting quarterly review on sustainability performance and implementation.
Strategy	<p>The Group has disclosed the actual and potential impacts of climate-related risks and opportunities on its business operations and strategy, where such information is considered material. Given the significant climate change issues that have emerged in recent times, WCT has taken proactive steps to identify the risks that could affect the Group's business operations.</p>

SUSTAINABILITY STATEMENT

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Risk Management	Risk owners, Group Risk Management Committee, Board Risk and Sustainability Committee, and the Board, with assistance from Enterprise Risk Management Department, actively participate in the Group's enterprise-wide risk management process in managing risk to an acceptable level and achieving business objectives. In FY2023, WCT maintains all sustainability material matters, including climate change, in its EES Risk Register, which were identified via stakeholder engagements with the respective business divisions.
Metrics and Targets	<p>The Group monitors energy consumption as one of the primary metrics to determine the impact of business operations on climate change.</p> <p>Scope 1, 2 and 3 emissions are continuously tracked from the source of diesel consumption (Scope 1), liquified petroleum gas (Scope 1), electricity from the grid (Scope 2), company vehicle emission (Scope 1), air and automobile business travel (Scope 3), and jet fuel sold (Scope 3).</p> <p>The Group has set the target to reduce 10% of CO₂ emissions intensity (total Scope 1 and Scope 2) as per measured against total square feet ("sqft") across the Group by 2030 (Baseline: 2019 – 0.7442 CO₂e/sqft).</p>

CLIMATE CHANGE RISKS AND OPPORTUNITIES

The operations of the Group can be substantially affected by climate change. During the inaugural TCFD training in 2023, WCT conducted a focus group discussion with the attendees and identified the climate-related financial risks, mitigation strategies and available opportunities to the business, which are illustrated in the table below:

Type	Category	Affected Business Divisions	Climate-Related Financial Risks	Applied Strategies	Opportunities
Transition Risk	Policy and Legal	All	Higher compliance to ESG practices in banks increasing borrowing costs and insurance premiums	Embedding sustainability in business operations and aligning business strategy to climate related goals.	No immediate opportunities identified.
Transition Risk	Policy and Legal	All	Increased operating costs as a result of Carbon Tax on construction materials	Actively explore low-carbon construction materials to potentially reduce carbon tax.	No immediate opportunities identified.
Transition Risk	Policy and Legal	All	On-going global push to net-zero carbon and more stringent GHG emissions monitoring on business operations	Early adoption of green practices and energy efficient designs, engage stakeholders and experts on regulatory updates and employees in sustainable practices.	Adopt Artificial Intelligence (AI) data collection to support reporting and decision making.
Transition Risk	Policy and Legal	Engineering and Construction, Property Development	Green Building requirements incurring higher technology use and specialised materials	Stricter adherence to Green building requirements with climate mitigation and adaptation at the design stage while implementing robust monitoring and compliance processes ensures regulatory adherence.	Enhance WCT's presence and image through participation in GreenRE Awards for all new property projects such as the provisional GreenRE Silver Award achieved by The Maple Residences, WCity OUG at Kuala Lumpur.

SUSTAINABILITY STATEMENT

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Type	Category	Affected Business Divisions	Climate-Related Financial Risks	Applied Strategies	Opportunities
Transition Risk	Policy and Legal	Engineering and Construction, Property Development	New government procurement policies imposed on the supply chain and overall material costs	1. Regularly monitoring and evaluating the company's supply chain to ensure that it complies with the heightened standards imposed by banks and other regulatory bodies. 2. Focus on diversifying suppliers and materials to reduce reliance on a single source. 3. Establish and champion supply chain engagement programmes.	No immediate opportunities identified.
Transition Risk	Market Demands	Property Development, Property Investment and Management	Increased awareness of climate change driving consumer appetite towards low-emission projects and services	1. Providing new products that fit the consumer's needs such as GreenRE Certified buildings, low-emission and energy-saving fittings, electric vehicle-friendly developments. 2. Partnership with Electric Vehicle Charging Station providers to meet the needs of accessible and available charging infrastructures within the shopping malls.	1. Adopt data-led approach and keep up with the ever-evolving Green Building requirements. 2. Installation of Electric Vehicle Charging Stations at WCT Malls. In 2023, WCT installed 38 additional EV charging stations at Paradigm Mall Petaling Jaya, gateway@klia2, Paradigm Mall Johor Bahru, and Aeon Bukit Tinggi.
Transition Risk	Market Demands	Property Investment and Management	Technology-driven consumer behavioural change may affect the viability of the physical shopping experience	Transitioning towards a more experiential shopping approach to differentiate from the convenience of online shopping	Leverage on the AI to understand and predict consumer behaviour
Physical Risk	Extreme Weather	Property Investment and Management	Additional and recurring costs incurred to maintain and refurbish buildings and infrastructure due to damage from natural disasters	Ongoing monitoring to ensure proper maintenance while provisioning for potential refurbishment costs.	Leverage the Group's expertise to offer retrofitting and maintenance services for older buildings to adopt a circular economy.
Physical Risk	Extreme Weather	Property Investment and Management	Increased consumption of electricity and water due to rising temperatures	Utilise available technology (i.e. solar and rainwater harvesting or recycling) to mitigate rising operating costs and potentially generate income from excess energy generated	No immediate opportunities identified.

SUSTAINABILITY STATEMENT

cont'd

Type	Category	Affected Business Divisions	Climate-Related Financial Risks	Applied Strategies	Opportunities
Physical Risk	Extreme Weather	Engineering and Construction, Property Development	Delays in project progress due to climate risk (intense rainfall, floods, extreme heat, droughts, landslides)	Robust work process planning incorporating climate conditions monitoring with early warning mechanisms to ensure manpower are protected and sites are resilient and responsive to extreme events.	1. Adopt data-led approach in monitoring climate conditions. 2. Leverage expertise in flood mitigation infrastructure construction.
Physical Risk	Extreme Weather	Property Development	Rising sea levels affecting landbank	Evaluation of current landbank and planning of mitigation measures by constructing natural structures and to consider strategic disposal of lands in flood-prone areas	No immediate opportunities identified.



WCT Malls installed 38 EV charging stations across its malls.

It is worth noting that climate change can also create fresh opportunities for the Group by accelerating the ongoing transition toward a low-carbon economy. The heightened environmental awareness among consumers and within the supply chain is fostering a greater willingness to incorporate eco-friendly elements into business processes and the production of goods. This includes the adoption of sustainable or green building materials, energy-efficient lighting, and water-saving fixtures, which, in turn, leads to the emergence of new prospects and opportunities for business expansion.

There is also an opportunity to redesign the business model and strategy to transition towards a more sustainability-driven framework that can be applied for the long term.

WCT is also actively exploring the possibility of extending its focus on climate change to encompass its supplier, contractor, and vendor value chain. This approach is aimed at generating positive impacts that go beyond the immediate scope of the Group's operations, thereby contributing to a more sustainable and responsible business ecosystem.

CLIMATE CHANGE SCENARIO PLANNING

The Paris Agreement has had an indirect yet significant influence on business strategy by raising awareness and emphasising the importance of addressing climate change issues in the overall business strategy. Several of WCT's business divisions have formulated mitigation plans to address the potential impacts of climate change, including those related to temperature shifts and adverse weather conditions.

These various divisions have integrated climate change scenario planning into their Business Continuity Plans and EES Risk Registers. This integration has enabled them to prepare for goal-setting by prioritising the establishment of reliable baselines and commencing carbon monitoring activities for data collection and analysis. This proactive approach helps in effectively addressing and mitigating the effects of climate change on their operations.

SUSTAINABILITY STATEMENT

cont'd

EMISSIONS DATA

WCT calculates its Scope 1 and Scope 2 emissions using the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The global warming potential ("GWP") emission factors for all greenhouse gases are consistent with the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report, 2023 (AR6) based on a 100-year timeframe.

Scope 1 and Scope 2 GHG Emissions

Scope 1 (direct emission) GHG emissions originate from facilities owned or controlled by operators across all business divisions, including selected Engineering and Construction project sites, Property Development Division, as well as shopping malls, hotels and business aviation operations from the Property Investment and Management Division.

These emissions primarily result from the consumption of fuel such as diesel and LPG for stationary combustion at construction sites, shopping malls and hotels, as well as petrol and diesel to power the company's vehicle fleet. The GHGs associated with Scope 1 emissions include CO₂, CH₄, and N₂O which are released from the combustion process of machinery, equipment, and vehicles. Scope 2 (indirect emissions) GHG emissions are purchased electricity from the electricity grids.

All GHG emissions are converted to CO₂e based on the ("GWP") emission factors listed by the Greenhouse Gas Protocol and the IPCC AR6. Emissions data in FY2022 have been updated according to the latest GWP emission factors based on IPCC AR6.

Total GHG Emissions by Category (Scope 1) (CO₂ eq tonnes)

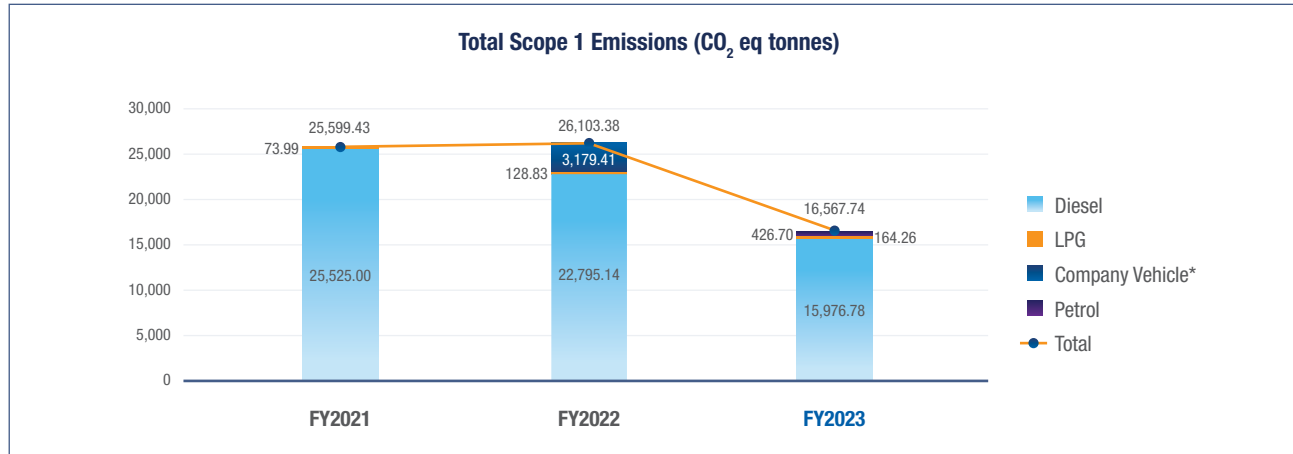
	FY2021	FY2022	FY2023
Diesel			
CO ₂	25,375.11	22,717.58	15,922.10
CH ₄	95.88	27.38	19.17
N ₂ O	54.45	50.18	35.51
Total GHG Emissions	25,525.44	22,795.14	15,976.78
LPG			
CO ₂	73.80	128.71	164.11
CH ₄	0.16	0.06	0.08
N ₂ O	0.031	0.06	0.07
Total GHG Emissions	73.99	128.83	164.26
Company Vehicles^{1,2}			
CO ₂	N/A	3,174.14	425.15
CH ₄	N/A	0.68	0.55
N ₂ O	N/A	4.59	1.00
Total GHG Emissions	N/A	3,179.41	426.70

Note:

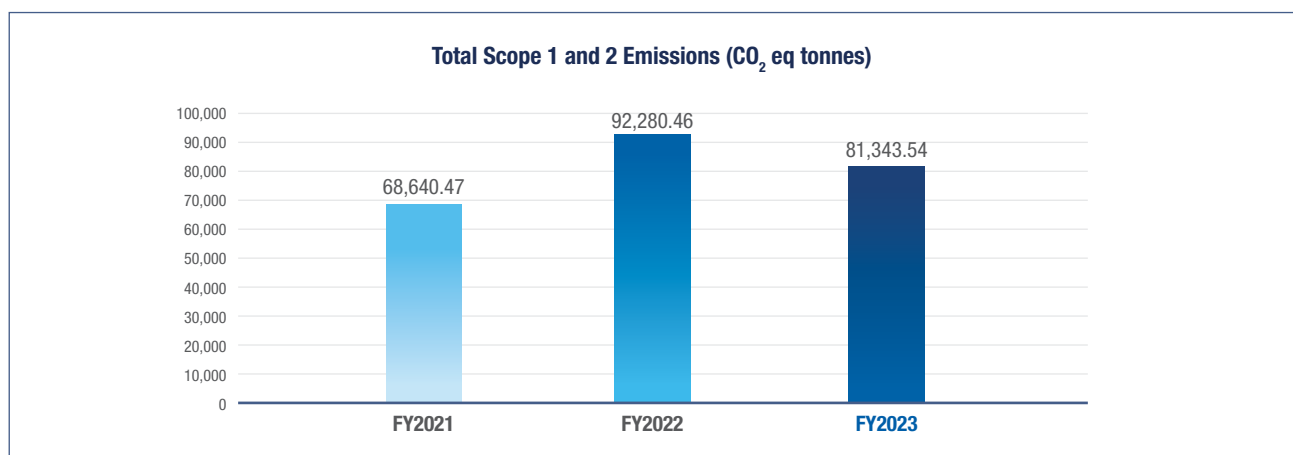
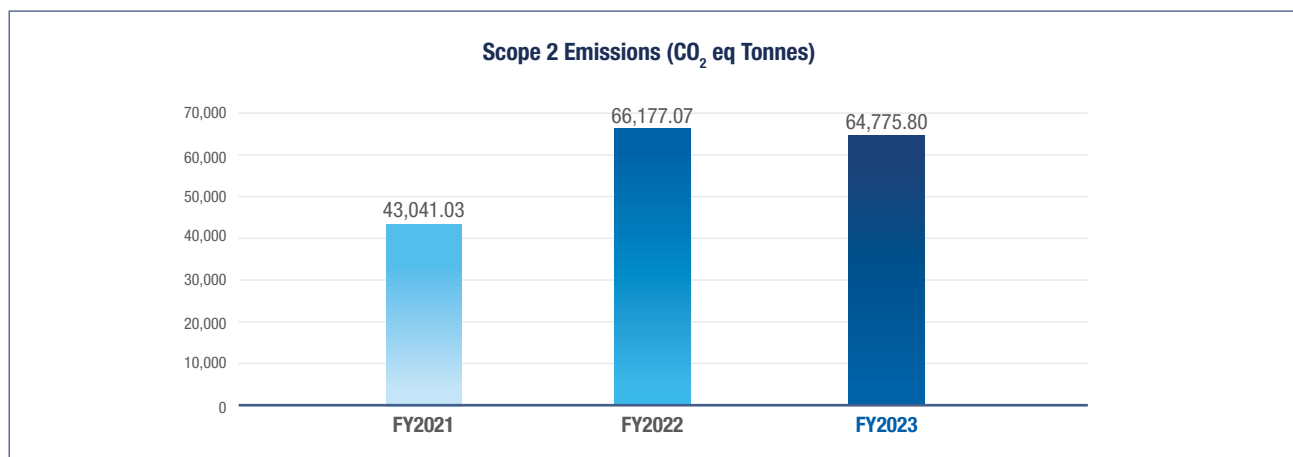
- WCT began recording its company vehicles fleet's fuel consumption from FY2022 onwards and included it in its scope 1 emissions.
- FY2022 data includes company vehicles consuming both diesel and petrol, whereas FY2023 data has been separated into diesel and company vehicles consuming petrol only.

SUSTAINABILITY STATEMENT

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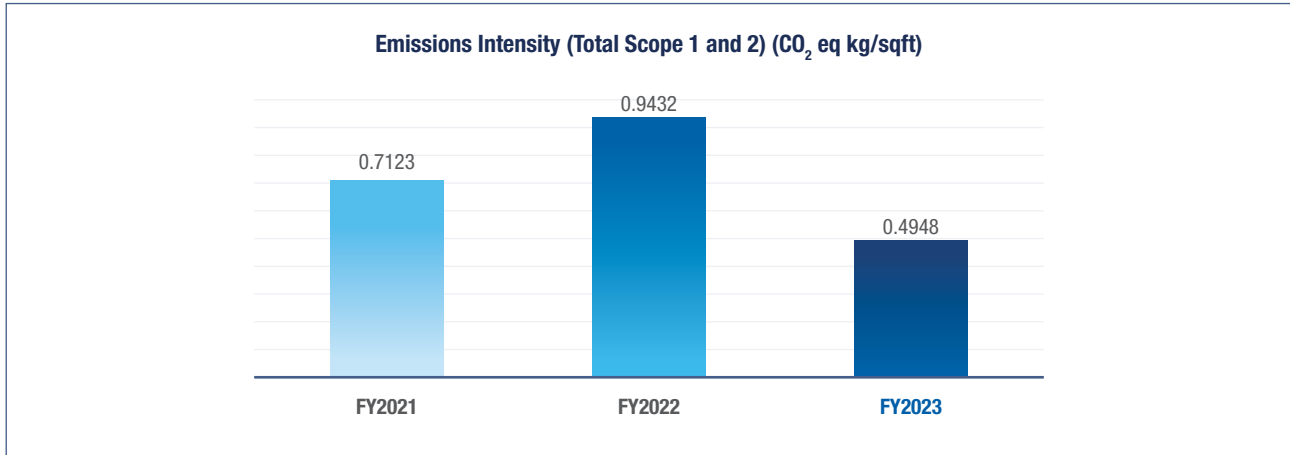


Note: Company vehicles in FY2022 refers to emissions from consumption of diesel and petrol. In FY2023, company vehicles data has been separated into diesel and petrol respectively to reflect more accurate diesel and petrol emissions.



SUSTAINABILITY STATEMENT

cont'd



In FY2023, there is a significant difference in the total emissions and emissions intensity as the methodology for calculating GHG emissions and operational boundaries have been reviewed and adjusted to reflect a more accurate Scope 1 and Scope 2 emissions. The data that was initially included in Scope 1 and Scope 2 GHG emissions is no longer included. Moving forward, WCT will be conducting a GHG emissions scoping exercise to improve its GHG inventory.

Scope 3 GHG Emissions

Scope 3 emissions are those that originate outside of the organisation, either upstream or downstream in the value chain.

In FY2022, WCT reported Category 6 business travel emissions, which include air and automobile travel, as well as jet fuel emissions sold by business aviation as part of its Scope 3 emissions. In FY2023, WCT's Scope 3 emissions included data for Category 7 (Employee Commuting).

Scope 3 Emissions by Category (CO ₂ eq tonnes)	FY2022	FY2023
Jet Fuel Sold	72.05	158.08
Category 6 (Business Travel – Air & Automobile)	172.79	67.11
Category 7 (Employee Commuting)	-	1,325.16

The calculation of WCT's scope 3 GHG emissions is based on the Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions (version 1.0) under Category 6 (Business Travel – Air & Automobile) and Category 7 (Employee Commuting).

COMMITMENT TO GREEN BUILDINGS

WCT's commitment to constructing green buildings represents a natural evolution of its sustainable design and circular economy strategy. In its pursuit of this goal, WCT continuously enhances its capabilities and expertise to meet the increasing demand for environmentally sound structures in Malaysia.

Following is a list of green buildings and ratings of most recent projects constructed by WCT for its clients:

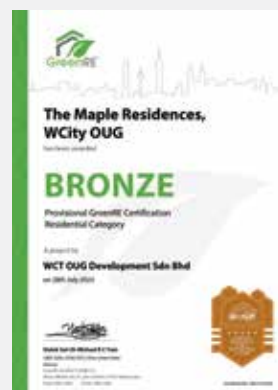
PROJECT	STATUS	CERTIFICATION	AWARD
TRX Retail	Completed in November 2023	<ul style="list-style-type: none"> LEED GBI 	Gold Gold
TRX Hotel and Office	Ongoing	<ul style="list-style-type: none"> LEED 	Gold
Pavilion Damansara Heights	Ongoing Ongoing Completed in October 2023	<ul style="list-style-type: none"> Green Mark (Office Tower) Green Mark (Residential) Green Mark (Podium and Residential) 	Gold Certified Certified
118 Mall	Ongoing	<ul style="list-style-type: none"> LEED 2009 for Core and Shell GBI GreenRE 	Gold Silver Gold

SUSTAINABILITY STATEMENT

cont'd

The Property Development Division incorporates green design features into its design brief, including considerations such as building orientation and natural ventilation, which reduce the energy consumption of the properties. The division also focuses on introducing water conservation practices and prioritises its efforts in pedestrianising integrated developments and enhancing linkages within them.

In July 2023, The Maple Residences, WCity OUG at Kuala Lumpur was awarded a provisional Bronze in the Residential Category by GreenRE Sdn Bhd, thereby making it the first green-certified project under WCT Land. The certification was granted to The Maple Residences, having taken into consideration aspects such as Energy Efficiency, Water Efficiency and Environmental Protection.



The GreenRE award is part of the Property Development Division's plan in achieving goals and targets set in WCT's sustainable practices and is in line with the Group's sustainability commitment. Leveraging on the learnings from these certified projects, WCT will consider green certification for its future developments.

As at December 2023, 33% of WCT's ongoing property portfolio is GreenRE certified.

ENERGY CONSUMPTION

WCT remains committed to managing its energy consumption, particularly where the use of fossil fuels is concerned. Generally, the Group relies on diesel for powering a wide range of machinery and equipment, petrol as a fuel source for its fleet of company vehicles, as well as LPG for its daily business operations of some business divisions. Consumption of these fossil fuels contributes to carbon emissions and depletion of non-renewable natural resources.

The Group's subsidiary, WCT Machinery, which supports the management and maintenance of the Engineering and Construction Division's fleet of heavy machinery and construction equipment has embraced the use of GPS systems for machine monitoring and tracking. These systems provide a platform for monitoring machine inventory, conditions, and maintenance workflow to maximise efficiency and productivity. By accurately tracking machine location, fuel consumption and other operational information, the systems also help identify areas where operating costs can be reduced, such as through training machine operators, reducing idle time and improving fuel economy. These extensive monitoring and tracking services also determine the environmental impacts of their operating practices, providing a baseline for improvement.

The Group is also mindful of electricity consumption from the national grid, with its shopping malls, hotels, and office operations being the largest consumers of indirect energy sources. In Peninsular Malaysia, electricity is still mainly produced through fossil fuel combustion, contributing to GHG emissions.

The Group plans to address this issue head on by setting a target to reduce its group-wide electricity consumption intensity by 10% by 2030, relative to the 2019 baseline year of 1.25 kWh/sqft. In pursuit of this goal, WCT will strive to mitigate the impact of climate change by adopting energy-efficient measures, including the transition to LED lighting, the monitoring and maintenance of equipment to ensure energy efficiency as well as the use of electricity generated from renewable energy sources.

This collective approach is evident throughout the Engineering and Construction and Property Development divisions and within the operations of WCT's shopping malls and hotels.

SUSTAINABILITY STATEMENT

cont'd

ENERGY SAVING MEASURES UNDERTAKEN BY BUSINESS DIVISIONS

Engineering and Construction

- Solar tower light to replace diesel engine tower light at project sites.
- Spot light used at WCT Machinery workshop changed to LED with timer installed.
- Use energy efficient devices and appliances such as replacing fluorescent lighting with LED lights which are more durable.

Property Development

- Installation of LED lightings for all developments.
- Incorporating design features which promotes the use of energy saving system e.g. inverter air conditioner, lift or elevator system, water pump and pool system.
- Provide electric vehicles charging stations at developments.

Property Investment and Management

Shopping Malls:

- Replaced conventional lighting with LED lighting for energy savings.
- Installed inverters to reduce start-up energy load for each unit.
- Installed filtration system at chillers for equipment efficiency as chillers are the highest energy consumers in shopping mall operations.
- Installed the Building Management System in Paradigm Mall Petaling Jaya and Johor Bahru to monitor energy data and switches energy on/off according to a schedule. Other energy saving efforts include staggered start-up and shutdown of daily operations to reduce energy consumption.
- Appointed Energy Manager to routinely maintain and monitor electrical equipment's efficiency, to prevent wastage or disruption of daily operation.
- Switched off all unused AHU and FCU.
- gateway@klia2 has efficiently utilised chilled water for the air-conditioning cooling system.
- Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru subscribed to the Green Energy Tariff (GET) Programme with Tenaga National Berhad (TNB) until July 2023.

Hotels:

- Usage of LED lightings.
- Emphasise the importance of using natural light and ventilation in common areas.
- Installed inverter motor speed controller to efficiently control the speed of the motor to eliminate energy wastage.

Offices

- Appointed Energy Manager to routinely maintain and monitor electrical equipment's efficiency, to prevent wastage or disruption of daily operation.

Business Aviation

- Usage of LED lightings.
- Conducted energy conservation awareness campaigns for clients/tenants.

ENERGY MANAGEMENT ON PROPERTY PORTFOLIO

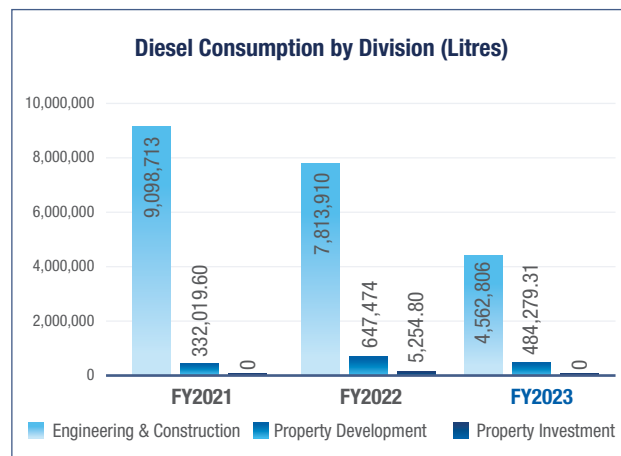
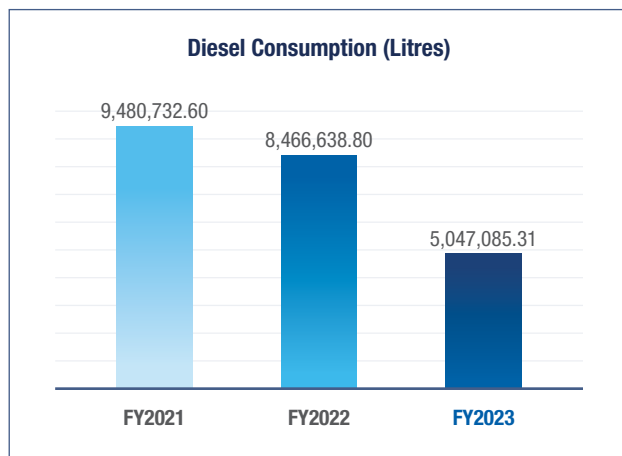
The Ascent, an office tower at Paradigm Petaling Jaya managed by WCT Group, appointed an Energy Manager to ensure the efficient use of energy is in compliance with statutory requirements of the Energy Commission under Efficient Management of Electrical Energy Regulations 2008 (EMEER2008) and guided by the Efficient Electrical Energy Management Policy.

Although The Ascent was designed with energy-efficient elevators and air-conditioning, the building management routinely tracks and monitors energy consumption and uses the data to identify energy-saving opportunities, including conducting regular commissioning and retro-commissioning of the building systems to optimise energy efficiency. It then implements these initiatives while promoting awareness to all employees, tenants and contractors. Through this policy, the Ascent aims to operate in an energy-efficient manner and alleviate climate change issues.

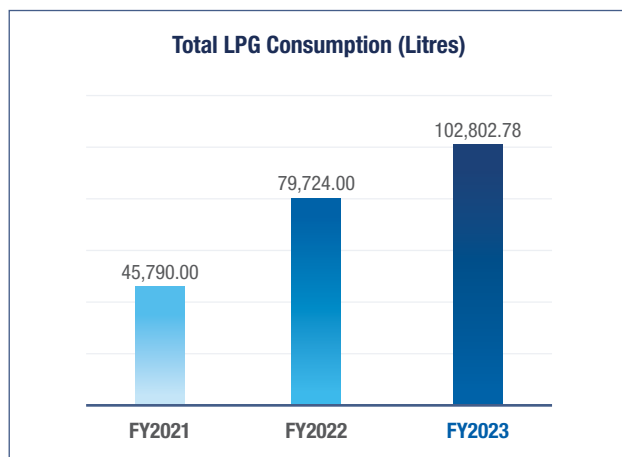
SUSTAINABILITY STATEMENT

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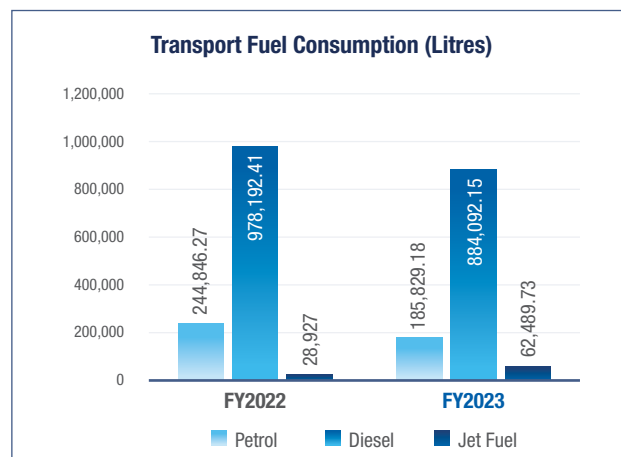
ENERGY PERFORMANCE DATA



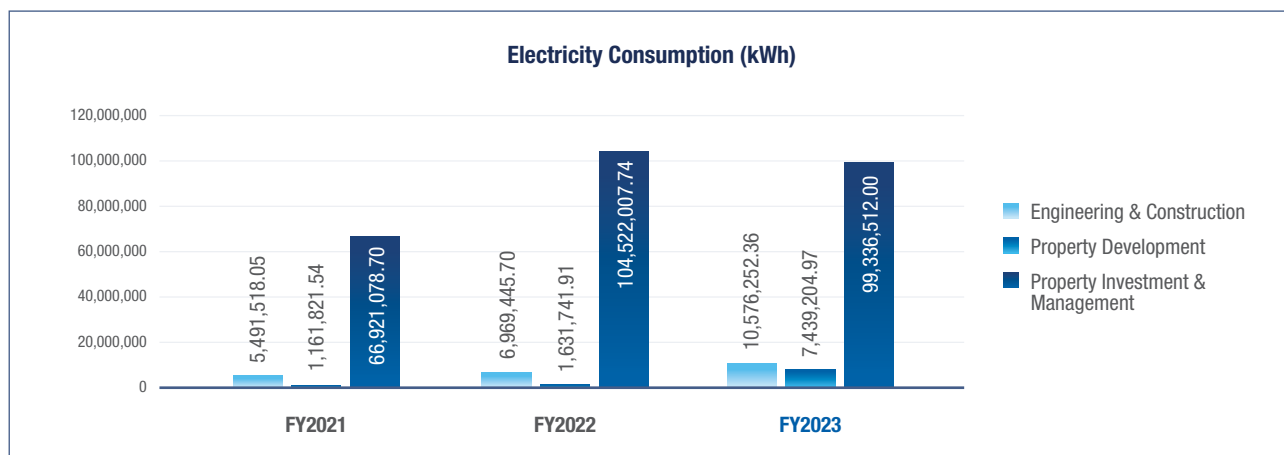
Note: Property Investment and Management Division only made significant purchases for diesel in 2022 and none in 2021 and 2023 where the diesel is used to power generators for shopping malls.



Note: LPG is consumed by the Property Investment and Management Division only for its hotel operations.

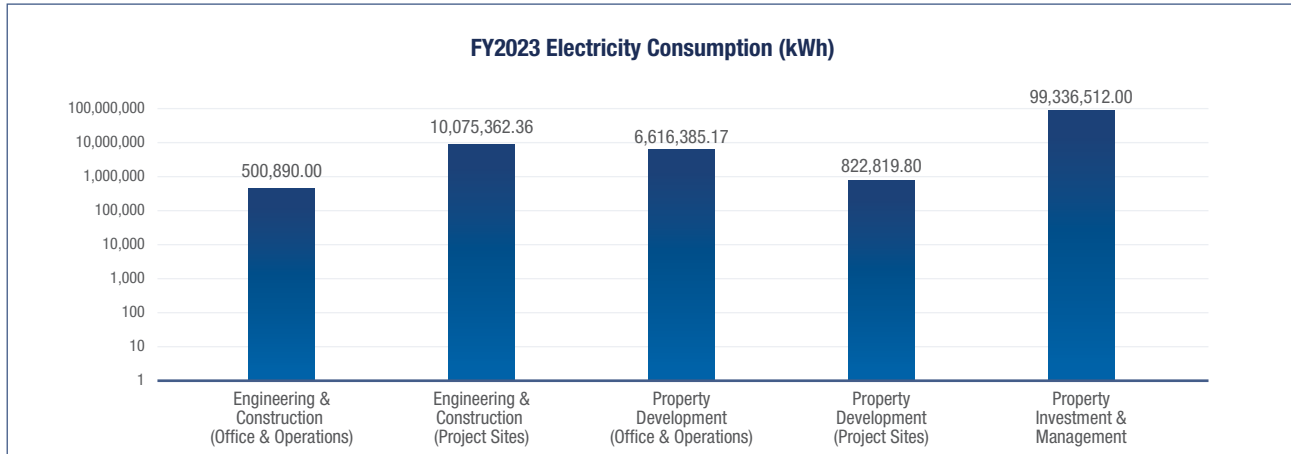


Note: Transport fuel consumption is recorded from FY2022 onwards. Fuel consumption includes diesel and petrol are used for company vehicles fleet across all business divisions. Jet fuel consumption is used for business aviation which is not directly under WCT's control, as the jet fuel is purchased and used by our customers.



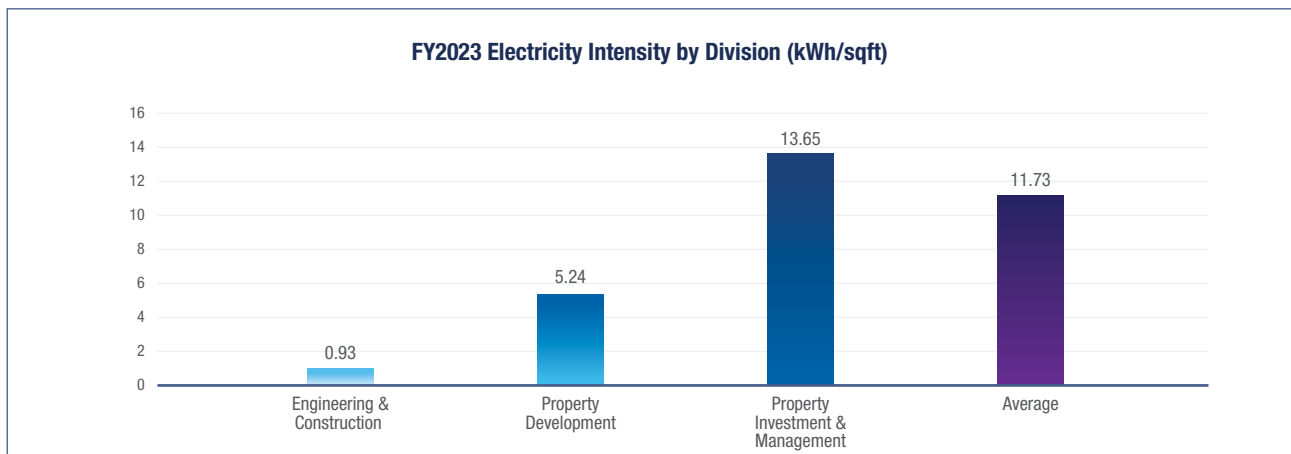
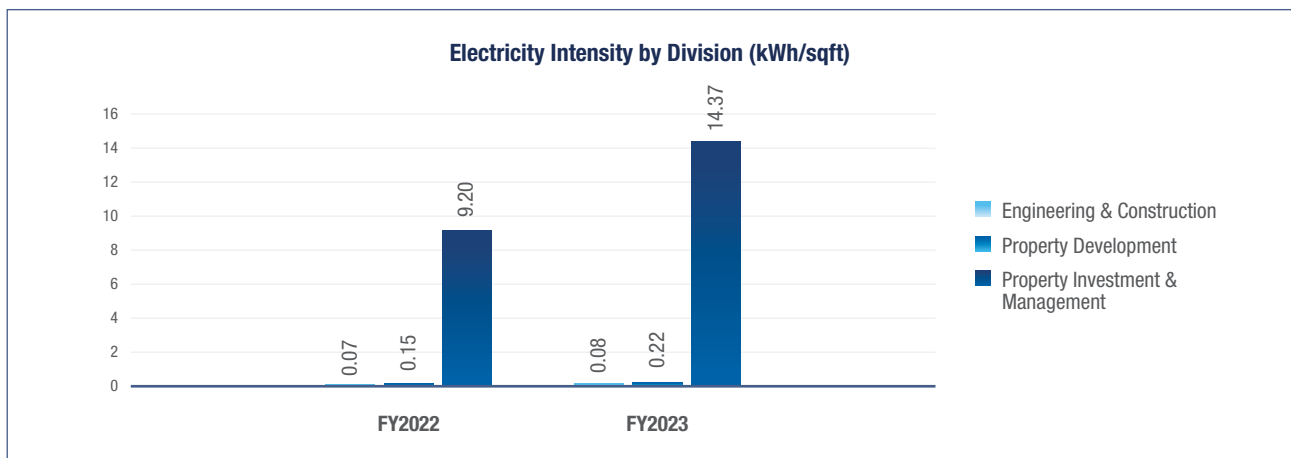
SUSTAINABILITY STATEMENT

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Note: For FY2023, the electricity consumption has been categorised into the following:

1. Engineering & Construction (Offices & Operations) includes its corporate office at The Ascent and its office at WCT Machinery.
2. Engineering & Construction (Project Sites) includes all project sites.
3. Property Development (Offices & Operations) includes its corporate office at The Ascent, facility management operations and sales galleries.
4. Property Development (Project Sites) includes all project sites which are outsourced operations to contractors and sub-contractors.
5. Property Investment & Management includes all its shopping malls (85,470,731), hotels (12,747,227) and business aviation (1,118,554).



In FY2023, the electricity intensity of Engineering & Construction and Property Development Division is calculated based on the total electricity consumed against total sqft of the Divisions' offices and business operation sites only. It excludes all project sites, including outsourced operations to contractors and sub-contractors.

SUSTAINABILITY STATEMENT

cont'd

TOTAL ENERGY CONSUMPTION

The total energy consumption of all business divisions within WCT Group includes the energy used from electricity and fuel, such as diesel and LPG, as well as the consumption of transportation fuel (petrol and diesel) for the company vehicle fleet.

The total energy consumption from fuel is calculated using the energy conversion factors for petroleum products based on the Malaysia Energy Statistic Handbook 2020. Meanwhile, the energy consumption from electricity is calculated using the standard unit of energy in the International System of Units ("SI"), where 1 kWh is equal to 0.0036 GJ.

Energy Consumption (GJ) / Year	FY2021	FY2022	FY2023
Diesel	342,254.45	302,259.01	211,743.04
LPG	1,158.49	2,017.02	2,600.91
Petrol	-	8,079.93	6,132.36
Electricity	264,867.91	407,243.50	422,467.09
Total Energy Consumption	608,280.85	719,599.46	642,943.40

Note: Data from FY2021 and FY2022 have been restated as the calculation methodologies were updated from IPCC's Fifth Assessment Report ("AR5") to IPCC's Sixth Assessment Report ("AR6")

SMART METER USAGE WITHIN PROPERTY PORTFOLIO

All projects under WCT's Property Development Division have been fitted with digital smart meters to monitor electricity usage in adherence to Tenaga Nasional Berhad (TNB) requirements. Smart meters have also been installed at all offices.

LEVERAGING RENEWABLE ENERGY ("RE")

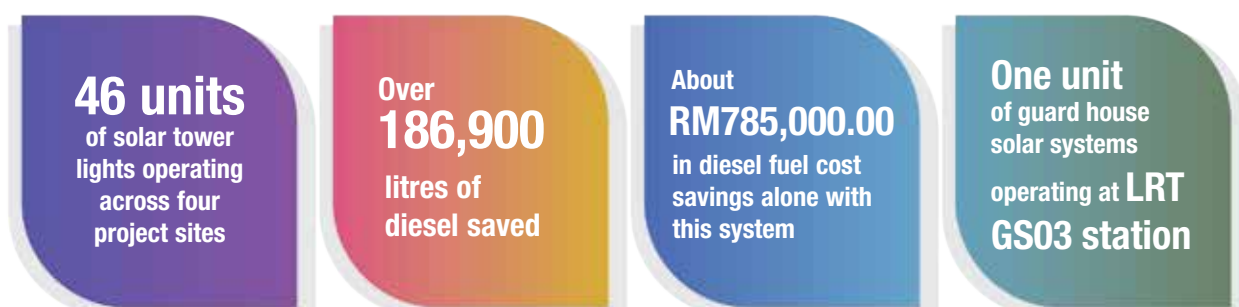
FY2023 sees the Group's continuous exploration of RE usage. Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru continued to subscribe to the Green Energy Tariff Programme with TNB until the end of the programme in July 2023 following which the Minister of Natural Resources, Environment and Climate Change announced the implementation of the Imbalance Cost Pass -Through (ICPT) Rates where TNB adjusts electricity tariffs every six months based on fluctuations in global fuel prices, namely coal and natural gas.

WCT Machinery also uses solar lighting systems to reduce electricity or diesel consumption and light up construction areas which do not have direct access to electricity grids. These lights cover access roads, diversion roads, guard houses, working areas, and storage areas. Overall, this initiative has reduced fuel usage by saving over 186,900 litres of diesel in 2023, amounting to around RM0.79 million saved in diesel fuel costs alone. In addition, the use of solar tower lights minimises the cost of trenching and wiring for non-solar lighting, are easier to set up and maintain and meets our goal to use more low-carbon fixtures.

WCT Machinery also proactively maintains the solar tower lights for reuse and any faulty lights are repaired. Solar tower lights which have reached end-of-life will be properly disposed as electronic waste.

Solar-powered spotlights have also been used by WCT, with electricity savings of 2,343.6 kW and monetary savings of RM1,060.00. WCT will further explore the implementation of solar-powered spotlights in the near future.

Overall, in FY2023, this initiative has reduced fuel usage as shown here:



SUSTAINABILITY STATEMENT

cont'd



RESOURCE CONSUMPTION

WCT continually strives to increase the use of sustainable materials and products, with a particular focus on the Engineering and Construction as well as Property Development divisions. These divisions are typically high consumers of various natural resources.

As a means of reducing its environmental impact, WCT has made a commitment to procure environmentally sustainable materials in accordance with the WCT Material Use Policy. This established Material Use Policy ensures the sustainable acquisition of materials, in line with the UN SDG 12 Responsible Consumption and Production. This policy centres on the responsible sourcing, use and disposal of materials that cause minimal harm to the ecosystem, the environment and society at large. All business divisions are encouraged to prioritise the use of materials that have minimal environmental impact, with WCT making efforts to incorporate recycled materials into its projects wherever possible.

The focus has been on progressively reducing consumption of non-renewable resources adhering to circular economy principles within the product planning and design processes. While the specifications of materials and products used in Engineering and Construction projects are determined by the clients, WCT plays an active role in proposing suitable sustainable materials and products which meet the standards and guidelines set by the client. The Property Development Division actively incorporates the use of green building materials at the design and planning stage.

RESOURCE CONSUMPTION DATA

Efficient resource management not only supports cost-effectiveness but also reduces the environmental impacts.

One such example is the utilisation of lightweight autoclaved aerated concrete ("AAC") blocks which contain a degree of recycled material content. Additionally, steel bars, BRC mesh wire, and ready-mixed concrete used by WCT incorporate varying degrees of recycled material content.

WCT's Property Development Division prioritises sustainability by incorporating some certified "green" products into all its projects. For instance, the AAC blocks are MyHijau Mark Products and certified under the Singapore Green Labelling Scheme. Additionally, the cement used is also certified by the Singapore Green Labelling Scheme. Some of the other "green" materials and fittings used in the Pavilion Mont' Kiara project include waterproof coatings and interior and exterior paints, all of which are certified by the Singapore Green Labelling Scheme. The sanitary wares and fittings are certified by Singapore's National Water Agency under the Water Efficiency Labelling Scheme. The air conditioning units carry the MyHijau Mark and have a Star Rating by the Energy Commission, while the pump system meets Germany's International Standards.

In FY2023, more than 31,645.6 tonnes of green materials were purchased at eight project sites under the Engineering and Construction Division. In contrast, around 6,537 tonnes of green materials with 2,973.7 m³ of ready-mixed concrete containing recycled materials were purchased and used at the other five project sites under Property Development Division. The green materials purchased include steel bar, BRC mesh wire, grouting, AAC blocks, skim coat, and ready-mixed concrete.

SUSTAINABILITY STATEMENT

cont'd

The following are the top materials utilised by WCT in its business processes:

Materials Utilised by Engineering and Construction Division	FY2022		FY2023	
	Resources	Green Material	Resources	Green Material
AAC Blocks (tonnes)	0	8,778.6	0	9,970.6
Skim Coat (tonnes)	0	6,888.8	0	15,394.1
Grouting (tonnes)	0	1,951	0	0
Steel (tonnes)	59,560.9	4,324.4	6,727	6,199.9
Ready-mixed Concrete (m ³)	1,775,036.6	0	200,487	0
Sand (tonnes)	1,514,858	0	155,967	0
Aggregate (tonnes)	1,206,195	0	91,609	0
Crusher Run (tonnes)	6,846,920	0	279,800	0
Cement (tonnes)	0	0	0	81

Materials Utilised by Property Development Division	FY2022		FY2023	
	Resources	Green Material	Resources	Green Material
AAC Blocks (tonnes)	0	837.3	111,893.1	974.5
Steel (tonnes)	15,079.3	3,875.7	3,559	2,328.7
BRC (tonnes)	3,153.5	925.3	4,734.2	3,233.8
Ready-mixed Concrete (m ³)	348,545	11,692.5	45,267.2	2,973.7
Timber and Plywood (tonnes)	8,577.1	0	458.8	0
Sand (tonnes)	0	0	14,569.8	0
Aggregate (tonnes)	0	0	61	0



USING CIRCULAR ECONOMY PRINCIPLES AND DIGITAL SOLUTIONS

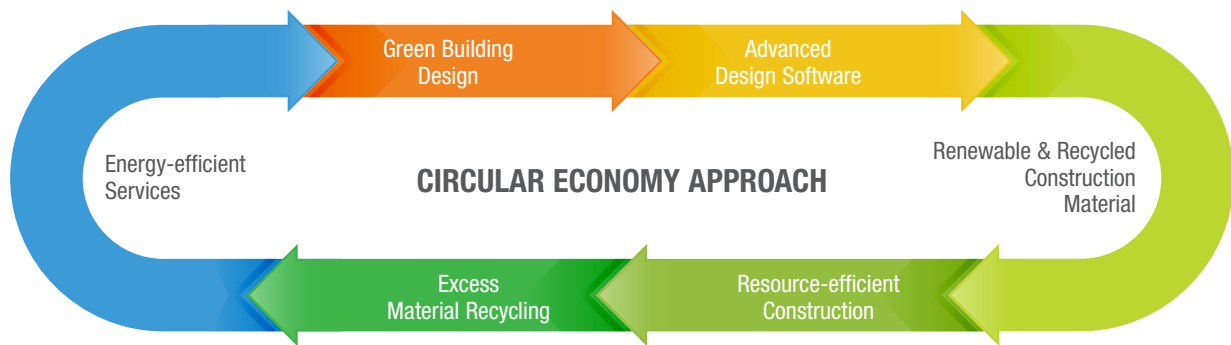
WCT has already embraced and continues to champion the principles of a circular economy within the building and construction industry, with the primary goal of effectively managing environmental impacts. The impetus for transitioning to more sustainable construction methods arises from the industry's resource-intensive nature.

By adhering to the principles of the circular economy, WCT strives to attain sustainable sourcing of raw materials and energy sources. This strategy promotes resource efficiency and minimises waste generation throughout the entire product lifecycle. Importantly, it involves all stakeholders across the value chain in the pursuit of sustainability. Clients, architects, town planners, raw material suppliers, equipment manufacturers, engineers, and contractors can collaborate to deliver more substantial environmental and social performance improvements.

SUSTAINABILITY STATEMENT

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Within the WCT Group, both the Engineering and Construction Division and the Property Development Division are guided by six circular economy approaches. These approaches are integrated throughout the construction and development value chain, with the overarching objective of driving sustainable development and growth in the industry.



Beginning with the planning stage, advanced software is used to optimise the design of a project under this approach. WCT's Engineering and Construction Division adopts advanced digital solutions such as Building Information Modelling ("BIM") and Virtual Design and Construction ("VDC") to implement a more sustainable approach to building a project during the design and construction stage. It is widely acknowledged that design plays a pivotal role in determining the environmental impact of a building or project throughout its lifecycle.

Additionally, in adopting a life cycle perspective, WCT ISO 14001-based Environmental Management System ("EMS") ensures significant environmental impacts identified have considered the different life cycle stages of the Group's projects. WCT considers the stages in the life cycle where it possesses significant control or influence, as these present the best opportunities for the Group to reduce resource consumption and minimise pollution or waste.

BIM AND VDC



BIM and VDC enable real-time collaboration among a wide range of project stakeholders, including the client's design and project management teams, nominated sub-contractor teams, internal technical and planning departments, and the construction operations department.

The use of these solutions ensures that data and information are seamlessly shared, facilitating the efficient implementation of design changes. The feedback and input received from multiple parties support better resource planning and enhance overall project management.

Moreover, BIM facilitates the creation of a comprehensive model that serves as a centralised repository for all data, including built and asset management data. This approach results in reduced paper consumption and enables quick retrieval and sharing of data among multiple users. The construction sector greatly benefits from the use of BIM and VDC for project collaboration and data management, and this is especially true when conducting large-scale construction projects.

From thereon, a portfolio of renewable and recycled building materials can be combined with resource efficient construction methods, such as the use of reusable formwork, and prefabrication of construction components.

Excess materials can be recycled or reused throughout all stages to minimise waste. Similarly, the utilisation of energy and water-efficient tools such as Building Management System, LED lightings, filtration system at chillers, and rainwater harvesting tanks during the operational phases drastically reduces energy and water consumption while also allowing smart predictive maintenance that extends a project's overall lifespan.

SUSTAINABILITY STATEMENT

cont'd

The strategic advantages of digital solutions have supported, and in certain cases continue to support, the delivery of the Group's project such as MRT2 V204 & S204, TRX C2, The Exchange TRX (TRX Retail) as well as the ongoing TRX Hotel and Office, 118 Mall, and Sultan Ismail Petra Airport projects. Meanwhile, WCT's Property Development Division has also adopted the use of BIM for the Pavilion Mont' Kiara project.

Notably, Sultan Ismail Petra Airport in Kota Bahru, Kelantan, will be the first airport to utilise BIM for the enlargement and upgrading works of the airport. This incorporation underscores the contract's broader objectives to enhance industrial capabilities, encourage local participation and stimulate economic development within the project's scope.

Implementing BIM within this project has significantly contributed to the project's success by enhancing various aspects of project management and execution:

BIM training has equipped project personnel with the necessary knowledge and skills to utilise BIM software effectively. This has streamlined project workflows, reduced errors, and facilitated collaboration among different teams, ultimately leading to improved project efficiency.

BIM has played a crucial role in cost estimation by enabling better planning and visualisation, resulting in more accurate estimations and reduced construction-related risks. By identifying clashes and issues in the digital model before construction begins, costly on-site changes have been minimised, contributing to overall cost savings.

BIM has fostered enhanced project coordination among architects, engineers, contractors, and other stakeholders involved in the airport expansion. The shared digital model has facilitated real-time collaboration and information exchange, reducing communication gaps and misunderstandings.

BIM software has been instrumental in clash detection and resolution, identifying conflicts between different building elements early in the design phase and thereby avoiding potential construction delays and rework.

Overall, the integration of BIM within the Sultan Ismail Petra Airport project has not only ensured compliance with industry standards but also enhanced client satisfaction by improving visualisation and communication, ultimately leading to a successful and efficient project delivery.

With BIM being able to enhance various aspects of project management and execution to improving project efficiency, this will also allow the airport to effectively utilise the BIM model for maintenance purposes to ensure that the digital asset serves as a valuable tool for optimising airport operations and enhancing infrastructure management in future.



Examples of BIM implementation for the Sultan Ismail Petra Airport, Kelantan

SUSTAINABILITY STATEMENT

cont'd

MINI VEGETABLE GARDEN PROJECT

Première Hotel started its Mini Vegetable Garden ("MVG") project in October 2022 with the aim of providing a farm-to-table experience for their patrons. The project remains active in FY2023 with more vegetable planted such as Daun Kesum, Pandan, Pokok Betik, and Bayam Merah. The hotel successfully incorporated the pesticide-free vegetables, especially in the form of fresh salads, into the breakfast buffet offerings.

In November 2023, the hotel embarked on Aquaponics, a soil-less farming system as an extension of its MVG project. The initiative allows for year-round cultivation of vegetables and fish farming (Tilapia & Bandaraya Fish) in which the natural waste produced by fishes in the tank are used to provide nutrients for the plants, while the plants help filter and clean the water in the fish tank. To date, the hotel has planted and harvested approximately 10kg of vegetables including Basil, Kailan, Salad, Daun Pandan, Limau Kasturi, Buah Kendondong, and Daun Kunyit. The Aquaponics vegetable harvest will be served to customers in the future.

The MVG and Aquaponics project aligns with one of the hotel's sustainability goals of improving resource efficiency by utilising its own locally grown produce to enhance the dining experience for its guests, while also providing an opportunity for education and employee engagement.



WATER USE

WCT understands the importance of water as a finite and vital resource that needs to be managed by adhering to industry best practices.

Hence, the Group readily supports UN SDG 6 Water and Sanitation and UN SDG 11 Sustainable Cities and Communities to promote water resilience across all business operations and ensure efficient water consumption. WCT's water management strategy for all business divisions is centred on the following key aspects of sound water stewardship.



SUSTAINABILITY STATEMENT

cont'd

PURSUING WATER EFFICIENCY THROUGH WATER MANAGEMENT PLANNING

WCT places a strong emphasis on reducing water consumption throughout its operations as some of its businesses are significant consumers of water. For instance, WCT's shopping malls and hotels inherently require water for various business operation purposes such as guest rooms and facilities, restaurants, landscaping, heating, ventilation, and air conditioning (HVAC) systems, as well as cleaning and maintenance. While water consumption is necessary and can be substantial, there are various opportunities for WCT to implement water saving measures. Adopting water-efficient fixtures, implementing recycling and reuse systems, and raising awareness through education initiatives and regular reminders among guests, employees, workers, and service providers can contribute to water savings.

The Group maintains a continuous monitoring of water usage, with the building maintenance and operations team operating under the property management department. This team is responsible for overseeing and implementing appropriate water conservation measures at its managed properties, further contributing to the sustainable use of this valuable resource.

WCT's Property Development Division has outlined and implemented a Water Management Plan for 100% of its project sites aimed at optimising resource usage and reducing environmental impact surrounding its project sites. The plan involves identifying, managing, and monitoring the various water sources used by the division in order to responsibly consume the necessary water sources with accountability and transparency. Meanwhile, the Engineering and Construction Division aims to roll out its Water Management Plan in FY2024.

The large amounts of water consumed during WCT's business operations are primarily sourced from municipal sources. However, some businesses like gateway@klia2, Le Méridien Petaling Jaya, Première Hotel and some project sites have begun using harvested rainwater as an alternative water source. This collected rainwater is used for purposes such as flushing toilets, landscaping, building maintenance, and wash troughs. Rainwater harvesting efforts are being continuously encouraged in all WCT's project sites and premises as part of the Group's improvement in environmental practices.

At Première Hotel, the rainwater harvested is stored into four tanks with the capacity of 600 gallons each. The water collected is used for weekly cleaning of the premises and garden upkeep. Through this, the hotel saves approximately 2,400 gallons of potable water consumed. The hotel has plans to further expand the usage of rainwater for landscaping and washing of other common areas such as the basement as well as the cleaning of waste handling equipment.

Le Méridien Petaling Jaya's 4,755-gallon rainwater harvesting tank supports the general maintenance of the hotel.

gateway@klia2 has two rainwater harvesting drums of 19,000 gallons each with the water collected being used for landscaping purposes.

WCT believes that effective water management also requires collaboration among stakeholders, including government agencies, employees, contractors, and the general public. By implementing sustainable water management practices together, we can ensure the availability of safe and reliable water for future generations. With that in mind, the Group has set a target to reduce water usage intensity as per measured against total square feet ("sqft") by 10% by 2030, compared to 2019 baseline year of 0.013m³/sqft.

SUSTAINABILITY STATEMENT

cont'd

WATER SAVING MEASURES UNDERTAKEN BY BUSINESS DIVISIONS

Engineering and Construction

- Project site - Rainwater harvesting for sanitary system (toilet flushing/cleaning), wash trough and wheel washing. Recycling of filtered/treated wastewater from surface run-off and reused within project sites for wheel and vehicle washing at wash trough area, sanitary system, controlling of dust emission by wetting the access roads using water bowser.
- WCT Machinery - Conduct routine monthly workplace inspection to ensure no leaking water taps to avoid water wastage.
- Water used in hydrostatic tests for pipes is recycled for re-use during testing and commissioning.

Property Development

- Project site - Rainwater harvesting for sanitary system (toilet flushing/cleaning), wash trough and wheel washing. Recycling of filtered/treated wastewater from surface run-off and reused within project sites for wheel and construction vehicle washing at wash trough area, sanitary system, controlling of dust emission by wetting the access roads using water bowser.
- Rainwater harvesting systems across integrated and niche developments. This reduces potable water consumption, as collected water can be used for landscape irrigation and other applications.
- Installation of faucet aerator and dual-flush toilets.

Property Investment and Management

Shopping Malls:

- Conduct weekly water tap and toilet flush system checking (check for equipment defect) and maintenance to prevent wastage and conduct routine checking at incoming water pipeline for possible leakage.
- Reduced running of chillers and cooling tower.
- Presently exploring water management strategies including proportioning of water supply in accordance to usage for amenities, equipment and consumption by tenants.
- Ongoing feasibility study on additional water tank storage and/or water harvesting for non-human usage due to limited or availability of space for such installation.
- Utilising rainwater harvesting for landscaping at gateway@klia2.
- Progressively install water saving fittings.
- Installation of pressure relief valve to regulate water pressure from the water supply to decrease water usage.

Hotels:

- Utilising rainwater harvesting for landscaping and building maintenance.
- Installation of pressure relief valve to regulate water pressure from the water supply to decrease water usage.

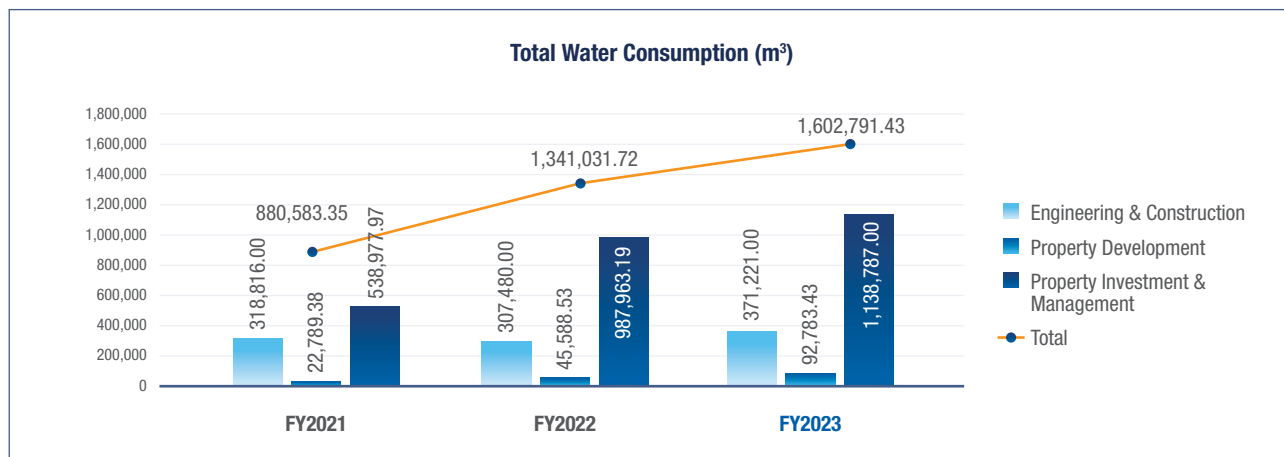
Business Aviation:

- Aircraft operators are encouraged to adopt dry wash method to reduce water consumption.

SUSTAINABILITY STATEMENT

cont'd

WATER CONSUMPTION DATA



The following table provides a comprehensive breakdown of water consumption for various operations within WCT. This includes water usage in offices and project sites for the Property Development Division, as well as water consumption in shopping malls, hotels, and business aviation operations for the Property Investment and Management Division.

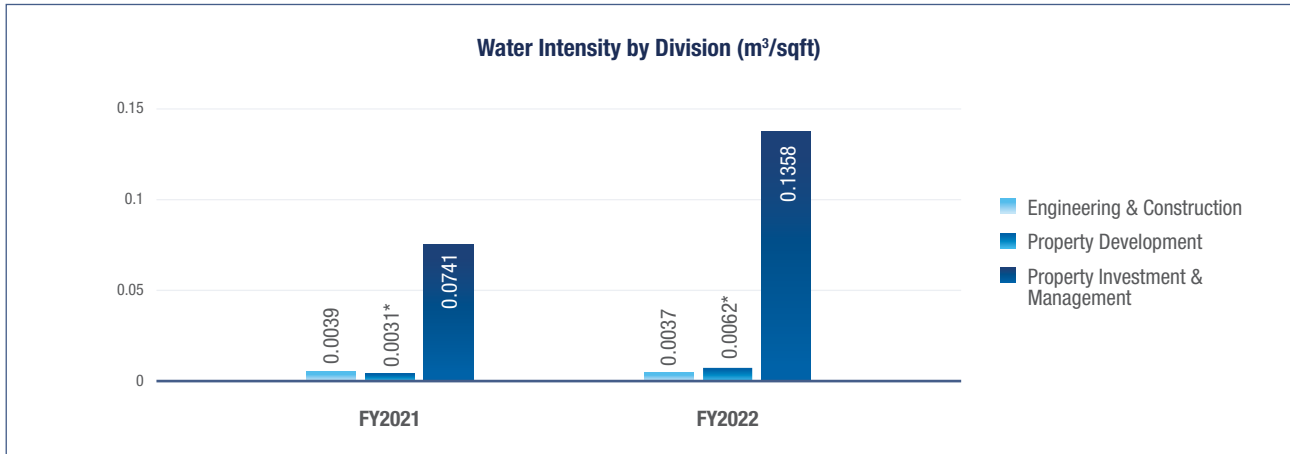
Division/Year	Total Water Consumption (m ³)		
	2021	2022	2023
Engineering & Construction	318,816.00	307,480.00	371,221.00
E&C Office	-	-	337.00
E&C Project Site	-	-	363,183.00
E&C Warehouse	-	-	7,701.00
Property Development	22,789.38*	45,588.53*	92,783.43
Facility Management	-	-	43,678.00
Offices	4,694.07	23,424	4,166.00
Project Sites	18,095.31*	22,164.53*	37,820.43
Property Management	-	-	47.00
Sales Galleries	-	-	7,072.00
Property Investment and Management	538,977.97	987,963.19	1,138,787.00
Shopping Malls	474,986.00	885,630.00	1,026,071.00
Hotels	61,186.00	98,525.00	103,965.00
Business Aviation	2,805.97	3,808.19	8,751.00
Total	880,583.35	1,341,031.72	1,602,791.43

Note: *The Property Development Project Sites data for FY2021 and FY2022 have been restated due to unit conversion error in the calculation methodology.

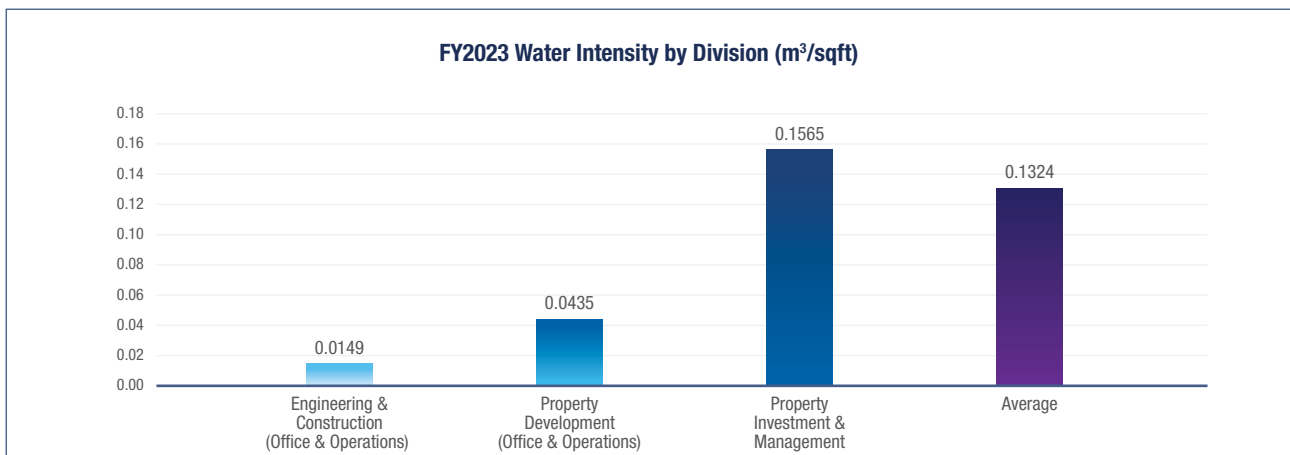
The higher water consumption for Engineering & Construction Division was attributed to the increase in water usage at project sites for cleaning works before the handover of completed projects. Meanwhile, the lower consumption for the Property Development Division could be attributed to the completion of the Paradigm Johor Bahru Hotel and Residence project in June 2023.

SUSTAINABILITY STATEMENT

cont'd



Note: *The Property Development data for FY2021 and FY2022 have been restated due to unit conversion error in the calculation methodology.



In FY2023, the water intensity of Engineering & Construction and Property Development Division is calculated based on the total water consumed against total sqft of the divisions' offices and business operation sites only. It excludes all project sites, including outsourced operations to contractors and sub-contractors.

The increase in water intensity for the Property Investment and Management Division reflects the higher influx of tourists, guests, and shoppers following the recovery and improvement in retail and hospitality landscape post COVID-19.

According to the World Resources Institute's Water Risk Atlas, WCT's operational sites in the states of Kuala Lumpur, Selangor, Kelantan, Johor Bahru, Sabah and Sarawak in Malaysia have an overall water risk measure of low-medium and denotes that WCT is not operating in areas deemed to be water-stressed. WCT will continually monitor the water risk levels for its sites as this may change over time. Certain sites, especially those in the state of Kelantan, are facing poor-quality piped water due to the state's ageing infrastructure and inadequate number of water treatment facilities and water pollution. However, WCT's Kelantan project site have not been affected by the water problems. If required, going forward, WCT will initiate measures to mitigate any potential or actual impacts arising from the issues. Meanwhile, WCT continues to practice water saving measures at the project site to reduce potable water consumption, where possible.

WASTE AND POLLUTION

In addition to managing waste in accordance with DOE and other relevant regulators' stringent requirements, WCT is committed to reducing and recovering waste where possible across all business divisions. All hazardous and non-hazardous waste that cannot be recovered is managed and disposed of in accordance with relevant regulatory requirements. WCT has adopted the 3R approach to address its waste-related impacts by adhering to circular economy principles.

SUSTAINABILITY STATEMENT

cont'd

Typically, wastes generated from WCT's divisions include construction waste, food waste, and commercial waste such as packaging material. When required, hazardous waste, legally referred to as Scheduled Waste is disposed of using DOE-licensed third-party contractors at approved landfill sites. The Group also carries out recycling initiatives to divert waste from landfills. Whenever possible, waste is repurposed for use on sites to reduce the total amount of waste requiring disposal to landfills or incineration.

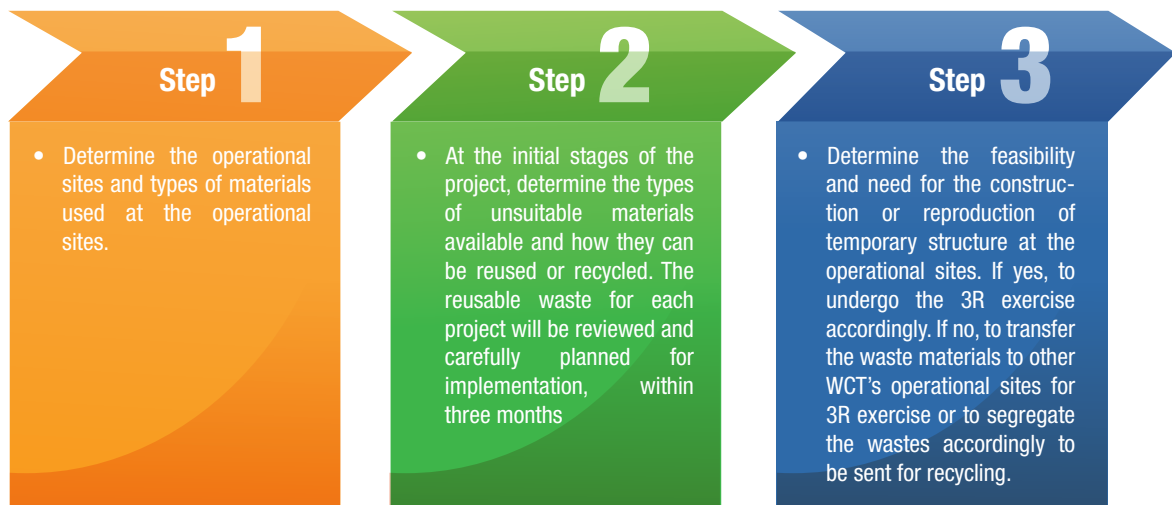
The Engineering and Construction Division has its own Quality, Environmental, Security and Safety & Health Policy (QESSH) to ensure waste management is in compliance with local regulations and aimed at reducing the generation of waste in the first place. The division also adopts the ISO 14001 EMS to minimise harm on the environment including prevention of pollution resulting from waste generation where WCT conducts its business operations.

WCT has a sound waste management system across all business divisions. It has set a target to reduce waste sent to landfill by 10% by 2026 and 20% by 2030 compared to the amount sent in the 2019 baseline year of 43%.

3R APPROACH

WCT continues to adopt measures aimed at reducing waste produced at all operational sites. The primary approach follows the 3R principles of reduce, reuse, and recycle.

Specifically in the Engineering and Construction project sites, the 3R approach is carried out upon careful consideration of the following implementation steps:



The operational sites have adopted a wide range of 3R methodologies towards reducing the amount of waste sent to landfills. Here are some notable initiatives in this regard:

All construction sites have established a recycling system of various materials. These include paper, glass, aluminium and plastic.

SkyPark Aviation Group continues to advise all aircraft owners and operators to segregate domestic waste from inflight aircraft catering for recycling purposes.

The used cooking oil generated from WCT's shopping malls and hotels is collected by an external partner for recycling it into alternative energy sources

WCT offices segregates its recyclable waste as part of its Landfill Waste Reduction Programme

SUSTAINABILITY STATEMENT

cont'd

WASTE MINIMISATION EFFORT

As much as possible, our Engineering and Construction Division uses asphalt milling waste to construct the subgrade, subbase and roadbase layers for roads. Asphalt milling waste is also a granular backfill material for drainage works.



1. Surplus concrete blocks are reused as bunds to prevent and minimise water seepage to the lower levels of constructions areas. Currently, this method is being used to protect the lower areas at the Pavilion Damansara Heights project.



2. Surplus bricks are reused as bunds to prevent oil spillage from the IBC tank.



3. Used plywood is reused as coverings for penetration or void holes.

SUSTAINABILITY STATEMENT

cont'd

WASTE MANAGEMENT DATA

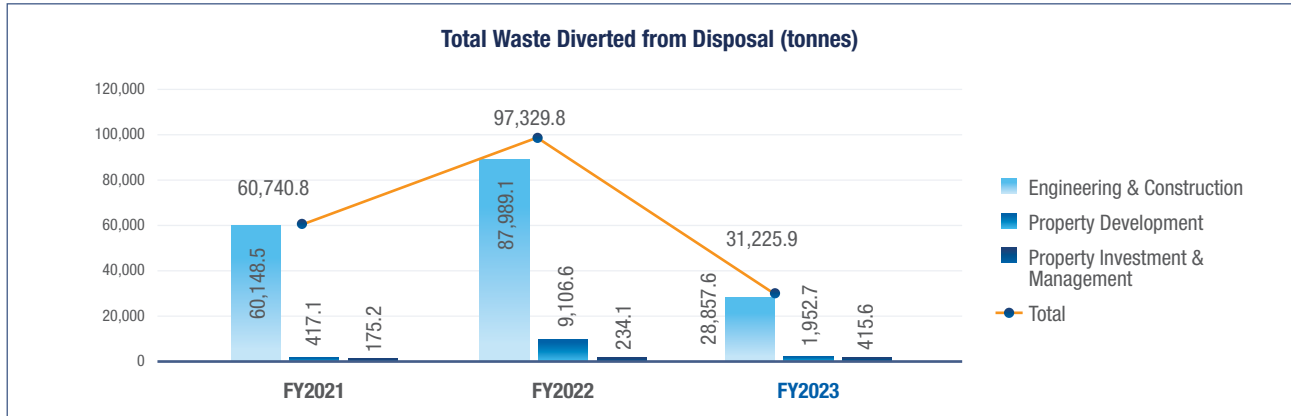
Engineering & Construction	2021	2022	2023
No of Sites Tracked	11	15	13
Landfilled waste (tonnes)	5,514.63	5,086.36	10,083.74
Preparation for reuse (tonnes)	23,540.00	66,851.00	20,764.52
Recycled waste (tonnes)	36,608.54	21,138.08	8,093.07
Total (Non-hazardous waste)	65,663.17	93,075.44	38,941.33
Total Scheduled waste (Hazardous waste) (tonnes)	47.40	21.45	41.83
Total amount of waste generated	65,710.57	93,096.89	38,983.16
Property Development	2021	2022	2023
No of Sites Tracked	6	7	21
Landfilled waste (tonnes)	917.93	433.12	883.43
Preparation for reuse (tonnes)	348.00	5,451.82	1,452.25
Recycled waste (tonnes)	123.09	3,654.79	500.42
Total (Non-hazardous waste)	1,389.02	9,539.73	2,786.1
Total Scheduled waste (Hazardous waste) (tonnes)	0.01	7.06	0.08
Total amount of waste generated	1,389.03	9,546.79	2,786.18
Property Investment & Management	2021	2022	2023
No of Sites Tracked	5	6	8
Landfilled waste (tonnes)	3,284.44	4,474.76	7,066.10
Preparation for reuse (tonnes)	N/A	0.01	0
Recycled waste (tonnes)	175.17	234.06	415.62
Total (Non-hazardous waste)	3,459.61	4,708.83	7,481.72
Total Scheduled waste (Hazardous waste) (tonnes)	N/A	N/A	N/A
Total amount of waste generated	3,459.61	4,708.83	7,481.72

All waste-related data is collected from respective business divisions on a quarterly basis and the Group Sustainability Committee and BRSC oversee waste management performance and waste reduction strategies.

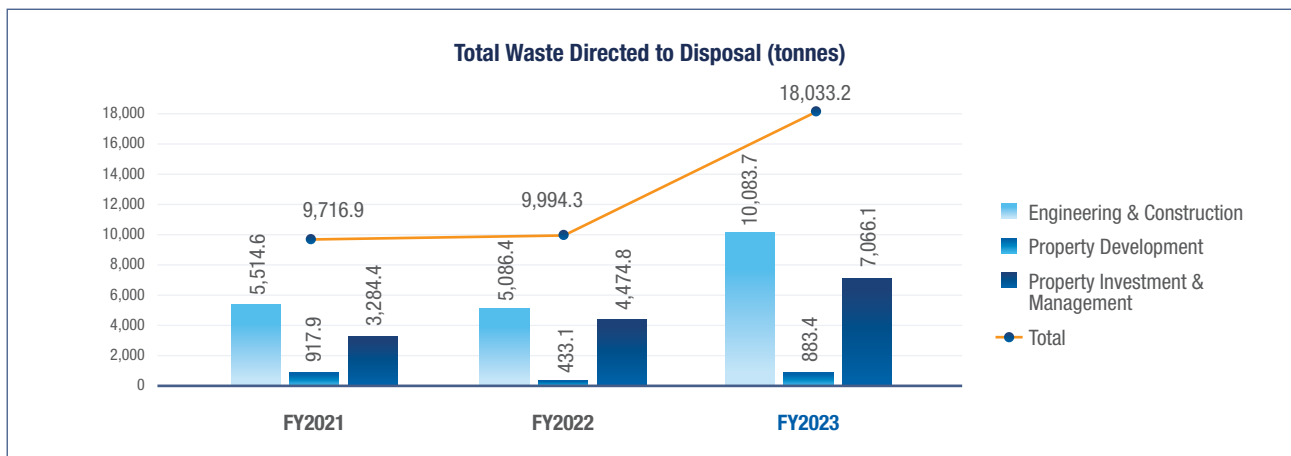
WCT intends to improve data collection on its waste going forward for all divisions towards developing a complete perspective of total waste produced by the Group.

SUSTAINABILITY STATEMENT

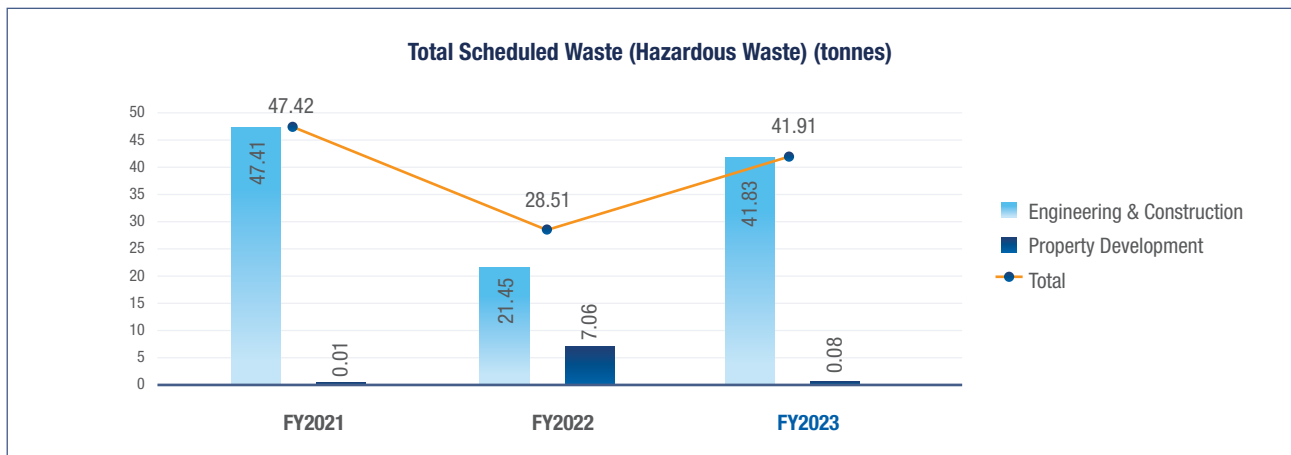
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Note: The total waste diverted from disposal consists of both recycled and prepared-for-reuse waste.



Note: The total waste directed to disposal will be sent to landfill for final disposal.



SUSTAINABILITY STATEMENT

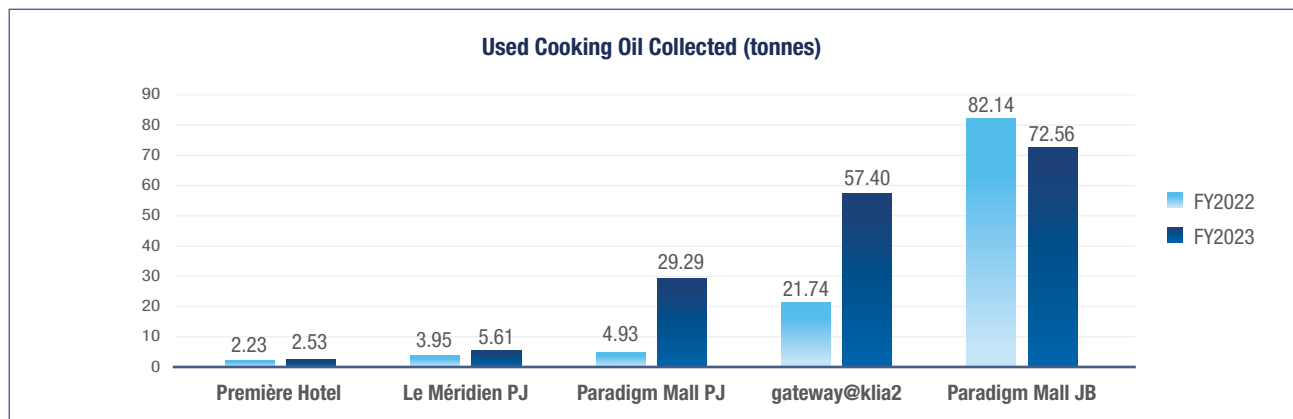
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RECYCLING USED COOKING OIL INITIATIVE

WCT's Property Investment and Management Division collected 167.4 tonnes of used cooking oil in FY2023 as a result of WCT's ongoing collaboration with a used cooking oil collection company which facilitated the collection of used cooking oil from various locations such as Le Meridien Petaling Jaya, Première Hotel, gateway@klia2, and Paradigm Mall Petaling Jaya. The tenants at Paradigm Mall Johor Bahru are using the collection services of their respective vendors.

The collected oil is then converted into biodiesel, which helps to reduce the amount of used cooking oil that is disposed of in landfills. Additionally, this process helps to reduce greenhouse gas emissions, saving approximately 448.62 CO₂ tonnes from being released into the atmosphere. This is part of its continued and concerted efforts to avoid waste products being sent to landfills.

Going forward, stronger utilisation of used cooking oil collection services amongst tenants is something WCT is aiming for when it comes to this initiative with Paradigm Mall Petaling Jaya and gateway@klia2 for the purpose of recycling used cooking oil. The Group also aims to enhance the scope of data collection surrounding the recycled used cooking oil beyond the purview of the existing used cooking oil collection services, in order to achieve more comprehensive and detailed data collection going forward.



LANDFILL WASTE REDUCTION PROGRAMME

WCT's Landfill Waste Reduction Programme at the Group's offices underwent continual expansion in scope during FY2023. The programme saw the placement of recycling stations at all locations in WCT's Corporate Office at The Ascent, Paradigm and selected Engineering and Construction project sites offices to collect recyclable wastes such as plastics, glass, paper, and steel to encourage waste segregation.

Briefings were also conducted in May and August 2023 at The Ascent, to improve the awareness of Landfill Waste Reduction Programme among employees. About 180 staff members from the Engineering & Construction Division and Property Development Division attended the briefings.



In FY2023, Recycling Days were organised every 2 months, with a total of 4,408.3kg or 4.41 tonnes of waste diverted from landfills.

SUSTAINABILITY STATEMENT

cont'd



Recycling Days at WCT offices and project site offices

Since 2020, WCT has been able to divert 15,064.25 kg or 15.06 tonnes of paper through the Landfill Waste Reduction Programme, amounting to 256 trees potentially saved. This is based on a study by the University of Southern Indiana which found that recycling 1 tonne of paper saves 17 mature trees.

Recycled Waste Diverted from Landfills (kg)	FY2022	FY2023
Paper	7,436.5	4,138
Plastic	196	195
E-waste	5.9	10.3
Others (Tin/Aluminium/Glass, etc.)	242	65

ENVIRONMENTAL MONITORING AND PROTECTION

Air, water, and noise pollution monitoring remain essential to WCT's business operations as the Group believes in pollution prevention and adhering to regulatory compliance.

WCT is acutely aware that its numerous construction activities have the potential to act as sources of pollution. As a proactive measure, the Group conducts periodic environmental monitoring at all worksites before commencing work, ensuring compliance with the DOE requirements. Any violation of environmental standards and guidelines identified during these environmental monitoring inspections are promptly reported for immediate remedial action by the relevant parties.

All construction sites engage certified environmental consultants or accredited laboratories to carry out environmental monitoring, sampling and data reporting. In addition to these efforts, SIRIM QAS International Sdn Bhd conducts an annual audit based on the ISO 14001 EMS.

SUSTAINABILITY STATEMENT

cont'd

The following table outlines the specific standards, guidelines, KPIs, general incidents as well as the Person in Charge ("PIC") of environmental pollution monitoring:

Pollution Type	Pollution Monitoring and Control Guidelines	Pollution Control KPIs	General Pollution Incidents/ Causes	Environmental Monitoring PIC
Air	<p>WCT complies with New Malaysian Ambient Air Quality Standards (2020) by DOE.</p> <p>The parameters to be monitored are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all the monitoring & compliances shall be adhered to EIA requirements / EIA Conditions of Approval by DOE.</p>	Project sites have to comply with the recommended limits / target as stipulated by the Authorities / Client based on Malaysian Ambient Air Quality Standard (2020) .	<p>Most significant impacts of air pollution from the project sites are due to dust emission during earthwork activity and dark smoke emission from generator sets and heavy machineries.</p> <p>If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive a NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.</p>	We have Environmental personnel and / or an Environmental Representative at all our project sites to monitor the related environmental matters / issues.
Water	<p>For a water discharge from a silt trap / sediment pond, project sites shall comply with the Environmental Quality (Industrial Effluent) Regulation 2009 by DOE (either Standard A or Standard B, is based on a project location from the raw water intake / treatment. If the construction project is located at the upstream of the water intake, Standard A shall be used). Generally, basic parameter to be monitored is Total Suspended Solid.</p> <p>While for river water quality, we comply with the National Water Quality Standards for Malaysia ("NWQS") based on the river water classes & uses (Class I – Class V).</p> <p>The parameters to be monitored for both silt trap / sediment pond and river water are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all the monitoring & compliances shall be adhered to EIA requirements / EIA Conditions of Approval by DOE accordingly.</p> <p>Filtration systems using silt fence or gabion wrapped with geotextile are installed to treat surface run-off and effluent from project sites before entering watercourse.</p>	Project sites have to comply with the recommended limits / target as stipulated by the Authorities / Client based on Environmental Quality (Industrial Effluent) Regulation 2009 and NWQS or EIA requirements / EIA Conditions of Approval .	<p>Most significant impacts of water pollution from the project sites are due to earthwork activities; during site clearing, excavation, piling works and the oily surface run-off due to improper storage of diesel container, hydraulic/ lubricant oil leakage or spillage from the heavy machineries.</p> <p>If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive a NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.</p>	

SUSTAINABILITY STATEMENT

cont'd

Pollution Type	Pollution Monitoring and Control Guidelines	Pollution Control KPIs	General Pollution Incidents/ Causes	Environmental Monitoring PIC
Noise	<p>Generally, noise disturbances from the project site shall comply with the Guidelines for Environmental Noise Limits and Control (2019) by DOE. The recommended Schedule and Limit will be determined based on the receiving land use and the project's activity.</p> <p>The Guidelines should be used in new and existing project planning, which may not necessarily require an EIA. All projects requiring noise assessments must undertake an EIA in accordance to this Guidelines.</p> <p>The parameters to be monitored are differed for each project sites based on client requirements (stated in Contract, BQ) or regulatory bodies (such as DOE, EPD, NREB, etc.). For those projects subject to EIA, all monitoring & compliances shall adhere to EIA requirements / EIA Conditions of Approval by DOE accordingly.</p>	<p>Project sites have to comply with the specified noise limits in the environment for new developments and projects for protection of the public from excessive noise as stipulated by the Authorities / Client in accordance to Guidelines for Environmental Noise Limits & Control (2019) or EIA requirements / EIA Conditions of Approval.</p>	<p>Most significant impacts of noise emission from the project sites are due to operation of machinery and equipment such as the piling rig, excavator, hydraulic breaker and generator set as well as from construction activities such as piling & boring works, demolition, concreting/ casting and hacking activities.</p> <p>If there is any non-compliance observed during site inspection, site audit or Authority enforcement, we may receive an NCR, SWO and Fine / Penalty if no proper control and mitigation measures are taken place. Besides that, public / nearby residences complaints might contribute to the NCR / SWO / Fine by the client or Authority.</p>	

WCT has been responsible for setting environmental compliance targets to drive better performance. These targets are as follows:

Maintain zero significant instances of legal non-compliance on environmental pollution leading to fines or non-monetary action from authorities. This target encompasses activities that may cause air, water, or soil pollution in a manner that poses a threat to public health or the environment.

Zero official substantiated complaints related to environmental pollution from neighbouring communities at WCT locations by 2030.

Note: Official substantiated complaints refer to the complaint received via defined medium (written platform and Facebook), and the pollution level must exceed the Permissible Exposure Level (PEL) that is declared by authorities.

SUSTAINABILITY STATEMENT

cont'd

WASTEWATER OF CONSTRUCTION ACTIVITIES

Water from WCT's construction activities is released into drainage and sewerage systems, and we lack control over where the water goes or its final destination. Therefore, WCT do not measure the volume and destination of water discharge. Nonetheless, WCT takes significant measures to prevent surface runoff and the introduction of sediments into nearby water bodies by implementing an Erosion and Sediment Control Plan ("ESCP") at all construction sites. These controls include the use of silt fences, silt traps, sedimentation ponds, and wastewater treatment units, which effectively manage surface runoff with high sediment contamination at all construction sites. The Group implements preventative measures such as regular maintenance on the erosion and sediment controls and redesigning silt traps where necessary to prevent recurrence of any incidents.

To minimise potential disruptions and protect nearby communities, WCT maintain close water quality monitoring to ensure compliance with relevant water quality standards for effluent discharge, with a specific focus on the Total Suspended Solids ("TSS") parameter at predetermined final discharge points. When the water quality is found to be over the permitted level, it shall be addressed and rectified at the point of detection. Immediate corrective actions are taken if TSS levels exceed the permissible limits set by the DOE. On some instances, exceedances were observed at WCT's project sites due to several factors including outside sources (upstream activity or nearest industrial and residential discharge) as listed in the tables below:

Engineering and Construction Project Sites	TSS Water Quality Monitoring (Year)		
	2021	2022	2023
TRX C2	2	0	0
WCE	0	0	0
Pan Borneo Highway	12	12	2
LRT3 GS02 & GS03	9	12	0
Elevated Highway Project	0	6	0
TRX Retail	0	0	0
Pavilion Damansara Heights	0	0	0
118 Mall	N/A	0	0
Container Port	9	7	0
Sultan Ismail Petra Airport	3	4	1
Jetty Extension	N/A	12	0

Property Development Project Sites	TSS Water Quality Monitoring (Year)		
	2021	2022	2023
W City Larkinton	0	0	0
WCity OUG	7	14	2
Adenia Apartments	N/A	0	1
Paradigm Hotel and Residence	8	0	0
Parklands Gravity Sewerage	2	1	0
Pavilion Mont' Kiara	2	4	0

This proactive approach helps safeguard the environment and communities surrounding our operations. In FY2023, WCT was not fined or censured for any incident of legal non-compliance on environmental pollution. The Group's project teams continue to conduct regular monitoring on sites to ensure compliance.

SUSTAINABILITY STATEMENT

cont'd

The best management practices for erosion and sediment controls at WCT's project sites include:



Wastewater treatment units at Sultan Ismail Petra Airport

1. Using wastewater treatment units at Sultan Ismail Petra Airport project. These systems use a chemical process to remove suspended solids from construction activity surface runoff, rainwater runoff, and any generated wastewater before discharging it into the public drainage system or recycling it for further use.

2. Installation of silt traps as a sediment control measure at the W City Larkinton project. The desilting process is done regularly to maintain the effectiveness of the silt traps.



Silt traps at W City Larkinton

SUSTAINABILITY STATEMENT

cont'd

3. Installation of silt fence using geotextile as an erosion control measure to prevent muddy surface run-off at Sultan Ismail Petra Airport and W City Larkinton project sites.



Silt fence at Sultan Ismail Petra Airport and W City Larkinton project sites



Sultan Ismail Petra Airport

4. Implementation of slope protection during drainage construction at the Sultan Ismail Petra Airport project.

5. Installation of rubbish and debris trap at the perimeter drainage at 118 Mall project site as a temporary pollution control measure to prevent rubbish, sediment, and debris from entering the monsoon drainage system which may cause flooding during heavy rain.



Rubbish and debris traps at the perimeter drainage at 118 Mall project site

SUSTAINABILITY STATEMENT

cont'd

6. Installation of gabions to protect the embankment of the Kayu Ara River from erosion for the LRT3 project.



LRT3 project

Below are the other pollution control measures undertaken by WCT:

1. The Engineering and Construction Division implemented dust control at the Sultan Ismail Petra Airport project site.
2. The Pavilion Mont' Kiara project ensures its storage facilities are in good condition, such as its scheduled waste storage, fuel storage and chemical storage.



Scheduled waste storage, chemical storage and fuel storage

SUSTAINABILITY STATEMENT

cont'd

BIODIVERSITY

WCT remains committed to conservation of biodiversity as it acknowledges the critical role biodiversity plays to sustain nature, mitigate climate change and support local communities, especially indigenous communities and those who live off the land.

The construction and development activities undertaken by the Group will potentially lead to biodiversity loss due to the removal of natural habitats and the use of natural resources. Therefore, it is vital that the Group carries out the necessary assessments to identify if there are endangered species or areas of high conservation value within its operational sites. The Group actively monitor operational sites, especially new developments to determine its biodiversity value before initiating land clearing and construction works. This is done to ensure minimal biodiversity loss through mitigation and remedial mechanisms.

The Engineering and Construction Division implements the requirements of approved Environmental Impact Assessments ("EIA") undertaken by the clients for new projects, where applicable. These assessments have been conducted for LRT3 GS02 & GS03 and projects located in non-urban areas such as the Pan Borneo Highway, WCE, Jetty Extension and Container Port. The majority of these projects were found to have no significant biodiversity impacts, as indicated in their corresponding EIA. The potential risk of marine ecological impact at the Jetty Extension is acknowledged and monitored by all relevant and responsible parties. Thus far, the Group including its property development projects do not operate in or adjacent to sites with high biodiversity value or sites containing flora and fauna species on the International Union for Conservation of Nature ("IUCN") Red List.

The Group continues to promote conservation of biodiversity in its developments which is controlled by the Property Development Division. Among the initiatives to promote biodiversity conservation are biodiversity-based projects such as creating green open spaces by increasing tree planting and green landscapes, and developing water retention ponds into mini-parks, among others.

All Property Development projects are planned and designed with environmental and social impacts in mind. WCT complies with local regulatory requirements of preserving existing biodiversity at project sites. WCT conducts a site inventory, topography analysis, arborist surveys, and impact assessments as key first steps.

WCT adheres to the stipulated minimum requirement for greenspaces or open areas at all property development projects. WCT has sought to revive or reintroduce local vegetation such as shrubbery, plants, and trees. Local plants are typically more resilient, adapt better to the surroundings, and often require less maintenance and water.

BIODIVERSITY TARGETS AND PERFORMANCE

WCT has set tree planting targets to plant either 500 trees or 30% of felled trees of the preceding year to aid the Group's goal of preserving biodiversity. In FY2023, a total of 502 bamboo trees were felled as part of land clearing activities at the LRT3 GS02 & GS03 project site, in which none of the trees felled were identified to be on the IUCN Red List. There were no trees required for transplantation by the local authorities. Meanwhile, 10,313 trees and shrubs were planted for landscaping purposes at the Paradigm Hotel and Residence project which comprise Hyatt Place Johor Bahru Paradigm Mall and Paradigm Residence, Johor Bahru projects.

Location (Project/Site)	No. of Trees and Shrubs Planted	Species
Hyatt Place Johor Bahru Paradigm Mall	23	<i>Tristania obovata</i> , <i>Plumeria</i>
	10,290	<i>Schefflera Green</i> , <i>Croton</i> , <i>Philodendron Scandens Variegated</i> , <i>Philodendron Scandens Green</i> , <i>Philodendron Erubescens Gold</i> , <i>Boston Fern</i>

SUSTAINABILITY STATEMENT

cont'd

WCT's Property Development Division's vision remains consistent, i.e., to maintain a certain percentage of green area in all developments, and for that percentage to be higher in locations where space is readily available. The division continues to remain strategically nimble and explore avenues to play a meaningful role in preserving biodiversity. For instance, projects like Hyatt Place Johor Bahru Paradigm Mall have physical space limitations as this hotel is built on top of Paradigm Mall Johor Bahru. As such, there is limited space for planting trees. However, the division managed to introduce a green wall to not only enhance the appearance of the property but also to bring back some greenery into the development.



The greenery at the outdoor patio of Hyatt Place Johor Bahru Paradigm Mall

The percentage of green areas in acres for Property Development Division projects are as follows:

Project	Trifolis Apartments, Bandar Bukit Tinggi 2	Aronia Apartments	Adenia Apartments	W City Larkinton Plot 1	The Maple Residences, W City OUG	Paradigm Johor Bahru Hotel & Residences	Pavillion Mont' Kiara
Green Area (Acre)	0.79	1.25	0.62	0.72	1.81	0.43	0.67
Green Area (%)	15.1	23.9	20.5	8.4	36.9	3.5	21.3

WCT remains in the exploration mindset for more biodiversity plans as it seeks to play an increasingly meaningful role in preserving biodiversity.

SUSTAINABILITY STATEMENT

cont'd

INDUSTRIAL COLLABORATION PROGRAMMES/RESEARCH PARTNERSHIPS

WCT's Engineering and Construction Division collaborates with research institutes and educational institutions through Industrial Collaboration Programmes ("ICP") to furnish our operations with the latest industry insights. The ICP, typically facilitated by the government serves as a vital framework fostering collaborative efforts between various stakeholders, i.e., academic-based research and development with industry players.

Research – Solar Energy to Hydrogen Generation using Seawater

As part of our efforts to address climate change implications, WCT continues to collaborate with Universiti Malaysia Sabah (UMS) to fully fund the ongoing three-year prototype research project on harvesting solar energy to produce hydrogen from seawater through the Container Port project ICP.

The research aims to harvest solar energy to produce hydrogen from seawater as an alternative source of renewable energy. This research partnership has the following objectives:

1. To promote knowledge transfer between the research institution and industry.
2. To tackle climate change issues by improving renewable energy sources and availability.
3. To support the research and findings on solar energy to hydrogen generation for future business benefits.

In FY2023, the Research Framework stage was completed, and the project is currently in the Methodology stage. As part of the ICP, WCT also began funding professional BIM training programmes at the Faculty of Engineering of UMS. The Level 1 training courses covered BIM awareness induction, information exchanges, Revit architectural training, AutoCAD and more. Level 2 saw participants trained in collaborative-based 3D model with digital information.



BIM Training and Implementation

WCT's involvement in the extension and upgrading works of the Sultan Ismail Petra Airport, Kelantan has ICP as a requisite component, which requires an investment of approximately RM 405,794.00 by WCT. The ICP involves providing MAHB with essential resources to facilitate the adoption of BIM, including BIM models, a workstation with BIM software license, and eight days of BIM training. These resources aim to empower MAHB to effectively utilise BIM model for the airport's maintenance purposes, ensuring that the digital asset serves as a valuable tool for optimising airport operations and enhancing infrastructure management.

In addition, the ICP aims to deliver tangible benefits to the government through the provision of comprehensive as-built models at the project's conclusion. These models serve as a digitalised record of the infrastructure, capturing crucial information such as warranties, installation dates, suppliers, and maintenance schedules. This digitised data not only facilitates efficient maintenance and management of the airport but also lays the groundwork for future infrastructure projects.

Through the integration of ICP requirements with BIM methodologies, the Sultan Ismail Petra Airport expansion project endeavours to realise enhanced efficiency, innovation and sustainability, thereby exemplifying the multifaceted benefits derived from strategic industrial collaborations.

By making this investment, WCT demonstrates its commitment to leveraging BIM technology effectively and contributing to the success of the airport project. At the same time this investment in BIM can play a larger role in mitigating climate change and other environmental impacts that may usually come with traditional construction processes.

SUSTAINABILITY STATEMENT

cont'd

SOCIAL PERFORMANCE

WCT places a central emphasis on its social performance, with a primary focus on specific groups of stakeholders. These include the Group's employees, the local communities in which it operates and workers, even those not directly employed by the Group but whose work conditions and sites are overseen by the Group. The material matters related to our social performance are addressed through talent management, investments in the community, OHS, labour welfare and the safeguarding of human rights.

In FY2023, zero documented instances of social non-compliance with regulations occurred. The Group was not censured or fined in any way in regard to social issues, and there have been zero cases brought through dispute resolution mechanisms.



TALENT MANAGEMENT

WCT's talent management strategy centres on four core components:

- **Recruitment**
- **Retention**
- **Reward**
- **Professional development and training**

HUMAN RIGHTS & LABOUR MATTERS

Adherence to the Malaysian Employment (Amendment) Act 2022 and all other relevant local labour laws is a priority for WCT, consistent with the principles of the International Labour Organisation (ILO). WCT has taken steps to comply with the updated provisions of the Act, which includes entitlements for sick leave, hospitalisation leave, maternity leave, and paternity leave.

The material matter of human rights and labour practices comes under the primary oversight of Senior Management, who ensure that there are no human rights breaches and that WCT are in compliance with the applicable laws.

The Group adheres to UN Guiding Principles on Business and Human Rights. Specifically, the Group is committed to human rights and labour practices as outlined in the principles of the United Nations Global Compact Principles, where businesses should:



These aforementioned global and local laws and principles have been used as references to drafting the Group's recently formulated Human Rights Policy which can be read at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=human_rights_policy, and its Diversity, Equity and Inclusion Policy which can be read at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=diversity_equity_and_inclusion_policy.

SUSTAINABILITY STATEMENT

cont'd

When it comes to recruitment and job opportunities, WCT strongly emphasises meritocracy, providing equal opportunities for all positions across the Group. WCT complies with the Malaysian government's minimum wage policy. Even before implementing the minimum wage policy, all salaries paid in WCT exceeded the minimum wage requirement of RM1,500 per month. In response to the Employment (Amendment) Act 2022, WCT has adjusted its policies, limiting the maximum working hours for both non-shift and shift employees. The Group adheres to the revised regulations, mandating that no employee, including construction workers may work for more than 9 hours in a single day or exceed 45 hours in a week. If necessary, employees can choose to work beyond 9 hours but not exceed 130 hours worked in a single month. WCT has received approval from Jabatan Tenaga Kerja to permit employees to work more than the standard of 104 hours in a single month if needed.

In its retention strategies, WCT also recognises and upholds the legal entitlements afforded to its employees, including the right to receive prescribed benefits and welfare, as well as fair and humane working conditions. This encompasses the right of employees to freedom of association, collective bargaining and expression of grievances.

Employees can channel grievances on human rights, labour standards and other applicable improper conducts to WCT's whistleblowing mechanism in place.

Employees are free to join, support or participate in any legal association, cultural society, professional body or political entity so long as such associations are not illegal, i.e., involvement in outlawed groups.

The Group's subscribed human rights and labour standards are communicated globally in its various policies, specifically its Human Rights Policy and its Diversity, Equity and Inclusion Policy, as well as its Employee Handbook. Employee training related to human rights policies and procedures is incorporated into the orientation process of new hires via the Employee Handbook.

In FY2023, there were zero number of substantiated complaints concerning human rights violations. The Group is pleased to report that it has not incurred any fines, censures or regulatory action related to any human rights violation, and has not engaged in any instances of child, forced or slave labour.

MINIMUM NOTICE PERIODS AND OPERATIONAL CHANGES

WCT endeavours to provide minimum notice to its employees concerning any major or minor operational modifications that may impact them. Such changes may include alterations to employment conditions, work location, and job responsibilities, as well as changes to compensation, benefits, and contract status.

Employees are entitled to seek further clarification or information regarding any operational change and are encouraged to do so. Additionally, employees have the right to express any grievances or dissatisfaction arising from the change to their immediate supervisor or the Human Resources Department.

Three complaints regarding operational changes which resulted in constructive dismissals were made in FY2021 and all cases have been closed. In FY2023, there was one complaint in relation to the operational changes which resulted in constructive dismissals and the case has been closed.

DIVERSITY, EQUITY & INCLUSION

WCT recognises the value of diversity in offering a range of perspectives and experiences that facilitate informed decision-making. Therefore, WCT is firmly committed to maintaining diversity and inclusivity, while also promoting equal opportunities in the hiring, employment, and career advancement of its employees by not discriminating against an individual's race, religion, gender, age, sexual orientation, disability status or nationality.

To this end, the Group's Human Resources ("GHR") team has established clear guidelines to eliminate discrimination and create a workplace environment based on professionalism and merit-based performance. This includes supporting employment from underprivileged groups as we do not discriminate employees based on national extraction or social origin, as demonstrated by our Protégé programme.

Our Diversity, Equity and Inclusion Policy covers these aspects and more, which can be read here at https://www.wct.com.my/about/governance_and_policies/policy.aspx?c=diversity_equity_and_inclusion_policy.

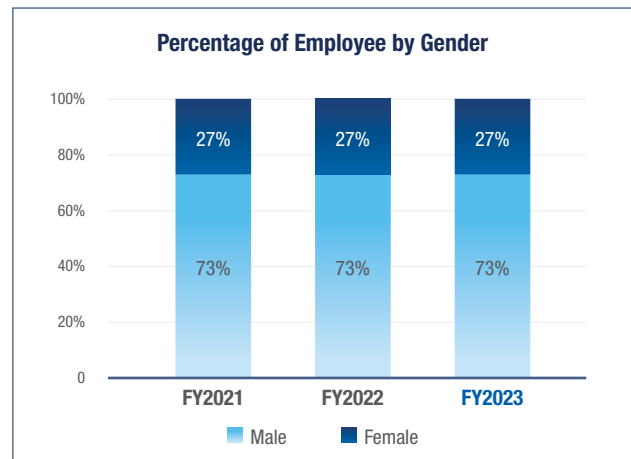
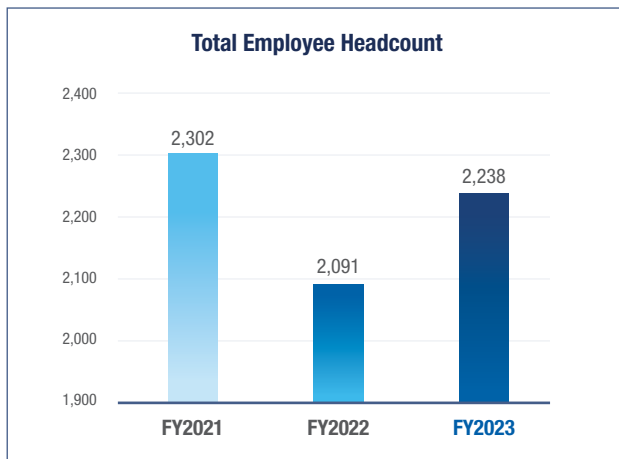
Notably, there were no reported incidents of discrimination based on gender, religious beliefs, or ethnicity in FY2023.

SUSTAINABILITY STATEMENT

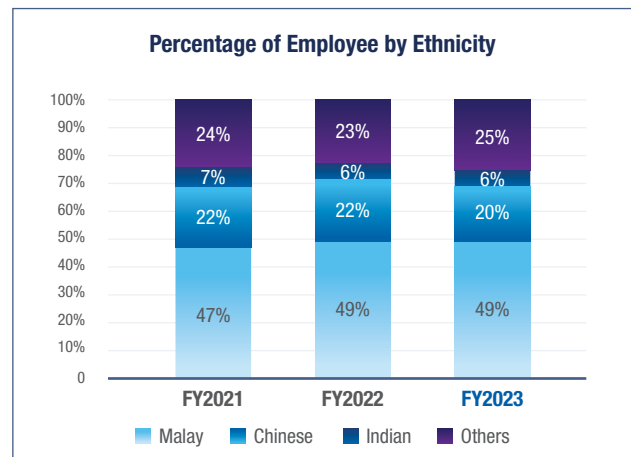
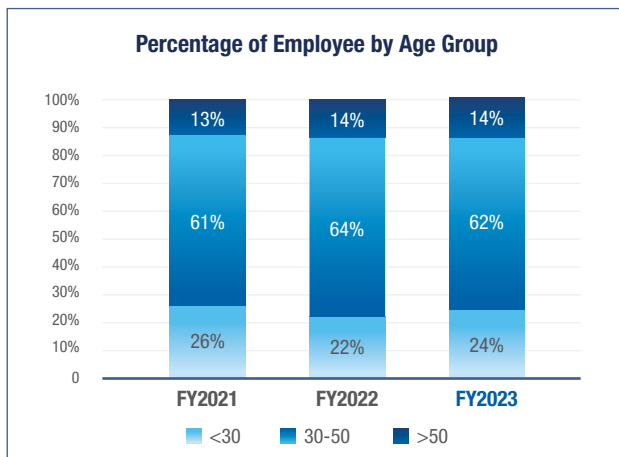
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OUR WORKFORCE

WCT's workforce data encompasses all business divisions and includes all employees with an employment relationship with WCT.

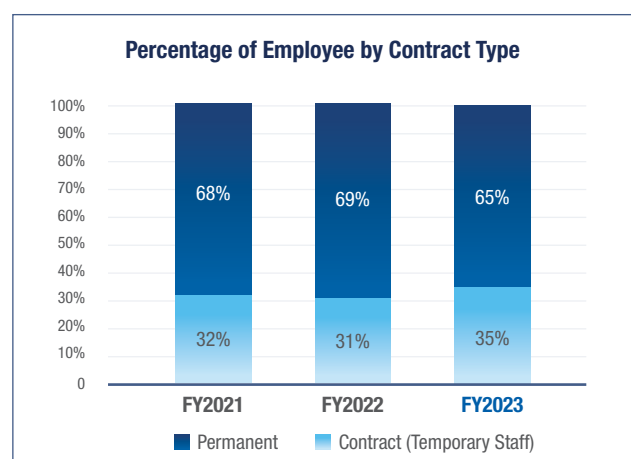


Although the workforce is predominantly male, the gender ratio among office-based employees indicate a more balanced representation of men and women. The reason for the overall male-dominant composition of the workforce is due to the physically demanding and intensive nature of work on construction and operational sites.



WCT is a workplace with age diversity. While most of the employees fall between the age group of 30-50 years old, providing WCT with sufficient talent to support succession planning initiatives across the Group, the Group has a steady percentage of seasoned employees above 50 years old. This group of employees with vast working experience can provide their expertise to help the younger employees develop new skills and drive higher productivity in the Group.

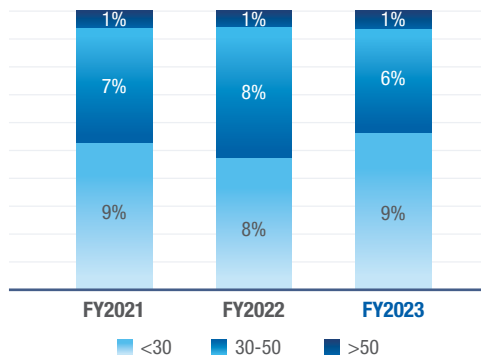
In FY2023, the majority of employees are recruited with permanent employment status, while 35% of employees are temporary staff with a fixed term contract.



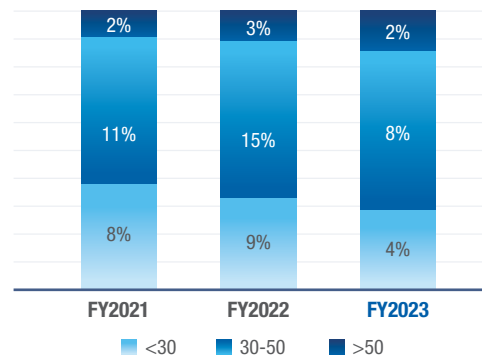
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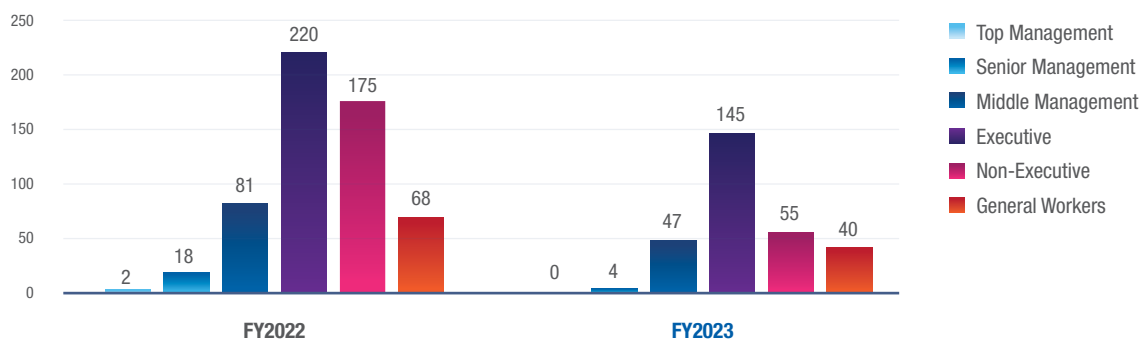
Percentage of New Hires by Age Group



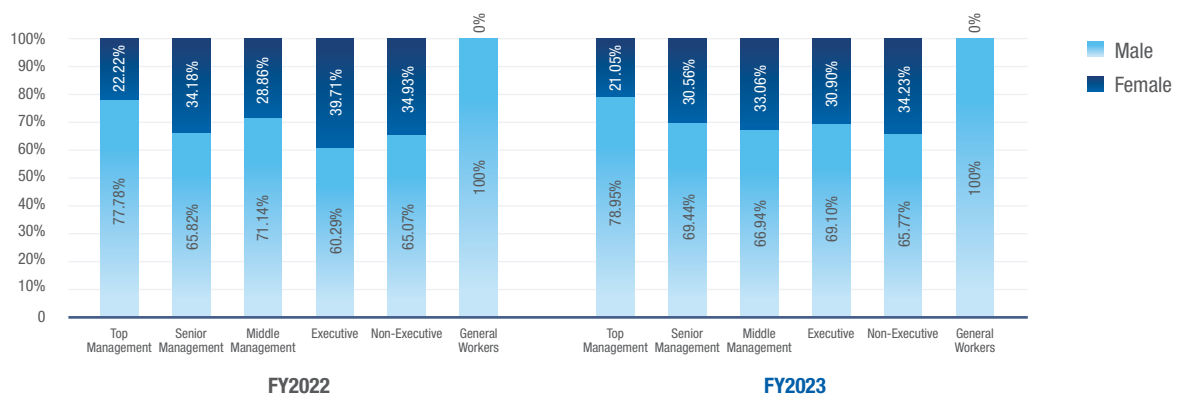
Percentage of Turnover by Age Group



Total Number of Employee Turnover by Employee Category



Percentage of Employee by Gender based on Employee Category

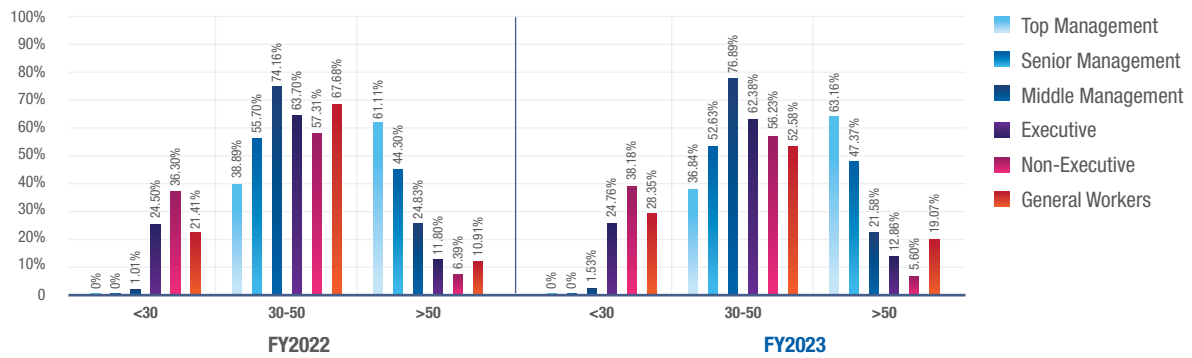


Note: Top management denotes employees with a job classification of functional directors or members of the board of directors, while senior management refers to employees classified as senior managers and general managers.

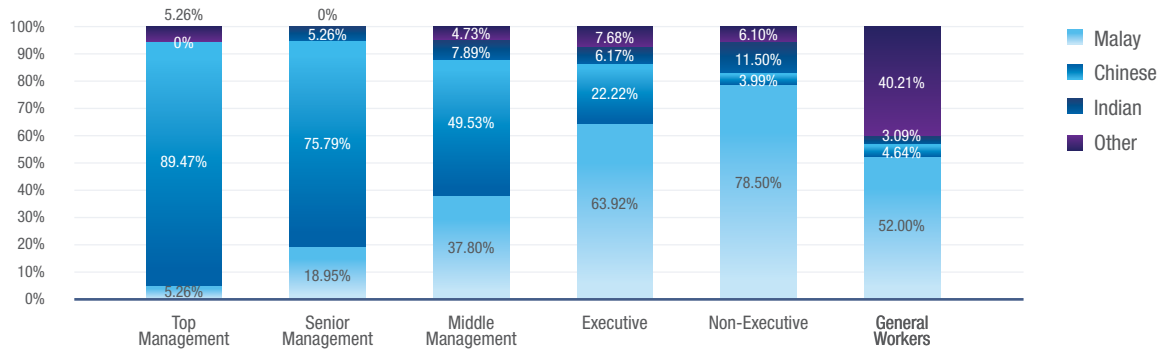
SUSTAINABILITY STATEMENT

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Percentage of Employee by Age Group based on Employee Category



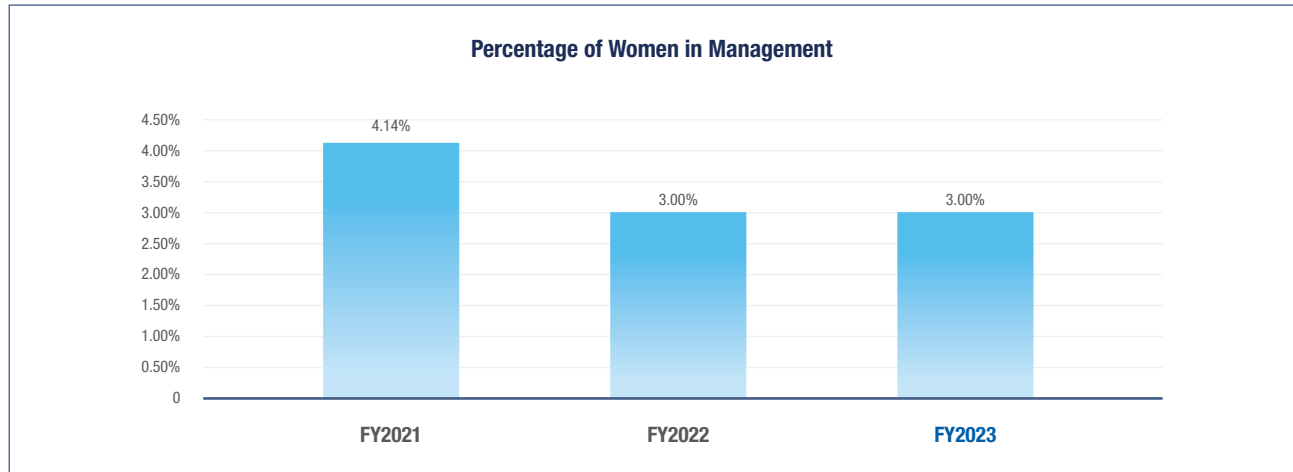
FY2023 Percentage of Employee by Ethnicity based on Employee Category



WCT is committed to upholding its responsibility in creating a work environment where all employees are treated fairly and respectfully regardless of an employee's physical ability. Although the company has not previously hired employees with disabilities, meaning those who have enduring physical, mental, intellectual, or sensory impairments, the company is open to recruiting disabled individuals who are suitable for available positions within the Group.

SUSTAINABILITY STATEMENT

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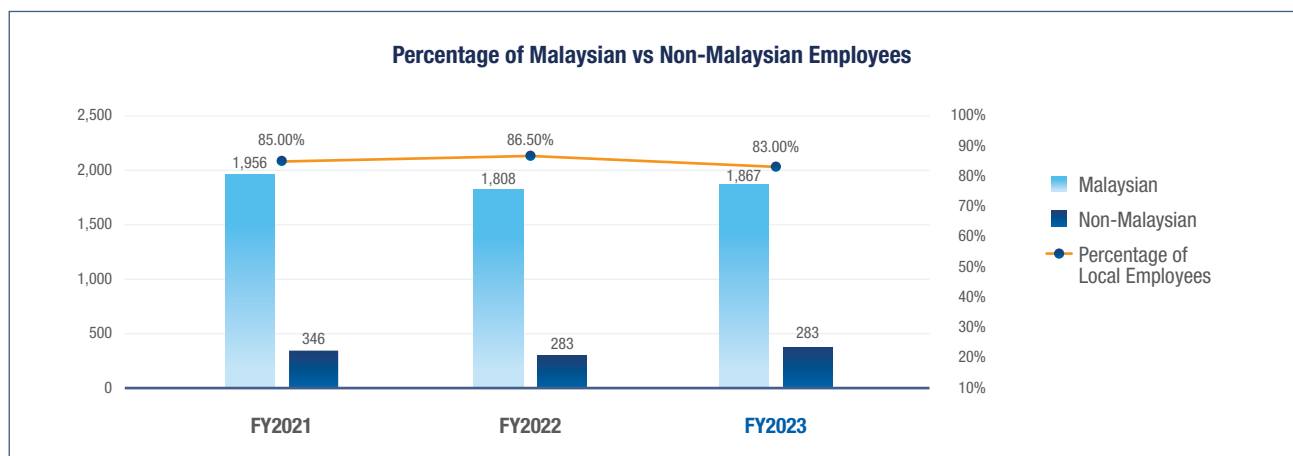
The Group's Human Resources Department is taking proactive steps towards recruiting and developing more female managers for critical top, senior, and middle management roles across WCT. As part of this initiative, the company aims to increase the percentage of women in managerial positions by 5% by 2026, with a 2021 baseline of 4.14%.

With regard to basic salaries and employee compensation, the Group has identified the ratio of average employee salary between male and female employees is 1.3:1 respectively in FY2023. WCT is committed to taking action in narrowing the gender pay gap and enhance its capacity to collect and analyse data by employee category, in order to proactively manage and monitor the pay gap.

PERCENTAGE OF MALAYSIAN VS NON-MALAYSIAN EMPLOYEES

The Engineering and Construction Division employ the majority of foreign workers in the Group, hailing from various source countries approved by the Ministry of Home Affairs. Despite the decline in the number of workers, the percentage of local workers in the overall workforce has continued to show a positive trend, demonstrating that the Group remains committed to promoting local employment.

As of FY2023, majority of local talent have been hired and currently occupy senior management positions within WCT.



SUSTAINABILITY STATEMENT

cont'd

RECRUITMENT

With the exception of the Engineering and Construction Division, which employs foreign labour, nearly all of WCT's workforce comprises local employees. WCT's talent acquisition process is solely based on merit, which takes into account a candidate's professional qualifications, competencies, and relevant experience. The Group's Human Resource Policy strictly prohibits discrimination based on ethnicity, gender, age, disabilities, political affiliations, and other socio-demographic factors.

As for the recruitment of foreign labour, WCT collaborates with the Construction Labour Exchange Centre Bhd (CLAB), an organisation established by CIDB to hire and redistribute foreign workers to companies with approved foreign workers' quota in Malaysia. Employers are required to adhere to the regulatory requirements and ensure that the welfare of the workers are taken care of and prevents instances of forced labour.

Moreover, the diverse range of employment opportunities available through WCT's operations ensures that many local graduates can secure jobs within the country, helping curb the brain drain issue Malaysia is currently facing. The jobs created also provide sustainable incomes, which have a multiplier effect on many families and support the local economy.

EMPLOYEE INDUCTION AND EXIT INTERVIEWS

All new hires undergo a mandatory induction programme to familiarise employees with their new working environment and acclimatise them to their respective roles and responsibilities. HODs will be responsible for this acclimatising process.

Induction programmes play an important role in creating awareness and communicating WCT's stringent standards in regard to the Group's SOPs. Employees who leave WCT will be required to complete an exit process either in the form of a review or exit form.

WORKFORCE LEARNING & DEVELOPMENT

WCT's workforce learning and development guided by ISO standards emphasises a systematic and structured approach to training and skill development. Apart from the Training and Development Policy, the Engineering and Construction Division is guided by ISO 9001 QMS, ISO 45001 OHMS, and ISO 14001 EMS, while the Property Development Division is guided by ISO 9001 QMS and ISO 45001 OHMS to identify employee training requirements through a gaps assessment process and an annual formalised job appraisal process. Each employee receives a formal appraisal at least once a year, with a 100% appraisal rate achieved in FY2023.

To ensure confidentiality, the appraisal process follows a closed approach, where the appraisal is conducted solely between the employee and their superior. During the appraisal, areas for improvement are identified, and plans are formulated to address performance gaps. In the event that an employee disagrees with their assessment, they have the right to provide feedback to GHR as part of the overall grievance mechanism. Notably, no unresolved issues related to employee appraisals were reported in FY2023.

Effective from 1 January 2024 onwards, WCT will implement a Performance Management System ("PMS") based on the Key Performance Indicators ("KPIs") of all employees across the Group. PMS is the process of aligning employees' performance and development plans with business goals and the individual's needs. As the organisation moves towards a performance-based culture, KPI based on PMS is crucial to ensure that each and every employee has a shared responsibility within the organisation to achieve its overall goals.

HR has initiated a series of KPIs workshop, training, and implementation review session for all employees from September 2023 till January 2024 to support employees understanding of the PMS.



SUSTAINABILITY STATEMENT

cont'd



A series of KPIs workshop, training, and implementation review was held at the end of 2023

WCT fully covers the costs of all training programmes employees attend, and employees are encouraged to request further training opportunities to support their continued professional development. Feedback provided by employees is assessed and used to improve future training modules. Additionally, employees who require retraining are shortlisted for future opportunities.

In FY2023, WCT conducted a variety of training programmes. Among the many training sessions conducted were the following:

Type of Training	Training Programme
Soft Skills Training	Supervisory skill training, Orientation & Ten Foot Rule, Managing Payroll, EPF, SOCSO, Income Tax and Related Issues
IT Literacy Training	Microsoft Office Suite (Excel, PowerPoint, Word), IT Risk Management - The Accelerated Approach
Technical Training	Primavera P6, Invitation Wire Rope Technical Seminar
Regulatory/ Statutory Compliance Training	OSHA Compliance & Amendment 2022 Course, Workshop on Key Changes To The Employment Act 1955: Reflection Towards Labour Ordinance Sabah & Sarawak, Accounting Standards, Housing Development Seminar, Introduction to Strata Management Act 2013, Human Factor (SkyPark Aviation Group)
Certification Programme	HRD Corp Train The Trainer Certification Course, Construction Manager (CM) Certification Programme, Certified Environmental Professional in Scheduled Waste Management
Human Rights and Labour Standards Training	Forced Labour In Malaysia: Employer's Responsibility And Corporate Governance, Ensuring Your Employee Handbook & HR Practices Complies with Malaysia's Amended Employment Act & Industrial Relations Acts, Sexual Harassment
Product Quality	QLASSIC Assessor Course Level 1 & 2, Webinar on Building Defects & QLASSIC, Halal Seminar
Product Knowledge	Breakages Training, Quality Control Check List, Chemical Training, Food Handler Training, Basic Rigging and Slings and Lifting

SUSTAINABILITY STATEMENT

cont'd

	FY2021		FY2022		FY2023	
	Management	Non-Management	Management	Non-Management	Management	Non-Management
Total Training Hours (Group)	457	13,314.81	1613.50	5,264	4,609.5	6,798
Number of Employees Attended	58	8,286	163	497	354	620
Investment Spent (RM)	3,550.00	140,547.30	109,321.47	169,699.91	213,114.38	199,879.13
Average Training Hour per Employee			10.10	9.44	13.02	10.96

Note: Management-level employees refer to the top, senior, and middle management employees, whereas non-management employees refer to executive and non-executive employees.

Going forward, WCT will strive to build more talented people by providing more waste technical skill training in areas such as ISO Management System (ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015), Microsoft Word and Excel as well as Primavera P6. WCT aims to also improve critical thinking, inculcate problem-solving skills and help employees navigate complex situations by providing soft skills training such as leadership, communication skill and managing work performance.

EMPLOYEE REMUNERATION AND EMPLOYMENT BENEFITS

WCT provides a competitive compensation package to all its directly employed staff, taking into account their professional qualifications, experience, seniority, and job performance. The remuneration package includes salaries, bonuses, statutory payments, healthcare, various types of leave, and other financial and non-financial rewards, in compliance with the Employment (Amendment) Act 2022 and market standards.

WCT adheres to the principle of merit-based rewards without any discrimination or favouritism based on demographic factors such as gender, ethnicity, age, religion, or disabilities. Full-time employees enjoy the following benefits:

Leave	<ul style="list-style-type: none"> - Annual - Emergency - Medical & Hospitalisation - Prolonged Illness 	<ul style="list-style-type: none"> - Examination - Compassionate - Marriage - Paternity 	<ul style="list-style-type: none"> - Maternity - Retirement
Medical	<ul style="list-style-type: none"> - Dental benefit - Medical Treatment Claims - Hospitalisation & Healthcare Insurance - Group Personal Accident 		
Reimbursement and Entitlements	<ul style="list-style-type: none"> - Mileage, Toll & Parking Reimbursement - Accommodation & Transportation 		
Other benefits	<ul style="list-style-type: none"> - Employee Referral Incentives - Employee Share Option Scheme ("ESOS") - Petrol Fleet Card - Annual membership fees for one professional body 		

Furthermore, the Group aims to enhance its existing performance management framework by incorporating KPIs to facilitate a more effective reward system. WCT regularly benchmarks employee salaries using a compensation report derived from an annual compensation survey. This is conducted to ensure that employee salaries are comparable to the general market rate, especially for high-performing candidates. Additionally, employee benefits are periodically reviewed to ensure their relevance and competitiveness.

SUSTAINABILITY STATEMENT

cont'd

Further information, including expenditure on employee benefits, is presented in the table below.

Benefits	2021		2022		2023	
	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)
Health Care (Outpatient)	3,748	589,791.96	1,549	864,264.76	2,201	675,089.25
Medical leave (Days)	2,399	0	1,381	0	1,325	0
Group Hospitalisation & Surgical	111	890,363.13	85	867,473.87	1,737	1,077,818.06
Group Personal Accident	0	0	0	0	1,737	621,835

Benefits	2021		2022		2023	
	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)
SOCSSO Claims	13	60,409.22	7	17,173.79	4	15,786.66
Workman Compensation	0	0	0	0	0	0

PARENTAL LEAVE

Beginning January 2023, married male employees are given seven paid paternity days annually. Female employees are given 98 days of paid maternity leave for each confinement period, in line with the Employment (Amendment) Act 2022.

Parental leave (Headcount)	2021	2022	2023
i) Maternity	28	28	13
ii) Paternity	51	47	20
Return to Work Rates (%)			
i) Post Maternity	N/A	100%	100%
ii) Post Paternity	N/A	100%	100%
Retention Rates (Post Parental Leave) (%)			
i) Post Maternity	N/A	100%	100%
ii) Post Paternity	N/A	100%	100%

As per the table, 100% of employees who took paternity or maternity leaves in 2023 returned to work and remained with the organisation for 12 months or more for the last two years.

EMPLOYEE SATISFACTION

Employees are viewed as joint stakeholders in value creation. Hence, in support of talent retention, an annual staff satisfaction survey is conducted by GHR. GHR has set a target to achieve an employee satisfaction rating score of at least 80%.

In July 2022, the first employee satisfaction survey was conducted to understand employees' level of satisfaction towards the Group's COVID-19 precaution measures in offices and operational sites between 2020 and 2022. We aim to maintain consistent employee satisfaction surveys yearly, which we managed to continue in FY2023.

Additionally, to ensure WCT continues to foster a positive and inclusive work environment, a Company Climate Survey was conducted in 2023. The survey aimed at gaining insights on various aspects of our workplace including communication, collaboration, leadership, and overall job satisfaction.

	Employee Satisfaction Index Score (%)
FY2022	94%
FY2023	73.90%

SUSTAINABILITY STATEMENT

cont'd

EMPLOYEE ENGAGEMENT

WCT periodically organises or sponsors non-work-related company activities, including sports activities, festive celebrations, health talks, and more. This reflects the management's commitment to allow staff to have an enriching and fulfilling work-life with WCT as well as to help staff realise a balance between their professional and personal lives. These programmes and activities reinforce WCT's staff's motivation and well-being and create an exciting workplace while fortifying staff rapport and relationships. WCT also offers employees the chance to gain new skills and hands-on experience through volunteer work as part of the Group's WCTGives sustainability and CSR proposition. More information on WCT's community volunteering are available in the Community Engagement section.

Engagement Activities 2023:

#WCTSPREADSGRATITUDE CAMPAIGN TO SHOW APPRECIATION



WCTVOICES
#WCTSpreadsGratitude
Employee Engagement Activity



PEOPLE ARE KEY ASSETS TO A BUSINESS

How has your journey been at work so far and what do you hope to make a difference through your role?

“My journey at WCT Malls began in June 2017 when I was tasked to launch the 1.3 million sq. ft. Paradigm Mall in Johor Bahru. I am grateful to my committed team alongside support from my CEO, and other colleagues who helped make the launch of Paradigm Mall JB a success with 80% occupancy rate on 28 November 2017. As people are key assets to a business, I hope to continue guiding and grooming talented individuals at the workplace.”

Moon Tan (First row, seated)
Retail Director,
WCT Malls Management



Dear Kaiyisah,

YOUR SUPPORT MEANS A LOT TO THE TEAM.

Thank you all for supporting each other.
Thank you, team, for getting everything done on time.
I want to thank each of you for your hard work.

Best Regards,
Chong Leng Yap



Dear Josephine,

YOU ARE SUCH A BRIGHT STAR, THANKS FOR SHINNING!

The role you played in my life is not only because of being colleagues at work. To be honest, I've never met anyone who is more kind-hearted, caring, and supportive than you. I really appreciate it! I wish you a lot of success because you deserve it. Thank you! Cheers!

Best Regards,
Rachel Thien

In conjunction with the 2023 Employee Appreciation Day and in line with the Group's sustainability goal of Empowering People, WCT Sustainability launched its month long #WCTSpreadsGratitude campaign to encourage employees to give recognition and show appreciation to their colleagues for their job well done at work. The campaign garnered great response from WCT employees as they recognised and expressed gratitude to their colleagues by participating in the available activities, namely "Nominate Your Colleague Who Deserves to be Appreciated!" and #SpreadGratitude. Leave a Personalised, Appreciation Note for Your Colleague."

SUSTAINABILITY STATEMENT

cont'd



Acknowledging the benefits of sports that go beyond physical and fitness gains, the Badminton Sports Club of WCT LRT3 and The Exchange TRX Retail organised a friendly badminton tournament in the month of September 2023 which attracted the participation of 24 employee participants.

FITNESS, TEAM SPIRIT AND CAMARADERIE IN SPORTS

The Futsal Competition 2023 organised by Première Hotel, Klang, for its staff was filled with teamwork and boundless fun as it brought together employees from various departments..



WCT EMPLOYEES VOLUNTEER FOR BEACH CLEAN-UP

To uphold WCT Group's commitment and sustainability goals of Protecting the Environment and Empowering People, WCT participated as a strategic partner of the DOE Selangor at the Program Kutip Sampah Sambil Riadah ("KUDAH") event. Led by DOE Selangor, this cleanup event was held in conjunction with 'Hari Alam Sekitar Negara'. 19 WCT employees and their families volunteered at the event to clean up Pantai Kelanang in Banting, making the beach cleaner and more welcoming for visitors.

YOUTH UNEMPLOYMENT INITIATIVES, APPRENTICESHIPS OR GRADUATE PLACEMENTS

Protégé RTW Programme

In FY2023, a total of 72 fresh graduates were hired under the Protégé RTW Programme, which is offered by WCT. 10 out of the hired trainees were absorbed into full-time employment upon completing their training. Since 2018, a total of 280 fresh graduates have been recruited for the programme. The programme provides training and placement opportunities for unemployed youths from lower-income or B40 groups, as well as other under-privileged groups in various communities.

SUSTAINABILITY STATEMENT

cont'd

Under the programme, each candidate received a comprehensive remuneration package along with several benefits. The details of the remuneration and benefits are provided below:

- Fixed monthly allowance of RM2,000
- Other benefits, including PERKESO (monthly contribution of RM9.75), Employment Insurance Scheme (monthly contribution of RM3.90), ten days paid leave, ten days sick leave, outpatient medical claims (up to RM300), and Group Insurance coverage (Personal Accident, Hospitalisation and Surgical Policy)



Internships at Hotels

In 2023, WCT's hotels collaborated with hospitality schools of tertiary education institutes, such as Sunway University, Taylor's University, MSU, etc., to conduct three- to six-month internship programmes that allow WCT to develop future talents and leverage the talents and ideas of the younger generation.

Interns under this programme received the following remuneration and benefits:

- Monthly training allowance
- Duty meals
- Certification upon completion of programme
- Full-time opportunities
- Weekly day offs
- Participation in the hotel's recreation and sport activities
- Uniforms are provided for operation interns



Interns at Première Hotel and Le Méridien Petaling Jaya Hotel.

SUSTAINABILITY STATEMENT

cont'd

Here is WCT's overall internship opportunities and fresh graduate placement data for FY2023:

Description	Protégé RTW Programme	Internship
Total Hires	72	172
Converted to full-time employment	10	3

OCCUPATIONAL HEALTH AND SAFETY

OHS MANAGEMENT APPROACH

WCT remains firmly committed to maintaining effective management of Occupational Health and Safety ("OHS"). This is aimed at preventing and managing workplace accidents or incidents that may significantly hinder business operations and impede the generation of both financial and non-financial value.

As an employer, WCT takes its responsibility to ensure its employees' and workers' health and safety seriously, reinforcing its credibility as an honest and trustworthy company. The Group believes that a strong OHS culture also goes a long way in boosting staff morale and minimising potential disruptions to construction site developments and business operations.

All WCT employees and workers are covered under the Group's OHS system. Any OHS incident, particularly those resulting in injuries or loss of life, is a tragedy that must be prevented at all costs.

WCT adopts a no-compromise stance on OHS to maintain a high level of OHS application, improvement, and performance across all divisions. This steadfast dedication marks the cornerstone of the Group's efforts to continuously enhance its safety and health record.

Overall, the Group recognises that effective safety and health management will contribute to a productive workforce that can, in turn, drive consistent and valuable economic growth.

BOARD AND MANAGEMENT OVERSIGHT OF OHS

All OHS performance data, incident reports, and related information are presented regularly to the Board, which deliberates on such matters and recommends any improvements or corrective actions to the OHS management approach as needed.

An OHS champion is assigned to each of the Group's business divisions, operating companies, and operating sites with the duty of ensuring safe and secure work environments and achieving OHS-related KPIs and targets. Meanwhile, Senior Management is responsible for implementing various approaches and planning announced and unannounced site visits to investigate major OHS incidents as required.

In FY2023, a range of OHS topics were discussed at the Board or Senior Management level or both, either at the Group level or in respective subsidiary companies:

- Health, Safety and Environment ("HSE") management system performance
- Legal compliance and HSE contractual requirements
- OHS training and awareness
- Environmental and sustainability requirements
- Emergency Response and Preparedness

OHS GOVERNANCE

WCT's business divisions operate in full compliance with OHS regulatory standards and industry benchmarks established by the Malaysian government and its relevant agencies. The Group strictly adheres to the Malaysian Occupational Safety and Health Act 1994, Factory and Machinery Act 1967, regulatory orders, and relevant Codes of Practice.

SUSTAINABILITY STATEMENT

cont'd

WCT has also implemented the ISO 45001:2018 Occupational Health and Safety Management System ("OHSMS") at a couple of its business divisions and operating companies. All business divisions and operating companies are working towards adopting this best practice standard in order to prevent workplace injuries and illnesses.

Furthermore, WCT requires its supply chain to comply with the same regulatory requirements and OHS KPIs and targets set by the Group, where applicable. In addition to regulatory compliance, WCT's Engineering and Construction Division and Property Development Division is guided by its QESSH Policy and OHS Policy, respectively as well as its OHS commitments, pledges and targets outlined below:



BUSINESS DIVISION SITE CERTIFICATION

At the end of FY2023, the Group's business divisions held the following OHS and other certifications:

Business Unit	Certification	Description
Engineering and Construction Division	ISO 9001:2015	Quality Management System ("QMS")
	ISO 45001:2018	Occupational Health and Safety Management System ("OHSMS")
	ISO 14001:2015	Environmental Management System ("EMS")
Property Development Division	ISO 9001:2015	Quality Management System ("QMS")
	ISO 45001:2018	Occupational Health and Safety Management System ("OHSMS")

WORKER REPRESENTATION ON JOINT HEALTH AND SAFETY COMMITTEES

WCT adopts a stakeholder-inclusive approach, where all established OHS committees include strong employee representation such as third-party workers. This has enabled ample worker representation on joint management-worker health and safety committees.

WCT places special emphasis on the consultation and participation of non-managerial workers in the OHS management system. To ensure fair representation, involvement and participation, staff representation from various departments or operational sites is appropriately selected, enabling optimal knowledge sharing, particularly in hazard identification, risk assessment, and determination of control actions.

Management always makes sure to gather feedback from employees and workers prior to making decisions. A collective approach is also employed to ensure that workers have a role and say in determining their work conditions. Employees and workers at all levels are encouraged to report any hazardous situations, including unsafe acts or unsanitary conditions at worksites, to enable preventive rather than corrective action and to avert any untoward incidents.

SUSTAINABILITY STATEMENT

cont'd

Following is a list of project sites and their corresponding worker representatives on the OHS committees for FY2023:

No	Engineering and Construction Division	Chairman	Secretary	Employer Representative	Employee Representative
1	118 Mall	1	1	10	23
2	TRX Retail	1	2	6	24
3	TRX Hotel and Office	1	2	10	12
4	Pavilion Damansara Heights	1	2	21	33
5	WCE	1	1	7	9
6	Pan Borneo Highway	1	1	8	14
7	LRT3 GS02 & GS03	1	1	19	29
8	Elevated Highway Project	1	2	4	11
9	WCT Machinery	1	2	7	7
10	Container Port	1	1	5	19
11	Jetty Sepangar	1	1	7	3
12	Sultan Ismail Petra Airport	1	2	10	27
13	The Ascent (Level 29,30,31)	1	2	6	6

No.	Property Development Division	Chairman	Secretary	Employer Representative	Employee Representative
1	WCity OUG	1	1	8	10
2	Parklands Gravity Sewerage and Adenia Apartments	1	1	4	6
3	Pavilion Mont' Kiara	1	1	3	5
4	W City Larkinton	1	1	2	6
5	The Ascent (Level 19, 29)	1	1	5	5

No.	Property Investment and Management Division	Chairman	Secretary	Employer Representative	Employee Representative
1	gateway@klia2	1	1	12	14
2	Le Méridien Petaling Jaya	2	1	9	8
3	Première Hotel	1	1	8	8
4	SkyPark Aviation Group	1	1	1	1

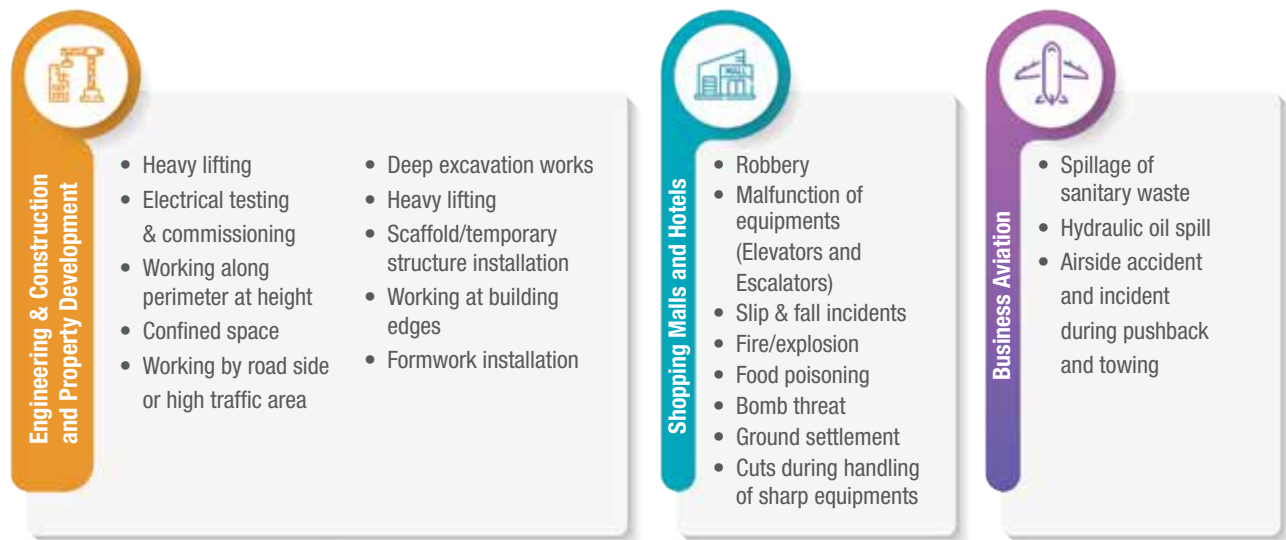
SUSTAINABILITY STATEMENT

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HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL

WCT practices the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) methodology by the Department of Occupational Safety and Health (DOSH) to identify, eliminate, mitigate, reduce and control the hazard in order to manage the Group-wide OHS-related risks. Regular workplace inspections and internal audits are conducted at all operational sites, with performance assessed against set targets and the previous year's level of achievement.

For FY2023, the following operational locations and activities were identified and reviewed as having a higher risk for OHS incidents:



INCIDENT INVESTIGATION AND RESOLUTION

The Engineering and Construction and Property Development Divisions are responsible for tracking the OHS performance data at project sites. When an OHS incident occurs, an investigation is launched as soon as possible to determine the underlying cause and factors. All incidents, even those deemed minor or non-disruptive to business operations, are thoroughly investigated with an investigation report submitted to the respective authorities.

Using a lesson learnt approach, the critical insight from any OHS incident is shared with all relevant teams and employees Group-wide to prevent reoccurrence. The Group will continue to strive towards achieving its zero-fatality target for both employees and contractors.

OHS TRAINING AND PROGRAMMES

As part of its pledge to ensuring the health and safety of its staff and workers at all times, WCT offers mandatory and supplementary training across all its business divisions. This training is tailored to suit the specific nature of the division's operations and encompasses a range of topics such as the proper use of equipment, regulatory safety compliance, emergency with specific scenario handling, as well as operation security for shopping malls and hotels.

SUSTAINABILITY STATEMENT

cont'd

In FY2023, WCT conducted many OHS-related training. Below are some of the key trainings conducted across the Group:

Proper use of Equipment	Regulatory Compliance	Emergency Handling	Compound Security
<ul style="list-style-type: none"> - Authorised gas tester and entry supervisor for confined space - Basic scaffold course - Basic rigging and slinging and lifting - Electrical power failure safety - Crane Safety Inspection and Lifting Gears 	<ul style="list-style-type: none"> - Design risk assessment - Risk and opportunities training in accordance with ISO standards - Internal safety audit awareness in accordance with ISO standards - NIOSH - Tenaga Safety Passport (NTSP) - Safety management system (Skypark Aviation Group) 	<ul style="list-style-type: none"> - First aid training - Death handling - Specific emergency scenario handling such as bomb threats and bombing incidents, threatening calls to guests, trapped in lift or lift breakdown - Emergency and evacuation procedure - Fire, life and safety training - Fire drill 	<ul style="list-style-type: none"> - Key card and lockset training - Security escort - Security personnel duty posts - Roll call parade - Control and surveillance for part-time staff, contractors and guest properties - Lost property control - Dangerous and prohibited items control - Telephonist Training - Handling Bomb Threat - Dangerous goods, airside safety and aviation security (Skypark Aviation Group)

WCT's OHS overall training details for FY2023 are outlined below:

Category	2021	2022	2023
No. of Employees Attended Health and Safety Training	2,387	1,141	1,380
Trained – Man-Hours	4,831.8	4,448.5	4,964.5

OHS PERFORMANCE

Engineering and Construction	2021	2022	2023
Number of Active Sites/Offices	12	13	13
Total Hours Worked (Man-Hours)	19,272,036	22,020,892	22,067,444
Number of Fatalities	2*	2*	0
Number of LTI/Accident with Lost Workdays	5	4	0
LTI Rate <i>Number of lost-time injuries cases per man-hours multiplied by 1,000,000</i>	0.2594	0.1816	0
Frequency Rate <i>Number of recordable incidents (LTI, Medical Treatment & First Aid Cases) per man-hours multiplied by 1,000,000</i>	0.4151	0.1816	0.4532
Severity Rate <i>Number of lost workdays per man-hours multiplied by 1,000,000</i>	603.9660	548.7062	0

* The fatalities involved subcontractors' workers.

SUSTAINABILITY STATEMENT

cont'd

Property Development	2021	2022	2023
Number of Active Sites/Offices	12	12	22
Total Hours Worked (Man-Hours)	1,845,696	3,108,745	3,723,004
Number of Fatalities	0	0	0
Number of LTI/Accident with Lost Workdays	0	0	0
LTI Rate <i>Number of lost-time injuries cases per man-hours multiplied by 1,000,000</i>	0	0	0
Frequency Rate <i>Number of recordable incidents (LTI, Medical Treatment & First Aid Cases) per man-hours multiplied by 1,000,000</i>	0	0.3217	0.8058
Severity Rate <i>Number of lost workdays per man-hours multiplied by 1,000,000</i>	0	0	0

Relevant OHS performance data indicators for Engineering and Construction and Property Development Division are verified by a third-party auditor, SIRIM QAS International Sdn Bhd as part of the ISO 45001 surveillance or recertification audit in 2023.

Other Business Divisions	Hotels		Shopping Malls (Paradigm Mall PJ, Paradigm Mall JB & gateway@klia2, SkyPark Terminal)		Aviation
	2022	2023	2022	2023	2023
Number of Active Sites/Offices	2	2	2	4	2
Total Hours Worked (Man-Hours)	687,247,43	864,734	501,006	491,474	159,242
Number of Fatalities	0	0	0	0	0
Number of LTI/Accident with Lost Workdays	6	3	0	0	0
LTI Rate <i>Number of lost-time injuries cases per man-hours multiplied by 1,000,000</i>	8.7305	3.4693	0	0	0
Frequency Rate <i>Number of recordable incidents (LTI, Medical Treatment & First Aid Cases) per man-hours multiplied by 1,000,000</i>	32.0118	21.9721	3.9920	2.0347	0
Severity Rate <i>Number of lost workdays per man-hours multiplied by 1,000,000</i>	484.3961	38.1620	0	0	0

In FY2023, zero work-related fatalities involving employees and contractors were reported.

TOWARDS A DENGUE-FREE ENVIRONMENT

WCT remains cognisant of the dangers of dengue, a potentially fatal disease carried by the Aedes mosquito which is prone to spread in construction sites. Accordingly, the Group continues to implement the Four-Pronged Anti-Dengue Strategy to eradicate dengue from all worksites. This strategy is carried out daily or weekly in accordance with the following initiatives:

1. Search and Destroy
2. Larvaciding and Fogging
3. Gotong-Royong
4. Anti-dengue awareness and communications

WCT strives to keep working closely with state health departments to reinforce the anti-dengue strategy and continue to implement, enhance, and standardise efforts to combat dengue at all workplaces. Please refer to the Regulatory Non-Compliance section of this SS2023 for more details on managing dengue occurrences at WCT's work sites for FY2023.

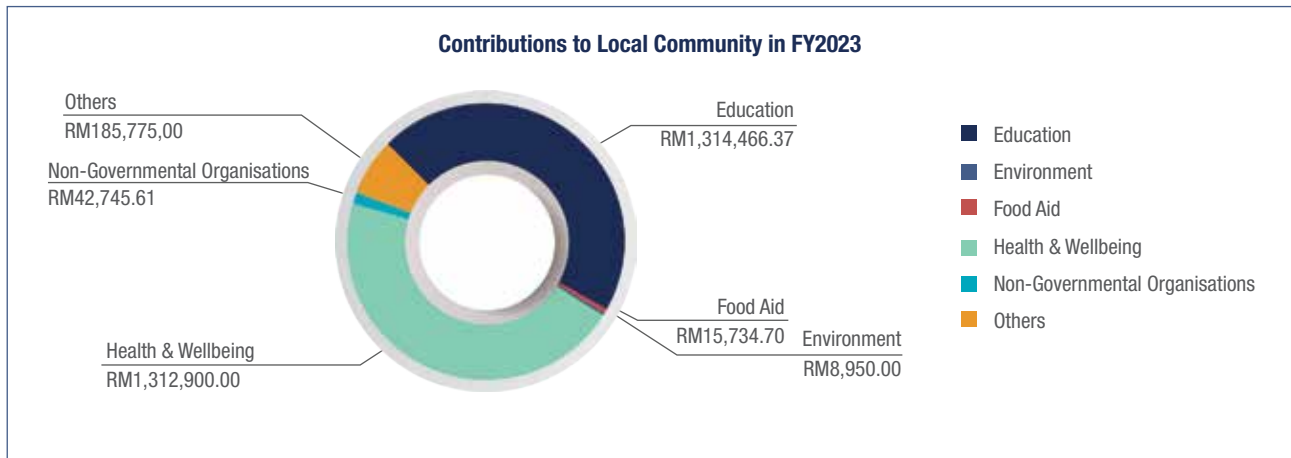
SUSTAINABILITY STATEMENT

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COMMUNITY ENGAGEMENT

Staying true to its vision and mission of bettering the society and environment, WCT continues to serve as a force for good by sharing the positive values created through its business model. Extending beyond corporate social responsibility (“CSR”) based activities, WCT’s interaction with local communities is intended to create sustainable, positive outcomes that deliver meaningful and lasting benefits. WCT allocates 0.1% of its total annual revenue to fund its various CSR programmes across all business divisions.

In FY2023, WCT contributed RM2,880,571.68, benefitting 49 organisations and creating a positive impact in the areas of education, the environment, food aid, health & wellbeing, and community empowerment to non-governmental organisations.



Out of the total CSR contribution in 2023, WCT contributed approximately RM216,000.00 to charitable causes under WCTGives, impacting a total of 480 beneficiaries including B40 families and women, underprivileged senior citizens as well as students. The ‘WCTGives’ initiative launched in 2022 serves as a strengthened pledge by the Group towards its CSR programmes and as an extension of its sustainability effort to contribute to a better society and environment. It encompasses three pillars, namely #WeCareTogether, #EducationforAll, and #AGreenerTomorrow. Each pillar focuses on various programmes that aim to enrich the lives of local communities, provide education support to the underprivileged, and preserve the environment.

WCTGives also allows employees to volunteer and participate in CSR activities to foster the spirit of generosity and kindness in its workforce. With a total of 65 employees participating in community volunteering, the Group has accumulated approximately 253 hours of employee community volunteering in FY2023. WCT recognises the importance of continuing to align its CSR efforts with selected UN SDGs and collaborating with local NGOs, government ministries and agencies to support community-based programmes.

CSR PROGRAMMES IN 2023



#WECARETOGETHER: WCTGIVES ‘GOLDEN HAPPINESS’

During the Chinese New Year (“CNY”) celebration, WCT brought festive cheer to 30 residents at En Yuan Old Folks Home through its WCTGives ‘Golden Happiness’ event. WCT employees helped decorate the home, treated residents with delicious festive fare including Fruit Yee Sang and CNY lunch packs prepared by Première Hotel in Klang, donated some daily necessities and made a RM3,000.00 cash donation. To help the home to further expand and upgrade their farming efforts, WCT also sponsored some building materials worth RM2,000.00 to the home.



SUSTAINABILITY STATEMENT

cont'd



#EDUCATIONFORALL: WCTGIVES 'RAYAI SESI KEMBALI KE SEKOLAH'

In conjunction with Back-to-School, WCT held its WCTGives 'Rayai Sesi Kembali ke Sekolah' CSR event at Sekolah Kebangsaan Seri Indah, Taman OUG. The event covered the distribution of school supplies, snacks and duit raya to 140 primary school B40 students as well as a cash donation of RM3,000.00 to the school. In conjunction with the Ramadan month and Hari Raya celebration, the Group also worked with its hotel, Première Hotel in Klang, to distribute 330 packs of 'Bubur Lambuk' to all students and teachers at the school.

DEEPAVALI EMPOWERMENT: WCT & IBUPRENEUR'S 'BAKE TO SUCCESS' INITIATIVE



In conjunction with Deepavali festival, WCT and social enterprise, Ibupreneur teamed up to empower 30 mothers through a 'Bake to Success' CSR initiative. Sponsored by WCT, these mothers learnt baking and business skills from Ibupreneur, with invaluable support and assistance from WCT employee volunteers. Following this, WCT employees extended their support to the mothers through a pre-sale activity. The campaign peaked at Paradigm Mall PJ, where mothers sold their baked items at a complimentary booth courtesy of the mall, gaining entrepreneurial experience.

HONOURING THE TIRELESS EFFORTS OF THE POLICE FORCE

As a heartwarming gesture of appreciation and gratitude to the police force for their unwavering commitment in serving and protecting the Klang community, Première Hotel in Klang presented a delectable cake, crafted by the hotel's chef, to Balai Polis Klang Selatan during the Hari Polis 2023 celebration. The event served to bridge a genuine connection between law enforcement and the community they serve.



SUSTAINABILITY STATEMENT

cont'd

BRINGING FESTIVE JOY TO KAMPUNG JAWA, KLANG



In a heartwarming display of compassion and community spirit, Première Hotel in Klang embarked on its annual Ramadan CSR project by reaching out to the less fortunate community in Kampung Jawa, Klang. Apart from supplying grocery items to the community, the hotel also invited five needy families from the village for a heartwarming breakfasting event. To date, Première Hotel has supported a total of 31 families during the Ramadan month.

'BUBUR LAMBUK' DISTRIBUTION

'Bubur Lambuk' represents the spirit of Ramadan, which is also the spirit of giving. This simple dish is taken by many during the fasting month. In line with the Holy month, businesses across WCT, including Première Hotel, Klang, Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru distributed a total of 2,700 'Bubur Lambuk' to the frontliners, members of the public and the less fortunate.



PUTTING THE COMMUNITY FIRST: 30 CHILDREN BENEFITTED FROM LE MÉRIDIEN PETALING JAYA 'BUKA PUASA' EVENT

In the spirit of Ramadan, Le Méridien Petaling Jaya hosted 30 children from Persatuan Kebajikan Alfirdausi to a 'Buka Puasa' Event at the hotel's Grand Ballroom. On top of savouring delicious delicacies at the hotel, the children also received duit raya before they ended their outing at the hotel. Persatuan Kebajikan Alfirdausi, based in Cheras, is an organisation providing aid in the form of monetary, guidance, moral support and education to underprivileged children, single mothers, and families.

SUSTAINABILITY STATEMENT

cont'd

WCT SUPPORTS CANCER PATIENTS THROUGH LAKSAMANA RUN 2023



WCT was honoured to be a Gold sponsor of Laksamana Run 2023. Hosted by the Tunku Laksamana Johor Cancer Foundation ("TLJCF"), the annual run aimed to raise cancer awareness where all proceeds from the run were channelled towards supporting cancer patients and their families. To support the cause, WCT employees volunteered to participate and completed the run. Present for the mock cheque handover ceremony were Royal Patron of TJLCF, Tunku Tun Aminah Maimunah Iskandariah binti Sultan Ibrahim, Tunku Puteri Johor, as well as Mr Michael Lee Tuck Sern, WCT Land Sales & Marketing Assistant General Manager.

LE MÉRIDIEN PETALING JAYA WITH MARRIOTT INTERNATIONAL, CENTRAL REGION PROPERTIES' CHARITY RUN 'ROAD TO GIVE' RAISED RM186,000.00 FOR NATIONAL KIDNEY FOUNDATION OF MALAYSIA ("NKF")



Le Méridien Petaling Jaya Hotel took pride in hosting the 'Road to Give' 2023 event at Taman Bandaran Kelana Jaya, rallying support for the NKF. Joined by friends and families from 22 Marriott International Hotels in the Central Region, the 5km run was both enjoyable and purposeful, raising a total of RM186,000.00. The proceeds were directed to NKF's noble cause, aiding individuals affected by kidney issues with support and vital resources.

SUSTAINABILITY STATEMENT

cont'd

ENSURING ACCESS FOR THE DISABLED



Accessible parking spaces at Aronia Apartments, residential units for Persons with Disabilities at Aronia Apartments, and accessibility for the disabled with ramps connecting the Paradigm Residence lift lobby to both outdoor and indoor facilities.

At WCT, all projects and operational sites are encouraged to be inclusive in providing access for individuals with physical disabilities. This commitment is reflected in its property development projects, shopping malls, and hotels where it ensures the necessary facilities and accommodations are provided, such as wheelchair ramps, parking bays for the disabled, easy-access lift buttons, and toilets for the disabled, among others.

Furthermore, WCT continues to promote inclusivity in its spaces by providing amenities such as Ladies Only parking bays and child-friendly features in all its malls. To enhance accessibility, WCT's Property Development Division have designed light switches at lower heights in developments such as the Paradigm Residence in Johor Bahru and The Maple Residences at WCity OUG, as well as in our future projects.

In line with WCT's commitment to social responsibility, It has also incorporated a minimum of two residential units per block designed for Persons with Disabilities ("OKU") in its developments under the Rumah Selangorku programme, which includes the Azaria, Asteria, and Aronia Apartments. Le Méridien Petaling Jaya and Première Hotel also provide wheelchair accessible rooms to guests with disabilities.

SUSTAINABILITY STATEMENT

cont'd

SUSTAINABILITY PERFORMANCE TABLE

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Board of Directors	Percentage	-	-	75.00
Top Management	Percentage	-	-	42.00
Senior Management	Percentage	-	-	74.00
Middle Management	Percentage	-	-	72.00
Executive	Percentage	-	-	98.00
Non-Executive	Percentage	-	-	79.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	1	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.63	99.08
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	25,599.43	26,103.38	16,567.74
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	43,041.03	66,177.07	64,775.80
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)				
Category 6 - Business Travel	Metric tonnes	-	172.79	67.11
Category 7 - Employee Commuting	Metric tonnes	-	-	1,325.16
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Gigajoules	608,280.85	719,599.46	642,943.40
Bursa (Water)				
Bursa C9(a) Total volume of water used	Cubic meters	880,583.35	1,341,031.72	1,602,791.43
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	70,559.21	107,352.51	49,251.06
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	60,740.80	97,329.80	31,225.90
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	9,716.90	9,994.30	18,033.20

SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2021	2022	2023
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	457	1,614	4,610
Non-Management	Hours	13,315	5,264	6,798
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	32.00	31.00	35.00
Bursa C6(c) Total number of employee turnover by employee category				
Top Management	Number	-	2	0
Senior Management	Number	-	18	4
Middle Management	Number	-	81	47
Executive	Number	-	220	145
Non-Executive	Number	-	175	55
General workers	Number	-	68	40
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top Management Under 30	Percentage	-	0.00	0.00
Top Management Between 30-50	Percentage	-	38.89	36.84
Top Management Above 50	Percentage	-	61.11	63.16
Senior Management Under 30	Percentage	-	0.00	0.00
Senior Management Between 30-50	Percentage	-	55.70	52.63
Senior Management Above 50	Percentage	-	44.30	47.37
Middle Management Under 30	Percentage	-	1.00	1.53
Middle Management Between 30-50	Percentage	-	74.16	76.89
Middle Management Above 50	Percentage	-	24.83	21.58
Executive Under 30	Percentage	-	24.50	24.76
Executive Between 30-50	Percentage	-	63.70	62.38
Executive Above 50	Percentage	-	11.80	12.86
Non-Executive Under 30	Percentage	-	36.30	38.18
Non-Executive Between 30-50	Percentage	-	57.31	56.23
Non-Executive Above 50	Percentage	-	6.39	5.60
General Workers Under 30	Percentage	-	21.41	28.35
General Workers Between 30-50	Percentage	-	67.68	52.58
General Workers Above 50	Percentage	-	10.91	19.07
Gender Group by Employee Category				
Top Management Male	Percentage	-	77.80	78.95
Top Management Female	Percentage	-	22.22	21.05

SUSTAINABILITY STATEMENT

cont'd

Indicator	Measurement Unit	2021	2022	2023
Bursa (Diversity)				
Senior Management Male	Percentage	-	65.82	69.44
Senior Management Female	Percentage	-	34.18	33.06
Middle Management Male	Percentage	-	71.14	66.94
Middle Management Female	Percentage	-	28.86	33.06
Executive Male	Percentage	-	60.29	69.10
Executive Female	Percentage	-	39.71	30.90
Non-Executive Male	Percentage	-	65.07	65.77
Non-Executive Female	Percentage	-	34.93	34.23
General Workers Male	Percentage	-	100.00	100.00
General Workers Female	Percentage	-	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	90.00	87.50	87.50
Female	Percentage	10.00	12.50	12.50
60 to 69 years old	Percentage	80.00	25.00	50.00
70 to 79 years old	Percentage	20.00	75.00	50.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	2	2	0
Bursa C5(b) Lost time incident rate ("LTIR")				
Engineering & Construction	Rate	0.26	0.18	0.00
Property Development	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,387	1,141	1,380
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,823,236.10	3,353,345.10	2,880,571.68
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	55	49

The scope of data includes those of Engineering & Construction, Property Development and Property Investment & Management Divisions. Please refer to page 42 for the scope of assurance conducted.

SUSTAINABILITY STATEMENT

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GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	7	Corporate Profile
	2-2 Entities included in the organisation's sustainability reporting	39 - 40, 42	About this Statement: Reporting Scope and Boundary, Assurance
	2-3 Reporting period, frequency and contact point	39 - 40, 43	About this Statement: Reporting Scope and Boundary; Report Availability and Feedback
	2-4 Restatements of information	Restatement of Information is disclosed at Relevant Sections Where Applicable	
	2-5 External assurance	42	About this Statement: Assurance
	2-6 Activities, value chain and other business relationships	4 - 5	Core Business and Operating Units
	2-7 Employees	111, 113 - 116	Social Performance: Talent Management, Our Workforce
	2-9 Governance structure and composition	145	Corporate Governance Overview Statement
	2-10 Nomination and selection of the highest governance body	149	Corporate Governance Overview Statement
	2-11 Chair of the highest governance body	145	Corporate Governance Overview Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	61	Sustainability Governance: Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	61	Sustainability Governance: Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	61	Sustainability Governance: Sustainability Governance Structure
	2-15 Conflicts of interest	147	Corporate Governance Overview Statement
	2-16 Communication of critical concerns	59	Materiality
	2-17 Collective knowledge of the highest governance body	147 - 151	Corporate Governance Overview Statement, Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	151	Corporate Governance Overview Statement, Corporate Governance Report
	2-19 Remuneration policies	152	Corporate Governance Overview Statement
	2-20 Process to determine remuneration	152	Corporate Governance Overview Statement
	2-21 Annual total compensation ratio	No Disclosure Provided On Compensation Ratios Due To Consideration Given To Ensure Confidentiality Of Remuneration, Notably In A Highly Competitive Talent Environment	
	2-22 Statement on sustainable development strategy	51	Message from the Chairman of WCT's Board Risk and Sustainability Committee
	2-23 Policy commitments	63	Upholding Ethical Business Conduct and Corporate Integrity: WCT Corporate Policies; WCT Employee Handbook
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts	68	Sustainability Governance: Whistleblowing Mechanism
	2-26 Mechanisms for seeking advice and raising concerns	68	Sustainability Governance: Whistleblowing Mechanism

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
General disclosures			
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	68	Sustainability Governance: Compliance With Laws and Regulations
	2-28 Membership associations	41	About this Report: Membership in Associations and Professional Bodies
	2-29 Approach to stakeholder engagement	52	Stakeholder Engagement
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	59	Materiality
	3-2 List of material topics	60	Materiality
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	7, 13 - 24, 69	Corporate Profile, Management Discussion and Analysis, Economic Performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	69	Economic Performance: Economic Values Created and Distributed to Stakeholders
	201-2 Financial implications and other risks and opportunities due to climate change	76 - 78	GHG Emissions and Climate Change: Climate Change Risks and Opportunities
	201-3 Defined benefit plan obligations and other retirement plans	119	Talent Management: Employee Remuneration and Employment Benefits
	201-4 Financial assistance received from government	WCT did not receive any assistance from the government	
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	7, 72	Corporate Profile, Economic Performance: Community Infrastructure and Services Supported
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	112 - 113	Talent Management: Diversity, Equity and Inclusion
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	72, 130	Economic Performance: Community Infrastructure and Services Provided, Community Engagement
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	72, 130 - 133	Economic Performance: Community Infrastructure and Services Provided, Community Engagement
	203-2 Significant indirect economic impacts	69	Economic Performance: Economic Value Created and Distributed to Stakeholders
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GRI 3: Material Topics 2021	3-3 Management of material topics	70	Economic Performance: Responsible Sourcing and Supplier Management
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	64	Sustainability Governance: Zero-Tolerance Approach to Bribery and Corruption
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	67	Sustainability Governance: Identification of Operations with Possible Higher Risk for Corruption
	205-2 Communication and training about anti-corruption policies and procedures	65 - 66	Sustainability Governance: Anti-Bribery and Anti-Corruption Training, Communication of Anti-Corruption Awareness
	205-3 Confirmed incidents of corruption and actions taken	67	Sustainability Governance: Identification of Operations with Possible Higher Risk for Corruption

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
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GRI 301: Materials 2016	301-1 Materials used by weight or volume	87 - 88	Resource Consumption: Resource Consumption Data
	301-2 Recycled input materials used	87 - 88, 98, 100	Environmental Performance: Resource Consumption Data; Waste Management Data; Recycling Used Cooking Oil Initiative; Landfill Waste Reduction Programme
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	82	Environmental Performance: Energy Consumption
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	84 - 86	Energy Consumption: Energy Performance Data
	302-2 Energy consumption outside of the organisation		
	302-3 Energy intensity		
	302-4 Reduction of energy consumption		
	302-5 Reduction in energy requirements of products and services	83	Energy Consumption: Energy Saving Measures Undertaken by Business Divisions; Energy Management on Property Portfolio
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GRI 3: Material Topics 2021	3-3 Management of material topics	91 - 93	Environmental Performance: Water Use
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-5 Water consumption	94 - 95	Water Use: Water Consumption Data
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	108 - 109	Environmental Performance: Biodiversity
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		

SUSTAINABILITY STATEMENT

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
General disclosures			
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	75	Environmental Performance: GHG Emissions and Climate Change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	79 - 81	GHG Emissions and Climate Change: Emissions Data
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
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GRI 3: Material Topics 2021	3-3 Management of material topics	95 - 97	Environmental Performance: Waste and Pollution
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	95 - 97, 98 - 99	Environmental Performance: Waste and Pollution; Waste Management: Waste Management Data
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
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GRI 3: Material Topics 2021	3-3 Management of material topics	70	Economic Performance: Environmental and Social Compliance and Performance Across the Supply and Value Chain
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GRI 3: Material Topics 2021	3-3 Management of material topics	111	Social Performance: Talent Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	113 - 114	Talent Management: Our Workforce
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	119	Talent Management: Employee Remuneration and Employment Benefits
	401-3 Parental leave		
Labour/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	111 - 112	Talent Management: Human Rights and Labour Matters, Minimum Notice Periods and Operational Changes
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		

SUSTAINABILITY STATEMENT

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
General disclosures			
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	124	Occupational Health and Safety: OHS Management Approach, OHS Governance
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	124 - 125	Occupational Health and Safety: OHS Management Approach, OHS Governance
	403-2 Hazard identification, risk assessment, and incident investigation	127	Occupational Health and Safety: Hazard Identification, Risk Assessment and Risk Control
	403-4 Worker participation, consultation, and communication on occupational health and safety	125 - 126	Occupational Health and Safety: Worker Representation on Joint Health and Safety Committees
	403-5 Worker training on occupational health and safety	127 - 128	Occupational Health and Safety: OHS Training and Programmes
	403-6 Promotion of worker health		
	403-9 Work-related injuries	128 - 129	Occupational Health and Safety: OHS Performance
	403-10 Work-related ill health		
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	117 - 119, 122 - 124	Talent Management: Workforce Learning & Development; Youth Unemployment Initiatives, Apprenticeships or Graduate Placements
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews		
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 112	Sustainability Governance: Board Diversity; Talent Management: Diversity, Equity & Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		
	405-2 Ratio of basic salary and remuneration of women to men	116	Talent Management: Our Workforce
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	111	Talent Management: Human Rights and Labour Matters
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	112	Talent Management: Diversity, Equity & Inclusion
Freedom of association and collective bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	111 - 112	Talent Management: Human Rights and Labour Matters
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GRI 3: Material Topics 2021	3-3 Management of material topics	111 - 112	Talent Management: Human Rights and Labour Matters

SUSTAINABILITY STATEMENT

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
General disclosures			
Forced or compulsory labour			
GRI 3: Material Topics 2021	3-3 Management of material topics	111 - 112	Talent Management: Human Rights and Labour Matters
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	130 - 133	Social Performance: Community Engagement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	70	Economic Performance: Environmental and Social Compliance and Performance Across the Supply and Value Chain
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	68	Sustainability Governance: Apolitical Stance
GRI 415: Public Policy 2016	415-1 Political contributions		
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	72	Economic Performance: Product Safety and Quality
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	74	Economic Performance: Personal Data Protection
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of WCT Holdings Berhad (“WCT” or “the Company”) recognises the importance of practising good corporate governance and is committed to applying applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance 2021 (“the Code”) and the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) throughout the operations and management of WCT and its subsidiaries (“the Group”) so as to enhance the value to our shareholders and other stakeholders as well as to generate long term sustainability and growth.

This statement is made pursuant to the MMLR of Bursa Securities and is to be read together with the Corporate Governance (“CG”) Report for the application of three key principles set out in the Code and good corporate governance practices by the Company during the financial year ended 31 December 2023 and up to the date of the statement namely:

1. Principle A: Board Leadership and Effectiveness;
2. Principle B: Effective Audit and Risk Management; and
3. Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board and the Group’s commitment to the above three key principles are further elaborated below and in the CG Report. The CG Report is available on the website of Bursa Securities together with the Company’s Annual Report 2023 and is also posted on the Company’s website (www.wct.com.my).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

➤ ROLES AND RESPONSIBILITIES

The Group is led by a sound and experienced Board, which plays an important role in the stewardship of its direction and operations. It focuses mainly on strategies and oversight of the Group’s financial performance and critical business issues. The principal roles and responsibilities of the Board, among others, are as follows:

- Reviewing the business plans and direction of the Group
- Reviewing and adopting the Group’s strategic action plans, which have long-term value creation and include strategies on environmental and social consideration underpinning sustainability
- Overseeing the adequacy and integrity of the Group’s internal control systems and ensuring the implementation of appropriate internal controls and mitigation measures
- Overseeing the risk management systems of the Group
- Monitoring the performance of the Management and the Group’s principal businesses
- Upholding high standards of conduct and ethics, and promoting a good corporate governance culture within the Group
- Ensuring effective engagement with stakeholders

The Board also adopts a well-defined framework on the various categories of matters that require the Board’s approval, endorsement or notation, as the case may be. The Board is supported by the Group Managing Director, Deputy Managing Director and the Management, whose responsibilities are to implement the Group’s strategies and manage the operations of the Group, subject to certain prescribed authority limits.

Where appropriate, matters have been delegated to the following Board Committees, all of which have written terms of reference, to assist the Board in discharging its duties and responsibilities:

- (1) Audit Committee
- (2) Board Risk and Sustainability Committee
- (3) Nomination & Remuneration Committee

The Board receives the reports of the proceedings and deliberations of the above Committees, at its scheduled Board Committees meetings.

The Board Charter, which is made available for reference on the Company’s website at (www.wct.com.my), sets out the roles, responsibilities, functions, compositions, processes and operations of the Board as well as those functions delegated to the Board Committees and the Management of the Group and has been adopted to guide the Board to discharge its roles and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **CODE OF CONDUCT**

In addition to the Board Charter, the Board also observes the Code of Conduct and Ethics for Company Directors and Employees. The Code of Conduct and Ethics for Company Directors provides the ground rules and guidance for the proper standard of conduct and ethical behaviour for the Board and its members, based on the principles of sincerity, integrity, responsibility and corporate social responsibility whilst a standard Code of Conduct and Ethics relating to its business operations has been adopted by the Group for all its employees.

An Anti-Bribery and Anti-Corruption ("ABAC") Policy and Standard Operating Procedures ("SOP") have been put in place to prohibit the giving or receiving of bribes and to prohibit corrupt acts by any director of the Group ("Director"), employee of the Group ("Employee") or persons performing services for the Group.

The Company's Whistleblowing Policy and Procedures serve to provide an avenue and mechanism for any individual to report any concerns they may have on any suspected and/or known improper conduct, wrongdoing, corruption, fraud and/or abuse in accordance with the procedures as provided therein.

As a commitment to continuously enhancing the Group's corporate integrity management, a Group Integrity Unit ("GIU") was formed to oversee four (4) core activities, namely Governance, Complaint Management, Detection and Verification, and Integrity Enhancement. The GIU monitors and tracks the number of reported corruption incidents and the number of anti-corruption training conducted for Employees and the Board as well as managing complaints received from various whistleblowing channels.

The Code of Conduct and Ethics for Company Directors and Employees, ABAC Policy and the Whistleblowing Policy are made available for reference on the Company's website at (www.wct.com.my).

➤ **BOARD COMPOSITION AND BALANCE**

Currently, the Board comprises eight (8) members, made up of three (3) Executive Directors including the Executive Chairman, the Group Managing Director and the Deputy Managing Director, together with five (5) Independent Non-Executive Directors. The current Board composition which consists of a majority of Independent Directors fully complies with the MMLR of Bursa Securities and the recommendation of the Code.

Each of the Director's profile is presented under the section titled "Profile of Directors" in the Company's Annual Report 2023.

In addition to the Executive Directors who have day-to-day responsibilities for the Group's operations, the Independent Non-Executive Directors also play an important role in ensuring corporate governance and accountability are being upheld, as they provide unbiased and independent views, advice, opinions and judgments as well as provide effective check and balance in the functioning of the Board to safeguard the interests, not only of the Group but also that of the minority shareholders, Employees, customers, suppliers and the communities in which the Group conducts its businesses. The Board is satisfied that the current Board composition adequately reflects the interests of the minority shareholders of the Company.

The Independent Non-Executive Directors are also actively involved in the various Board Committees. They provide broader views, independent assessments and opinions on management proposals, including any related party transactions entered into by the Group.

Currently, none of the Independent Directors has served for more than nine (9) years on the Board and the tenure of the longest serving Independent Director is slightly more than seven (7) years as at the end of the financial year ended 31 December 2023.

The roles of Chairman and Group Managing Director of the Company are held by different individuals and their respective duties are set out in the Board Charter of the Company.

The Board is committed to greater diversity in terms of a number of aspects, including but not limited to skills, knowledge, professional/industry experiences, gender, age, cultural and educational background, ethnicity and length of service ("Diversity Perspectives"). While the ultimate decision will be based on merit and potential contribution that the selected candidate will bring to the Board and the Group to achieve its corporate and commercial goals, the Board ensures that the selection of candidates will be based on a range of Diversity Perspectives without discrimination on gender, age, religion and ethnic group when considering any director/senior management appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMPOSITION AND BALANCE** *cont'd*

Currently, Puan Rahana Binti Abdul Rashid is the only woman Director sitting on the Board which is in line with the MMLR of Bursa Securities. The Board supports the Government's aspiration to achieve at least 30% women directors on the board of public listed companies. Where new appointments are to be made to the Board or on replacement of a Director on the Board, priority will be given to suitable women candidates to achieve at least 30% women directors on the Board.

The Board and Senior Management Diversity Policy ("Diversity Policy") is made available for reference at (www.wct.com.my).

The Board has reviewed and is satisfied that its current size and composition are optimum and well balanced in terms of the required mix of skills, experience and core competencies for the Company's business as well as the need to safeguard the interest of the minority shareholders.

➤ **SUPPLY OF AND ACCESS TO INFORMATION**

All scheduled Board and Board Committee meetings held during the financial year were preceded by a formal agenda issued by the Company Secretary in consultation with the Chairman of the meetings. The agenda for each of the meetings is accompanied by the minutes of preceding meetings of the Board and Board Committees and may include reports on group financial performance, operational performance of its business units including overall quality and delivery of products and services, market analysis, quarterly results for announcements, internal audit and risk management reports, updates on the Group's sustainability programmes and initiatives, updates on material litigations and other relevant information. The Board papers/meeting materials, which are generally shared with and uploaded electronically five (5) business days before the meetings for timely and easy access by the Board and Board Committee members, are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions may be made.

The Company Secretaries would also brief the Board on the proposed contents and timing of any material announcements by the Company before the same are released to Bursa Securities for public dissemination. The Board always has access to the advice and services of the Company Secretaries especially relating to the procedural and regulatory requirements such as companies and securities laws, corporate governance matters and the MMLR of Bursa Securities.

In addition to the above, the Board has full and unrestricted access to the advice and services of the Management and to obtain all necessary external and independent professional advice, when required, at the Company's expense.

➤ **COMMITMENT OF THE BOARD**

The Board is satisfied with the level of time committed by its members in discharging their respective duties and roles as Directors of the Company. The time commitment of the Directors was demonstrated by their attendance at the Board and Board Committees meetings during the financial year 2023. All the Directors of the Company have complied with the MMLR of Bursa Securities on the maximum number of directorships which they can hold in public listed companies.

An annual corporate meetings calendar is prepared in advance and sent to the Board before the beginning of every year which provides the scheduled meeting dates for the Board, Board Committees, the annual general meeting ("AGM") and trainings/seminars to be organised by the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **COMMITMENT OF THE BOARD** *cont'd*

The Board meets at least four (4) times a year, with additional meetings to be convened as and when necessary. Issues deliberated at such meetings and the relevant decisions made are duly minuted by the Company Secretary. During the financial year ended 31 December 2023, a total of four (4) Board meetings were held where details of the attendance of the Directors at the Board Meetings are as follows:

Directors	Number of Board meetings attended in 2023
Tan Sri Lim Siew Choon	4/4
Dato' Lee Tuck Fook	4/4
Datuk Chow Ying Choon	4/4
Tan Sri Marzuki Bin Mohd Noor	4/4
Datuk Ab Wahab Bin Khalil	3/4
Dato' Ng Sooi Lin	3/4
Ng Soon Lai @ Ng Siek Chuan	3/4
Rahana Binti Abdul Rashid	4/4

In the intervals between scheduled Board meetings, for any exceptional matters requiring urgent Board decisions, Board approvals may be sought either via circular resolutions which are attached with sufficient and relevant information required for an informed decision to be made or via ad-hoc Board meetings to be convened. Where a potential conflict of interests arises in the Group's investments, projects or any transactions involving any of the Directors or persons deemed connected to him/her, such Director is required to declare his/her interest and abstain from further deliberation and the decision-making process.

➤ **DIRECTORS' TRAINING**

All the Directors have attended the Mandatory Accreditation Programme organised by Bursa Securities. The Directors will continue to undergo other appropriate training programmes to further enhance their knowledge and skills and to keep abreast with new developments within the industry.

Aside from the annual assessment conducted to assess the training needs of the Directors, each Director may also identify any appropriate training that enhances their effectiveness in discharging their duties as Directors. The Company Secretary facilitates the organisation of in-house training programmes as well as registration for external training programmes and seminars, if needed.

During the financial year ended 31 December 2023, the Directors of the Company have attended the following training programmes:

Tan Sri Lim Siew Choon

- Operational Analyses and Process Improvements with Financial Outcomes (5 September 2023)

Dato' Lee Tuck Fook

- Inflation, Financial Crisis and Currency War (1 May 2023)
- Advocacy Sessions For Directors & CEOs of Main Market Listed Issuers (12 September 2023)

Datuk Chow Ying Choon

- Operational Analyses and Process Improvements with Financial Outcomes (5 September 2023)

Tan Sri Marzuki Bin Mohd Noor*

- Environmental, Social and Governance - Bursa Malaysia's enhanced sustainability reporting requirements (12 July 2023)
- Environmental, Social and Governance - IFRS S1 and S2: Beyond compliance (13 September 2023)

Datuk Ab Wahab Bin Khalil*

- Board of Director Leadership – ESG Essentials (21 & 22 March 2023)
- Reinventing Shopping Malls - The Paradigm Shift (6 & 7 September 2023)
- Comprehensive Risk Application Techniques (4 & 5 October 2023)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **DIRECTORS' TRAINING** *cont'd*

Dato' Ng Sooi Lin*

- HSBC Premier's Foreign Exchange Market Outlook Webinar: Navigating Capital Flow From Now to 2024 (27 September 2023)

Ng Soon Lai @ Ng Siek Chuan*

- Board of Director Leadership – ESG Essentials (21 & 22 March 2023)
- Power, Duties & Responsibilities of Directors & Conflicts of Interest Situations (28 August 2023)

Puan Rahana Binti Abdul Rashid*

- Resolving Boardroom and Shareholders Disputes (15 August 2023)
- Audit Committee Conference 2023 - Audit Committees: Catalysts of Change (14 September 2023)

** Denotes a Director who is a member of the Audit Committee*

➤ **BOARD COMMITTEES**

(A) AUDIT COMMITTEE

The composition of the Audit Committee complies with the MMLR of Bursa Securities, including the requirement that all its members are Non-Executive Directors, with Independent Non-Executive Directors forming the majority and one of the members being a qualified accountant.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the Group's financial reporting and internal control systems. The Audit Committee's terms of reference are available at (www.wct.com.my) and activities during the financial year are disclosed in the Audit Committee Report found in the Company's Annual Report 2023.

The Audit Committee is able to obtain external professional advice and where necessary, invite external auditors/advisers/consultants with relevant experience to attend its meeting to provide opinions, viewpoints and clarifications.

(B) BOARD RISK AND SUSTAINABILITY COMMITTEE

The Board Risk and Sustainability Committee ("BRSC") assists the Board in overseeing the risk management activities of the Group and in approving appropriate risk management policies and risk appetite. In addition, BRSC is also responsible for overseeing sustainability-related risks and ensuring sustainability considerations are incorporated into the Group's businesses and strategies so as to create value for its businesses and stakeholders as well as to support business continuity and competitiveness, in the longer term.

The BRSC comprises no fewer than three (3) members and consists entirely of Independent Non-Executive Directors of the Company. The current members of the BRSC are as follows:-

- (i) Dato' Ng Sooi Lin
Chairman/Independent Non-Executive Director
- (ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director
- (iii) Datuk Ab Wahab Bin Khalil
Member/Independent Non-Executive Director
- (iv) Rahana Binti Abdul Rashid
Member/Independent Non-Executive Director
- (v) Ng Soon Lai @ Ng Siek Chuan (*appointed on 6 June 2023*)
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the BRSC are available on the Company's website (www.wct.com.my).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ BOARD COMMITTEES *cont'd*

(B) BOARD RISK AND SUSTAINABILITY COMMITTEE *cont'd*

The BRSC meets not less than four (4) times a year. In 2023, a total of four (4) meetings were held and details of the attendance of the BRSC members are as follows:

Name	Number of BRSC meetings attended in 2023
Dato' Ng Sooi Lin	4/4
Tan Sri Marzuki Bin Mohd Noor	4/4
Datuk Ab Wahab Bin Khalil	4/4
Rahana Binti Abdul Rashid	4/4
Ng Soon Lai @ Ng Siek Chuan (<i>appointed on 6 June 2023</i>)	2/2

During the year under review, the BRSC reviewed and deliberated the following and recommended the same for the Board's approval (where applicable):

- (i) Risk Reports and Risk Registers of the Group's business operations;
- (ii) the identified significant risks, and the management's action plans to mitigate such risks;
- (iii) the risk exposures and assessment of corporate proposals recommended by the Management;
- (iv) the Group's sustainability framework implementation and flagship programme in embedding sustainability into the Group's business operation;
- (v) Sustainability roadmap outlining the Group's plans in achieving its environmental, social, and governance targets, including the development of a Greenhouse Gas (GHG) inventory and relevant policies and initiatives to support the plans;
- (vi) the sustainable supply chain – Environmental & Social assessment;
- (vii) Sustainability performance and the Sustainability Reporting achievements for 2022; and
- (viii) the Statement on Risk Management and Internal Control and the Sustainability Statement for inclusion in the Annual Report 2022.

(C) NOMINATION & REMUNERATION COMMITTEE

The current members of the Nomination & Remuneration Committee ("NRC") consist entirely of Independent Non-Executive Directors, as follows:

- (i) Datuk Ab Wahab Bin Khalil
Chairman/Independent Non-Executive Director
- (ii) Tan Sri Marzuki Bin Mohd Noor
Member/Independent Non-Executive Director
- (iii) Dato' Ng Sooi Lin
Member/Independent Non-Executive Director

The terms of reference, duties and responsibilities of the NRC are available on the Company's website (www.wct.com.my).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

The NRC meets at least once a year and whenever required. In 2023, two (2) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of NRC meetings attended in 2023
Datuk Ab Wahab Bin Khalil	1/2
Tan Sri Marzuki Bin Mohd Noor	2/2
Dato' Ng Sooi Lin	2/2

During the financial year ended 31 December 2023, the NRC carried out the following activities:

- (i) reviewed the annual increment and bonuses of the Employees;
- (ii) provided oversight of the process of annual evaluation conducted internally which includes the Board as a whole, committees of the Board, the individual directors, and the independence of the Independent Directors;
- (iii) annual review of the Board in respect of its composition, size and the required mix of skills and experience; and
- (iv) assessed and recommended the re-appointment of three (3) Directors who are retiring by rotation and seeking re-election at the 12th AGM.

All recommendations of the NRC are subject to endorsements by the Board.

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The NRC is responsible for assessing and making recommendations on any new appointments to the Board. Selection of new candidates to be considered for new appointment as Director is facilitated through recommendations from the Board members, the Management and/or through independent sources. Prior to recommending the proposed candidate to the Board for its consideration, the NRC considers and assesses the diverse set of skills, knowledge, professional/industry experience, gender, age, cultural and educational backgrounds, ethnicity and length of services of the proposed candidate in accordance with the Diversity Policy. As part of the process of appointing new Directors, the new Directors are provided with an orientation programme in order to be familiar with the operations and organisational structure of the Group.

The Company's Constitution provides that the number of Directors of the Company shall not be less than two (2) and not more than twenty (20). The Board has the power under the Company's Constitution to appoint a Director from time to time either to fill a casual vacancy or as an additional Director. Article 87 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at the said AGM.

For the re-election of Directors, Article 82 of the Company's Constitution requires that the number of Directors nearest to, but not greater than one-third retire by rotation each year and being eligible, may offer themselves for re-election at the AGM. The Directors who are required to retire are those who have been longest in office since their last election. In addition, all the Directors are required to retire from office once at least every three (3) years but shall be eligible for re-election. This provides an opportunity for the shareholders to renew their mandates for the said Directors to continue to serve on the Board.

The NRC and the Board are guided by the Directors' Fit and Proper Policy in their review and assessment of candidates that are to be appointed as Director as well as Directors who are seeking re-election, in order to ensure that each of the Directors possesses the necessary character, integrity, competence, relevant range of skills, knowledge, experience and time commitment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **BOARD COMMITTEES** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD *cont'd*

The Directors who are seeking re-election at the forthcoming 13th AGM are stated in the notice of the 13th AGM. The NRC has assessed the performance and contribution of these Directors through the annual evaluation and the Director's fitness and propriety in accordance with the Company's Directors' Fit and Proper Policy and accordingly recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 13th AGM. The Board supports the re-appointment of the Directors who are seeking re-election at the forthcoming 13th AGM as they meet the criteria of character, integrity, experience, competence, time and commitment required to discharge their duties and have continued to perform effectively and demonstrated commitment to their respective roles as a Director. In addition, the Independent Directors who are seeking re-election at the forthcoming 13th AGM do not have any position or relationship that might influence, in a material respect, their capacity to bring an independent judgement on issues before the Board and to act in the best interest of the Group.

The re-election of each Director will be voted by way of separate shareholders' resolutions. To assist the shareholders in their decision, information such as the personal profile (Profile of Directors) and shareholdings in the Group (Analysis of Shareholdings) of each Director standing for re-election are furnished in the Company's Annual Report 2023.

BOARD EVALUATION

The Board, through the NRC, shall assess and evaluate the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors as well as the independence of the Independent Directors annually. The Board shall engage professional independent parties to conduct and facilitate an objective and candid board evaluation periodically or as and when the Board deems necessary.

During the year under review, an annual assessment and evaluation of each individual Director, the Board as a whole and the Board Committees as well as the independence of the Independent Directors were conducted internally with the assistance of the Company Secretaries ("Assessment 2023"). Based on the outcome of the Assessment 2023, the NRC and the Board were satisfied with the overall performance and effectiveness of the Board and the Board Committees as they have contributed positively and continued to operate effectively towards fulfilling their duties and responsibilities as members of the Board and Board Committees.

The areas identified for the Board's improvements include the increase of women directors on the Board and to have more knowledge of the Group's potential sustainability issues. There were no major concerns from the results of the assessment of the Board Committees.

ASSESSMENT OF INDEPENDENT DIRECTORS

The Board acknowledges the importance of having independence and objectivity in decision-making by the Independent Directors of the Company. Assessment of the independence of the Company's Independent Directors is undertaken annually, prior to any new appointment and when any new interest or relationship develops between the Independent Director and the Company.

The NRC reviews the independence of the Independent Directors in accordance with the criteria on independence as stipulated in the MMLR and Practice Notes of Bursa Securities as well as the Code. The Independent Directors are also assessed on their ability and commitment to continue to bring independence and objective judgement to the deliberation and decision-making of the Board and Board Committees.

The Board and the NRC are, based on the annual assessment conducted for the financial year ended 31 December 2023, satisfied with the level of independence demonstrated by all the five (5) Independent Directors of the Company and that they fulfil the definition of "Independent Director" under the MMLR of Bursa Securities and the Independent Directors have continued to demonstrate their independence through their robust discussion, engagement and bringing an independent judgment to decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➤ **DIRECTORS' REMUNERATION**

The objective of the Group's Remuneration Policy is to attract and retain the Directors and Senior Management who play an important role in leading and controlling the Group's operations effectively. Generally, the remuneration of each Director and Senior Management is determined based on their roles and responsibilities having regard to their merits, qualifications and competence as well as the Group's operating results, individual performance and comparable market statistics.

The Policy on Remuneration of Directors and Senior Management of the Group, which sets out the policy statements and guiding principles to determine the remuneration of the Directors and Senior Management, is in line with the best practices recommended by the Code and as prescribed under the MMLR of Bursa Securities. The said policy is available for reference on the Company's website at (www.wct.com.my).

The aggregate fees, remuneration and other emoluments received by the Directors of the Company for the financial year ended 31 December 2023 are as follows:

The Company	Salary (RM)	Fees (RM)	Bonus (RM)	Allowance (RM)	Benefits-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors							
Tan Sri Lim Siew Choon	3,091,200	12,000	-	-	26,650	7,248	3,137,098
Dato' Lee Tuck Fook	2,688,000	12,000	-	-	-	5,105	2,705,105
Datuk Chow Ying Choon	2,016,000	12,000	-	-	31,150	2,676	2,061,826
Non-Executive Directors							
Tan Sri Marzuki Bin Mohd Noor	-	84,000	-	23,000	-	-	107,000
Datuk Ab Wahab Bin Khalil	-	84,000	-	17,000	-	700	101,700
Dato' Ng Sooi Lin	-	84,000	-	19,000	-	3,374	106,374
Ng Soon Lai @ Ng Siek Chuan	-	84,000	-	15,900	-	3,374	103,274
Rahana Binti Abdul Rashid	-	84,000	-	16,000	-	3,374	103,374
Total (RM)	7,795,200	456,000	-	90,900	57,800	25,851	8,425,751

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

➤ **FINANCIAL REPORTING**

The Board continually strives to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly interim financial results to shareholders as well as the Chairman's Statement and Management Discussion and Analysis in the Company's Annual Report 2023.

In preparing the financial statements, the Group has adopted the applicable accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates by the Board. All accounting standards that the Board considers to be applicable have been adopted.

The Board is also assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

➤ **FINANCIAL REPORTING** *cont'd*

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to present a set of financial statements for the Group and the Company which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year as well as the financial results and their cash flows for that financial year.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used the appropriate accounting policies and such policies were consistently applied;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been adopted; and
- the financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue to be in operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records that disclose with reasonable accuracy the financial position of the Group and the Company and which will enable them to ensure that the Financial Statements comply with the relevant provisions of the Companies Act, 2016.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities, where possible.

➤ **SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS**

Through the Audit Committee, the Group has established a transparent and appropriate relationship with the Group's external Auditors in seeking professional assurance and ensuring compliance with the accounting standards in Malaysia.

The role of the Audit Committee in relation to the external Auditors can be found in the Audit Committee Report as set out in the Company's Annual Report 2023.

The Audit Committee has obtained confirmation from the external Auditors that they are and have been independent throughout the conduct of their audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.

➤ **SOUND FRAMEWORK TO MANAGE RISKS**

The Board acknowledges its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets. Due to limitations that are inherent in any system of internal controls, the system adopted by the Group is designed to identify, mitigate and manage rather than to fully eliminate such risks that may potentially impede the attainment of the Group's objectives.

Information on the Group's internal control system implemented during the year is presented in the Statement on Risk Management and Internal Control set out in the Company's Annual Report 2023.

➤ **INTERNAL AUDIT FUNCTION**

The internal audit function of the Group is carried out by the Group's Internal Audit Department ("GIAD") which reports directly to the Audit Committee. The role of the GIAD is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units and projects of the Group to the Audit Committee. Further details of the internal audit function and the activities are set out in the Audit Committee Report of the Company's Annual Report 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

➤ **EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENTS WITH SHAREHOLDERS**

The Group values and strongly believes in the importance of effective communication with shareholders, potential investors and the public. This is to ensure that all shareholders, both institutional and individual investors, have full access to the relevant information disclosed by the Company. It does this through the Company's Annual Report, AGM, the Company's website (www.wct.com.my) and the timely release of all corporate announcements and quarterly interim financial results, thus providing shareholders and the investing public with an overview of the Group's performance and operations. All enquiries made are dealt with as promptly as practicable.

The Annual Report remains the Company's main source of information to the shareholders and investors while the Company's website, which has a dedicated investor relations section, is intended to provide relevant information about the Group to a wider segment of the investing public.

Any shareholder and/or stakeholder of the Group who may have concerns relating to the Group may directly convey the same to Tan Sri Marzuki Bin Mohd Noor, the Company's Senior Independent Non-Executive Director, who serves as a point of contact for shareholders and other stakeholders.

➤ **ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE**

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to the shareholders, investors and other stakeholders to enable them to make informed decisions.

The Company maintains the practice of releasing all requisite announcements as well as material and price-sensitive information in a timely manner to Bursa Securities in compliance with the disclosure requirements as set out in the MMLR of Bursa Securities. The Company also releases timely updates to the market and community through the Company's websites, media releases and other appropriate channels. Price-sensitive information and information that may be regarded as undisclosed material information about the Group is, however, not disclosed until after the requisite announcement to Bursa Securities has been made.

➤ **THE AGM**

The AGM of the Company is used as a forum for communication with its shareholders. The Company has provided at least 28 days' notice for its AGMs in line with good corporate governance practices. The Company's 12th AGM was held virtually on 15 June 2023 where the shareholders were able to exercise their rights to participate and vote at the 12th AGM remotely via the Remote Participation and Electronic Voting (RPEV) facilities. During the 12th AGM, a presentation was given by the Senior Management to the shareholders on the Group's strategies, performance and latest developments including the Company's responses to the questions raised by the Minority Shareholders Watch Group (MSWG), on behalf of the minority shareholders of the Company. The Board encourages participation from shareholders by having a question and answer session during the AGM whereby the shareholders may channel their queries relating to the audited financial statements of the Group and the Company to the Company's External Auditors and may discuss the Group's performance and its business activities with the Directors and the Management of the Company. Each item of special business included in the notice of the general meeting is accompanied by an explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the general meeting and the Chairman would declare the number of proxy votes received, both for and against each separate resolution where appropriate.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, any resolution set out in the notice of any general meeting shall be voted by poll. As such, all resolutions proposed at the forthcoming 13th AGM of the Company scheduled to be held on 13 June 2024 will be voted by poll. An Independent Scrutineer will be appointed by the Company to verify the results of the poll at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

➤ **INVESTOR RELATIONS**

Another important channel of communication with shareholders, investors, and the general investment community, both locally and internationally, is the Group's investor relations activities. The Company conducts regular briefings with financial analysts and fund managers from time to time as a means of maintaining and improving investor relationships and holds press conferences after the AGM or any Extraordinary General Meeting of the Company, where necessary.

Below is a summary of the investor relations activities undertaken during the financial year ended 31 December 2023:

	Total
Meetings/Conference calls with investors, analysts and fund managers	4
Investors' briefings	1
Site visit	1

The Group's website (www.wct.com.my) has a section dedicated to investor relations and provides up-to-date information on the Group's businesses and operations. Presentations made to analysts and fund managers are also posted on this section of the Company's website. Further enquiries on all investor-related matters may be directed to the following person:

Ms Lo Wei Teing
 Assistant General Manager
 Corporate Affairs and Sustainability
 Tel : +603 7806 6608
 Email : wei-teing.lo@wct.my

The Board is fully committed to complying with the principles, recommendations and best practices set out in the Code and the MMLR of Bursa Securities, where applicable. The Board will continuously evaluate the Group's corporate governance practices, ensuring the implementation of good practices throughout the Group's business units, as well as continue the journey for the IT transformation and digitalisation of the Group and enhance the disclosure on sustainability in particular, sustainable supply chain and management of climate-related financial risks and climate scenario planning.

(This Corporate Governance Overview Statement has been approved by the Board of Directors on 23 April 2024)

OTHER DISCLOSURES

The following additional disclosures are made in respect of the financial year ended 31 December 2023:

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

No proceeds have been raised from any corporate proposal during the financial year ended 31 December 2023.

2. INFORMATION IN RELATION TO EMPLOYEES' SHARE OPTIONS SCHEME

- (i) The Company's Employees' Share Option Scheme ("ESOS") (2013/2023) was implemented on 19 July 2013 and took effect for ten (10) years until 18 July 2023.
- (ii) No options were offered or granted under the ESOS (2013/2023) during the financial year up to 18 July 2023 and as of the date of expiry on 18 July 2023, a total of 8,961,000 options remained unexercised. Pursuant to the By-Laws of the ESOS (2013/2023), all unexercised options lapsed and had no further effect upon the expiry of the ESOS (2013/2023).

The total number of options granted, exercised and lapsed under the ESOS (2013/2023) are as set out in the table below:

Description	Cumulative Number of Options (Since commencement date up to 18 July 2023)	
	Grand Total	Directors
(a) Options granted	62,165,000	8,604,000
(b) Exercised & forfeited options	29,302,600	6,554,000
(c) Lapsed options	32,862,400	2,050,000

- (iii) Percentages of options applicable to Directors and Senior Management under the ESOS (2013/2023):

Directors and Senior Management	During the financial year up to 18 July 2023	Since commencement date up to 18 July 2023
(a) Aggregate maximum allocation	-	22.92%
(b) Actual no. of options granted	-	22.24%

- (iv) No options were granted to the Independent Non-Executive Directors of the Company pursuant to the ESOS (2013/2023).

3. Audit and Non-Audit fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors, or a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group (RM)	Company (RM)
Audit Fees	625,000	114,870
Non-Audit Fees	47,930	11,680

OTHER DISCLOSURES

cont'd

4. Material Contracts and Transactions Involving Directors and/or Major Shareholders

Save as disclosed under Note 43 of the audited financial statements of the Company in this Annual Report, there were no material contracts entered into by the Company and/or its subsidiaries, involving the interest of directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

5. Recurrent Related Party Transactions of A Revenue Nature

At the 12th Annual General Meeting ("AGM") held on 15 June 2023, the Company had obtained a mandate from its shareholders to allow the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions ("RRPT") of a revenue nature which are necessary for the Group's day-to-day operations with related parties.

There were no RRPT entered into by the Group during the financial year ended 31 December 2023.

The Company intends to seek its shareholders' approval at the forthcoming 13th AGM to be held on 13 June 2024 for the renewal of the existing mandate for RRPT of a revenue or trading nature which are necessary for the Group's day-to-day operations, details of which are set out in Part A of the Circular to Shareholders dated 26 April 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code of Corporate Governance 2021 stipulates that the Board of Directors (“**the Board**”) of listed companies should maintain a sound risk management framework and internal control system to safeguard shareholders’ investments and the Group’s assets. Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”, the Board is pleased to provide the following statement, which outlines the main features and adequacy of the Group’s risk management and internal control for financial year ended 31 December 2023 (“**FYE2023**”).

BOARD’S RESPONSIBILITY

The Board recognises the importance of maintaining a sound system of risk management and internal control within the Group and as such has reaffirmed its commitment and responsibility for the Group’s risk management and internal control systems covering not only financial controls but also operational, strategic and compliance controls, and for reviewing the adequacy of integrity in these systems.

The system of risk management and internal control is designed to identify and manage the Group’s risk within the acceptable risk tolerance, rather than to eliminate the risk of failure in achieving the Group’s business objectives in accordance with the Group’s strategy. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement, financial loss or fraud. The Group’s concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

KEY INTERNAL CONTROL FEATURES

The Group has a structure which outlines accountability, authority and responsibility to the Board, its committees and Management. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control that include the following:

1. AUTHORITY AND RESPONSIBILITY

a. The Board

The Board is the pillar of the Group’s risk management and internal control practices. The Board is committed to maintaining a sound system of internal control and the overall responsibility for risk oversight, mirroring its overall responsibility for strategy.

The Board has delegated the responsibility of risk management oversight and control to the Board Risk and Sustainability Committee (“**BRSC**”) while the Risk Management Committee (“**RMC**”) is responsible for developing, executing, and maintaining an effective risk management system, including the continual review process of identified risks and the effectiveness of mitigation strategies and controls.

b. Audit Committee (“**AC**”)

The AC of the Group performs regular risk management assessments and through the Internal Audit function, reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The AC also seeks the observations of the independent external and internal auditors of the Group. Further details are set out in the AC Report.

c. Board Risk and Sustainability Committee

The BRSC sets risk management policies and provides independent oversight of the risk appetite and the implementation and operation of the Group’s enterprise-wide risk management framework and integrity management framework.

d. Risk Management Committee

The RMC assists the BRSC in ensuring the establishment of sound and robust risk management framework, processes, and practices to achieve the Group’s strategic objectives and safeguard shareholders’ investments and the Group’s assets.

The RMC is responsible for the implementation of the approved framework, policies and procedures pertaining to risk management and internal control to ensure that business strategies and risk management are aligned.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY INTERNAL CONTROL FEATURES *cont'd*

2. PLANNING, MONITORING, AND REPORTING

For the current year's business plan and budget, the Group has prepared an annual business plan and budget for all business divisions and subsidiaries. The performance of each business is monitored at quarterly Management Committee meetings and subsequently presented to the AC and the Board for deliberation.

3. DISCRETIONARY AUTHORITY LIMIT

Discretionary Authority Limits duly approved by the Board are prescribed to govern the authority limits granted to designated personnel who are duly authorised to carry out their respective job responsibilities as well as to represent the Group in all official correspondences and documentation on behalf of the Group covering capital expenditures, procurements, payments, investments, acquisitions, and disposals.

4. POLICIES AND PROCEDURES

Clearly documented policies and procedures of business processes have been set out in a series of Standard Operating Procedures under the Integrated Management System ("IMS") and implemented throughout the Group. These policies and procedures are periodically reviewed and updated to reflect the changes in business structure, processes as well as changes in the external environment. The list of IMSs are as follows: -

Type	Ref	Certification No	Issued to	Valid until
Quality Management System	ISO 9001: 2015	QMS 00887	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2025
		QMS 01762	WCT Machinery Sdn Bhd	14 Dec 2026
		QMS 01306	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2025
Occupational Health & Safety Management System	ISO 45001: 2018	OHS 00221	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2025
		OHS 00503	WCT Machinery Sdn Bhd	14 Dec 2026
		OHS 00227	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2025
Environmental Management System	ISO 14001: 2015	EMS 00520	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2025
		EMS 00931	WCT Machinery Sdn Bhd	14 Dec 2026

5. INTERNAL AUDIT

The internal audit function of the Group, through the Group Internal Audit Department ("GIAD"), serves to offer an independent assurance provided by business operations and oversight functions. Through internal audit reviews, GIAD's principal role is to evaluate and improve the effectiveness of internal control within the Group.

Regular reviews by GIAD are carried out based on the annual internal audit plan which encompasses the management of risk and governance, and the effectiveness and adequacy of the internal control procedures across the various business divisions within the Group. The corrective actions taken by Management with regard to the significant weakness in the internal control of audit recommendations are reported on a regular basis to the AC for their update, consideration and approval.

Further information on the activities of GIAD can be found in the AC Report.

6. RISK MANAGEMENT

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and guided by operational manuals, policies and procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY INTERNAL CONTROL FEATURES *cont'd*

6. RISK MANAGEMENT *cont'd*

The Board, assisted by management, regularly reviews, identifies, evaluates, monitors and manages the principal risks faced by the Group.

a. Risk Management Governance

Risk management governance consists of a risk oversight structure that reflects the systematic approach that is being used by the Group to escalate risk reporting from the respective business units all the way to the Board level as depicted below:



b. Risk Management Policy and Risk Management Framework

The risk management policy establishes the scope, policies and processes that describe how risks are managed. It also defines clear roles and responsibilities of the individuals or units involved in the entire risk management process. The Group has established the Risk Management Framework to provide guidelines for the effective management of risks through the application of Enterprise Risk Management (“ERM”) processes at varying levels and within the Group. The framework ensures that the risk-related information derived from the ERM process is adequately reported and used as a basis for decision-making and is accounted for at all relevant organisational levels. The framework shall be continuously assessed and improved to ensure its adaptability to the changing business environment.

c. Economic, Environmental and Social (“EES”) Risk

During the year under review, the EES risk assessment for all five main divisions of the Group (*i.e. engineering & construction, property, shopping malls, hotel, and business aviation*) was conducted based on eighteen (18) sustainability material matters identified for the Group’s Sustainability Development Goals.

d. Corruption Risk Management (“CRM”)

The Group recognises the importance of adopting CRM into its existing business processes. CRM is a risk-based management tool that guides the development of corruption risk profiles and risk action plans that effectively minimise the exposure to bribery and corruption. The Group Integrity Unit (“GIU”) will identify any structural weaknesses in the existing business processes that may give room for bribery and corruption and register the risks in the corruption risk register.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

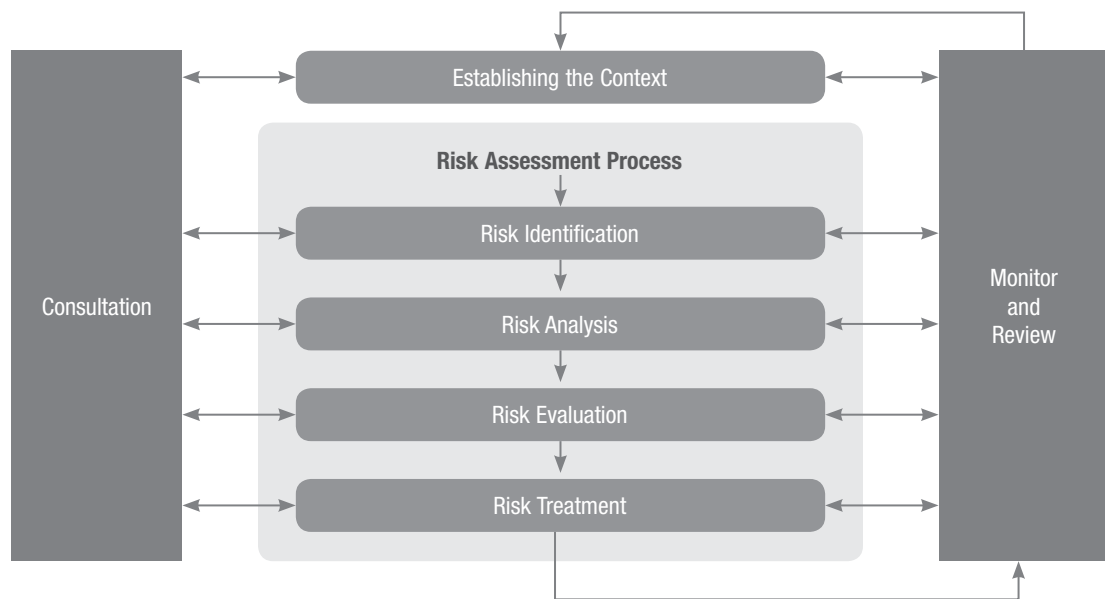
cont'd

KEY INTERNAL CONTROL FEATURES *cont'd*

6. RISK MANAGEMENT *cont'd*

e. Risk Management Process

The following diagram depicts the risk management approach in the Group:



As depicted in the Risk Management Policy, identified individual risk events under the broad risk categories have undergone comprehensive reviews in line with the Group's risk management methodology.

During the year under review, the significant risks of the Group were presented and deliberated in the RMC and BRSC meetings. Each unit is responsible for taking ownership and managing its risks. Group Risk Management Department ("GRMD") helps to facilitate each unit in discharging its risk management responsibilities. GRMD helps in the risk assessment process of risk identification and risk rating determination by the respective process owners. GRMD also provides guidance and support in the development of risk action plans and monitors the risk mitigation action effectiveness and status.

The risk owners are responsible for identifying, analysing, and evaluating risks, as well as developing, implementing, and monitoring risk action plans and reporting all risks to the RMC and BRSC. During RMC and BRSC meetings, members and invitees would take note of risks, the potential impact and likelihood of risks occurring, the effectiveness of existing controls and the risk action plans that have been or are being taken to manage the risks to the desired levels.

During the year under review, cybersecurity threat emerged as a significant risk to the Group. To mitigate this risk, the Group has appointed a service provider to provide the following: -

1. Security Perimeter Management & Analytic Services to monitor all networks and computer activities of the Group to detect and prevent any unauthorised or suspicious hacking threats in the network 24x7x365.
2. Perimeter Access Management to safeguard identities with special access or capabilities beyond regular users, e.g., Domain Controller ID and Accounting System Admin ID.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY INTERNAL CONTROL FEATURES *cont'd*

7. ANTI-BRIBERY MANAGEMENT SYSTEMS

The Group is committed to mitigating the risks of bribery and corruption in all its business transactions by implementing an Anti-Bribery Management System (“**ABMS**”). The GIU is responsible for implementing and monitoring the ABMS. The internal control systems that have been established with regard to ABMS include the following:

a. Anti-Bribery and Corruption Policy (“**ABAC**”)

The Group has established an ABAC policy and ABAC Standard Operating Procedures (“**ABAC-SOP**”) since 1 June 2020 in line with the requirements set out in Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 as a commitment to prevent all forms of bribery and corruption in its daily business activities consistent with the Group’s core values to promote good governance. The ABAC Policy applies to all directors and employees of the Group and business associates who are performing works or services for or on behalf of the Group. The ABAC policy and ABAC-SOP are available on the Company’s website at www.wct.com.my.

b. Whistleblowing Policy

The Group has established a whistleblowing (“**WB**”) policy to provide a clear direction for whistle-blowers to raise concerns with regard to any suspected wrongdoing, bribery or corruption. The WB policy provides assurance to whistle-blowers who are employees of the Group that they will be protected against reprisal and/or retaliation from their immediate superiors or heads of departments/divisions, in line with the Whistleblower Protection Act 2010. The GIU is responsible for managing complaints (received from various channels available, i.e., WB official e-mail address, WB online form and letter to the Chairman of AC). The WB online form is available on the Company’s website at www.wct.com.my

8. ASSURANCE TO THE BOARD

The Group Managing Director and the Director of Finance and Accounts have provided the Board with assurance that the Group risk management and internal control system are operating adequately and effectively. All internal control weaknesses identified during the period under review have been or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report. The Management continues to review and take measures to strengthen the risk management and control environment.

9. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.26(b) of the MMLR of Bursa Securities, the external auditors of the Company have reviewed this Statement on Risk Management and Internal Control prepared by the Company for the FYE2023. Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide (“**AAPG**”) 3, and Guidance for Auditors on Engagements to report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. The review by the external auditors was made solely for the benefit of the Board in connection with the compliance with the MMLR of Bursa Securities by the Company. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of their review.

CONCLUSION

Having considered all aspects of the Group’s risk management and internal control system in place as set out in this Statement, the Board is generally satisfied with the adequacy and effectiveness of the Group’s risk management and internal controls during the FYE2023 and the period up to the date of issuance of this Statement on Risk Management and Internal Control.

(This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 23 April 2024)

AUDIT COMMITTEE REPORT

A. MEMBERSHIP AND ATTENDANCE OF MEETINGS

The Audit Committee comprises the following members:

- (1) **Tan Sri Marzuki Bin Mohd Noor**
Chairman/Independent Non-Executive Director
- (2) **Datuk Ab Wahab Bin Khalil**
Member/Independent Non-Executive Director
- (3) **Dato' Ng Sooi Lin**
Member/Independent Non-Executive Director
- (4) **Ng Soon Lai @ Ng Siek Chuan**
Member/Independent Non-Executive Director
- (5) **Rahana Binti Abdul Rashid**
Member/Independent Non-Executive Director

The Audit Committee is appointed by the Board of Directors ("the Board") and consists entirely of Independent Non-Executive Director. Mr Ng Soon Lai @ Ng Siek Chuan, a member of the Audit Committee, is a fellow member of the Institute of Chartered Accountants in England & Wales.

A total of six (6) Audit Committee meetings were held during the financial year ended 31 December 2023 and the attendance record of the members are as follows:

Name	Number of meetings attended in 2023
Tan Sri Marzuki Bin Mohd Noor	5/6
Datuk Ab Wahab Bin Khalil	5/6
Dato' Ng Sooi Lin	4/6
Ng Soon Lai @ Ng Siek Chuan	5/6
Rahana Binti Abdul Rashid	6/6

B. TERMS OF REFERENCE

The details of terms of reference of the Audit Committee are available on the Company's website at (www.wct.com.my).

C. SUMMARY OF ACTIVITIES

The Audit Committee works closely with the external auditors, internal auditors, and management to carry out its functions and duties in line with the term of reference of the Audit Committee.

During the financial year ended 31 December 2023, the Audit Committee had carried out the following activities:

- (1) Reviewed the quarterly unaudited financial reports of the Group before recommending the same to the Board for approval and release to Bursa Malaysia Securities Berhad;
- (2) Reviewed the annual audited financial statements of the Company and the Group for the financial year ended 31 December 2022 together with the external auditors prior to being tabled to the Board for their consideration and approval;
- (3) Reviewed the declaration of final cash dividend for financial year ended 31 December 2022 and thereafter, recommended it to the Board for their consideration;

AUDIT COMMITTEE REPORT

cont'd

C. SUMMARY OF ACTIVITIES *cont'd*

- (4) Reviewed the external auditors' audit plan including the areas of audit emphasis, the audit approach, scope of work, the audit procedures to be adopted in their annual audit as well as their proposed audit fees prior to the commencement of their annual audit;
- (5) Reviewed and discussed with external auditors the results of the audit and the relevant audit reports;
- (6) Held two (2) discussions with the external auditors on 27 February 2023 and 23 November 2023 without the presence of management and executive directors;
- (7) Reviewed and assessed the suitability, performance, and independence of the external auditors prior to recommending their re-appointment to the Board and subsequently proposed their re-appointment as the Company's external auditors at the Company's 12th Annual General Meeting;
- (8) Reviewed and concurred the recurring and non-recurring non-audit services provided by the external auditors in accordance with the policy.
- (9) Discussed with the internal auditors on their scope of work, adequacy of resources and co-ordination with the external auditors;
- (10) Reviewed twenty-five (25) internal audit reports on operational, financial and compliance audit for on-going and completed construction projects, on-going and completed property development projects, mall operations, property management & maintenance, hospitality, aviation business and also ad-hoc audit reviews;
- (11) Deliberated on the significant audit findings and management's responses reported in the internal audit reports and the follow-up actions taken on the respective audit recommendations;
- (12) Discussed and approved twenty-five (25) internal audit plans for year 2024 for the Group;
- (13) Reviewed the guidelines and procedures adopted for recurrent related party transactions of a revenue or trading nature ("RRPT");
- (14) Reviewed the status report of Whistleblowing and Anti-Bribery and Anti-Corruption for the Group submitted by the Group Integrity Unit as well as deliberated on the significant findings and the Management's responses and relevant actions taken;
- (15) Visit to the expansion and upgrading of Sultan Ismail Petra Airport project in Kota Bharu, Kelantan on 16 August 2023.
- (16) Reviewed the following reports and statements and thereafter, recommended the same to the Board for inclusion in the Company's Annual Report 2022:
 - (a) Audit Committee Report;
 - (b) Corporate Governance Overview Statement;
 - (c) Corporate Governance Report; and
 - (d) Statement on Risk Management and Internal Control.

D. INTERNAL AUDIT FUNCTION

The Group Internal Audit Department (GIAD), which reports directly to the Audit Committee, provides internal audit function of the Group and performs internal audits reviews based on annual audit plans approved by the Audit Committee. GIAD checks for compliance with policies and procedures, effectiveness and adequacy of internal control systems and subsequently highlights material findings, together with recommendations and action plans during Audit Committee meetings.

GIAD also provides necessary assistance for any special assignments, investigations, or ad-hoc audit reviews upon the request by the Management from time to time.

AUDIT COMMITTEE REPORT

cont'd

D. INTERNAL AUDIT FUNCTION *cont'd*

During the financial year ended 31 December 2023, the GIAD carried out its audit duties that covers business units, compliance, operational and financial audits and reported its findings to the Audit Committee. The summary of internal audit reviews performed for the year are as follows:

Type of Review	Number of Completed Reviews
On-going construction & property development projects	13
Completed construction & property development projects	2
Property maintenance & operations	1
Mall operations	4
Hospitality	2
Others	3
Total:	25

The total cost incurred in respect of the Group's internal audit function for the financial year ended 31 December 2023 was RM1,673,770.77 (FY2022: RM1,581,923.38).



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries, joint ventures and associates.

The principal activities and other information relating to the subsidiaries, associates and jointly controlled entities are disclosed in Notes 8, 9 and 10 to the financial statements respectively.

RESULTS

	Group RM'000	Company RM'000
(Loss)/profit after taxation	(209,398)	11,607
Attributable to:		
Equity holders of the Company	(254,148)	(36,474)
Holders of Perpetual Sukuk	48,081	48,081
Non-controlling interests	(3,331)	-
	(209,398)	11,607

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Dividends paid by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
<u>Final dividend</u>	
Final cash dividend of 0.50 sen per ordinary share on 1,417,235,529 ordinary shares paid on 17 July 2023	7,086

The Directors do not propose any dividend in respect of the current financial year.

DIRECTORS' REPORT

cont'd

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Lim Siew Choon*
 Dato' Lee Tuck Fook*
 Datuk Chow Ying Choon*
 Tan Sri Marzuki Bin Mohd Noor
 Datuk Ab Wahab Bin Khalil
 Dato' Ng Sooi Lin
 Ng Soon Lai @ Ng Siek Chuan
 Rahana Binti Abdul Rashid

* *These Directors are also Directors of the Company's subsidiaries.*

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Lai Cheng Yee
 Ir. Dr. Chan Tuck Leong
 Ng Eng Keat
 Ng Mun Wai
 Chong Kian Fah
 Lim Swee Hock
 Mohd Roslan Bin Sarip
 Chong Wah Hing
 Selena Chua Kah Noi
 Ong Ka Thiam
 Ahmad Tarmizi Bin Ismail
 Tran Tac Sam
 Khaled Mohamed Abdulrahim Mohamed
 Peter James Sellers
 Salim Bin Ali Bin Nasser Al Siyabi
 Khuzaim Iqbal Jaffer
 Elina Binti Abdul Aziz
 Fatweena Bibi Ameen Uteene-Mahamod
 Sharmanand Jhurreea
 Omkumar Akellia
 Dato' Syed Budriz Putra Jamalullail
 Chronos Ltd
 Goh Chin Liong
 Liang Kai Chong
 Chang Aik Hui
 Teoh Teik Thiam
 Ang Keng Hong
 Wan Ahmad Shukri Bin Wan Daud
 James Andrew Chai

(Appointed on 21 March 2024)
 (Appointed on 25 March 2024)
 (Appointed on 25 March 2024)
 (Resigned on 21 March 2024)
 (Resigned on 4 April 2024)

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 43(a) to the financial statements.

The details of remuneration received/receivable by the Directors of the Company for the financial year are as follows:

	RM'000
Non-executive Directors:	
Fees, allowances and indemnity given to or insurance effected for Directors	
Tan Sri Marzuki Bin Mohd Noor	107
Datuk Ab Wahab Bin Khalil	102
Dato' Ng Sooi Lin	106
Ng Soon Lai @ Ng Siek Chuan	103
Rahana Binti Abdul Rashid	103
	521
Executive Directors:	
Tan Sri Lim Siew Choon	
Salaries and other emoluments	3,091
Fees, estimated money value of benefits-in-kind and indemnity given to or insurance effected for Directors	46
	3,137
Dato' Lee Tuck Fook	
Salaries and other emoluments	2,688
Fees, estimated money value of benefits-in-kind and indemnity given to or insurance effected for Directors	17
	2,705
Datuk Chow Ying Choon	
Salaries and other emoluments	2,016
Fees, estimated money value of benefits-in-kind and indemnity given to or insurance effected for Directors	46
	2,062

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in the shares of the Company during the financial year were as follows:

	Number of ordinary shares		
	1 January 2023	Acquired	(Disposed) 31 December 2023
Tan Sri Lim Siew Choon			
- direct	105,142,753	-	- 105,142,753
- deemed **	257,220,078	-	- 257,220,078

** *Deemed interested by virtue of his interest in Dominion Nexus Sdn. Bhd. via Legacy Pacific Limited.*

Tan Sri Lim Siew Choon by virtue of his interest in the shares of the Company, is also deemed interested in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than the above, none of the Directors in office at the end of the financial year has any interest in the shares of the Company or its related corporations during the financial year.

ISSUE OF SHARES

There was no issuance of shares during the financial year.

TREASURY SHARES

Details of the treasury shares are disclosed in Note 31(b) to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME 2013/2023 ("ESOS 2013/2023")

Details of the ESOS 2013/2023 are disclosed in Note 31(c) to the financial statements.

INDEMNITY AND INSURANCE COSTS

The Company maintains a liability insurance for the Directors and officers of the Company and its subsidiaries in respect of their liability for any act or omission in their capacity as Directors or officers of the Company and its subsidiaries in respect of costs incurred by them in defending or settling any claim or proceedings relating to any such liability for the financial year ended 31 December 2023. The amount of insurance premium paid by the Company for the year ended 31 December 2023 was RM46,000.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position, statements of profit and loss and statements of other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

cont'd

ARBITRATION AWARDS AND MATERIAL LITIGATIONS

Details of arbitration awards and material litigations are disclosed in Notes 49 and 50 to the financial statements respectively.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 51 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 52 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration for the current financial year is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	673	127
Other auditors	376	-
	<u>1,049</u>	<u>127</u>

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been paid to indemnify Ernst & Young PLT during or since the financial year ended 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2024.

Dato' Lee Tuck Fook
Group Managing Director

Datuk Chow Ying Choon
Deputy Managing Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Lee Tuck Fook and Datuk Chow Ying Choon, being two of the Directors of WCT Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 179 to 297 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 April 2024.

Dato' Lee Tuck Fook
Group Managing Director

Datuk Chow Ying Choon
Deputy Managing Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chong Kian Fah, being the Officer primarily responsible for the financial management of WCT Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 179 to 297 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Chong Kian Fah
at Petaling Jaya in Selangor Darul Ehsan
on 23 April 2024

Chong Kian Fah
MIA 17238

Before me,

CHUA FONG LING (No.: B519)
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of WCT Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit and loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 179 to 297.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards ("IESBA Code")), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue and cost of sales from engineering and construction and property development activities

(Refer to Notes 3.1(a), 3.2(a), 3.2(b), 3.2(c), 35 and 36 to the financial statements)

The Group is involved in engineering and construction and property development activities for which revenue is recognised over time. During the financial year, the Group recognised revenue of approximately RM1,111,971,000 and RM248,452,000 from engineering and construction and property development activities respectively and they accounted for approximately 64% and 14% of the Group's revenue respectively. The related cost of sales from engineering and construction and property development activities were RM1,299,687,000 and RM188,818,000 respectively and they accounted for 77% and 11% of the Group's cost of sales respectively.

The amounts of revenue and profit recognised are primarily dependent on the extent of actual costs incurred over the total estimated costs. We have identified revenue and cost of sales from engineering and construction and property development activities as our area of audit focus as significant management judgement and estimates are involved in estimating the total estimated costs of each engineering and construction and property development projects.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters cont'd

Revenue and cost of sales from engineering and construction and property development activities *cont'd*

In addressing revenue recognition and cost of sales of engineering and construction activities, we performed, amongst others, the following procedures:

- Obtained an understanding of the Group's processes and controls over revenue recognition and recording of cost of sales, including controls performed by management in estimating the total estimated costs of construction activities;
- Read significant contracts entered into with customers to obtain an understanding of the specific terms and conditions;
- Reviewed construction cost budgets by agreeing subcontractor budgeted costs to letters of award, purchase orders, quotations and/or latest revisions of these documents. For costs of work performed internally by the Group, we obtained and evaluated the estimates by interviewing quantity surveyors, project directors and general managers of contracts department;
- With respect to variations in contract works and claims for costs not included in the contract price, we agreed the amounts to approved variation order forms and/or correspondences with the customers and subcontractors;
- Assessed actual costs incurred by examining evidences such as contractors' progress claims and suppliers' invoices;
- Recomputed revenue recognised during the financial year using the input method by comparing total costs incurred against total budgeted costs; and
- Reviewed the adequacy of the Group's disclosures relating to construction contracts.

In addressing revenue recognition and cost of sales of property development activities, we performed, amongst others, the following procedures:

- Obtained an understanding of the Group's processes and controls over revenue recognition and recording of cost of sales, including controls performed by management in estimating the total estimated costs of property development activities;
- Read significant contracts entered into with customers, on a sampling basis, to obtain an understanding of the specific terms and conditions;
- Reviewed property development cost budgets by agreeing construction (comprising piling, building, mechanical and/or electrical works) costs to letters of award to main contractors and subcontractors. For statutory and regulatory contributions, we benchmarked budgeted contributions to other similar property development projects, adjusted for differences in gross development value;
- With respect to variations in contract works and claims for costs not included in the letters of award, we agreed the amounts to independent architect certificates and/or correspondences with the main contractors and subcontractors;
- Assessed actual costs incurred by examining evidences such as contractors' progress claims and suppliers' invoices;
- Sighted current financial year signed sales and purchase agreements and recomputed percentage of sales by comparing cumulative sales against net development value of the respective property development projects;
- Recomputed the projects' percentage of completion by comparing total costs incurred against total budgeted costs;
- Recomputed revenue recognised during the financial year by multiplying percentage of completion and percentage of sales to the total net development values; and
- Reviewed the adequacy of the Group's disclosures relating to property development activities.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Key audit matters cont'd

Fair value of investment properties

(Refer to Notes 3.2(e), and 7 to the financial statements)

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss for the financial year in which they arise. As at 31 December 2023, the carrying amount of investment properties amounted to RM1,805,392,000, representing 37% and 21% of the Group's total non-current assets and total assets respectively.

The Group is required to perform fair value assessment of its investment properties annually and has appointed independent professional valuers. The independent professional valuers adopted two valuation methods depending on the type of property, namely, comparison method and investment method.

We identified the valuation of investment properties as an area of audit focus as it involves significant judgement and estimates that are highly subjective.

In addressing this area of focus, we performed, amongst others, the following procedures:

- Assessed the objectivity, independence, reputation and expertise of the independent professional valuers;
- Obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of investment properties and assessed whether such methodology is consistent with those used in the industry. We also interviewed the independent professional valuers to obtain an understanding of their valuation process, the significant estimates and assumptions applied in their valuation model;
- Where the comparison method of valuation was adopted, we assessed the comparability of historical transactions used. We also obtained an understanding of the adjustments made by the independent professional valuers to account for differences in, amongst others, the property's location, time factor, property's size and tenure;
- Where the investment method of valuation was adopted, we checked mathematical accuracy of the independent professional valuers' computations, and interviewed the valuers to evaluate the income generation data used in deriving the discounted cash flows, yield rate, outgoings rate, void rate and reversion rate used by the independent professional valuers;
- Assessed reasonableness of the yield, outgoings, void rate and reversion rates used to forecast the cash flows by comparing the rates against historical trend and market outlook;
- Assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- Reviewed the adequacy of the Group's disclosures relating to investment properties.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS cont'd

Information other than the financial statements and auditors' report thereon cont'd

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)
cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

Auditors' responsibilities for the audit of the financial statements cont'd

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
23 April 2024

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	4	396,219	361,903	1,078	1,188
Right-of-use assets:					
- Property, plant and equipment	23	37,019	38,163	12,299	15,448
- Investment properties	23	115,751	120,736	-	-
Intangible asset	5	96,708	103,680	-	-
Inventory properties under development	6(a)	1,630,336	1,538,025	-	-
Investment properties	7	1,805,392	1,789,057	-	-
Investments in subsidiaries	8	-	-	3,718,026	3,718,026
Investments in associates	9	190,537	171,256	-	-
Investments in joint ventures	10(b)	312,486	303,474	777	777
Trade receivables	11	261,972	308,298	-	-
Other receivables	13	7,598	134,497	149	149
Due from related parties	14	-	-	707,510	432,510
Deferred tax assets	15	17,890	15,216	200	270
		4,871,908	4,884,305	4,440,039	4,168,368
Current assets					
Inventory properties under development	6(b)	366,882	360,932	-	-
Inventories	16	225,774	346,079	-	-
Trade receivables	11	808,373	757,728	-	-
Contract assets	12	930,998	643,550	-	-
Other receivables	13	438,694	462,134	148	153
Due from related parties	14	583,273	557,339	1,166,670	1,404,944
Tax recoverable		27,025	46,926	-	-
Cash and bank balances	17	414,690	233,796	2,449	4,394
		3,795,709	3,408,484	1,169,267	1,409,491
Assets classified as held for sale	18	-	10,955	-	-
		3,795,709	3,419,439	1,169,267	1,409,491

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2023

cont'd

	Note	Group	Company		
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current liabilities					
Trade payables	19	1,075,269	812,528	-	-
Contract liabilities	12	46,817	22,001	-	-
Other payables	20	222,013	185,497	15,464	15,176
Lease commitment payable	21	5,547	4,716	-	-
Hire-purchase and lease liabilities	22	17,448	18,719	3,332	3,155
Due to related parties	14	1,621	1,178	383,063	283,087
Borrowings	25	1,635,452	1,629,844	200,000	500,000
Income tax payable		11,862	7,345	2,463	252
		3,016,029	2,681,828	604,322	801,670
Net current assets					
		779,680	737,611	564,945	607,821
		5,651,588	5,621,916	5,004,984	4,776,189
Financed by:					
Equity attributable to equity holders of the Company					
Share capital	31	3,212,796	3,212,796	3,212,796	3,212,796
Reserves	32	(1,487,388)	(1,502,644)	-	3,067
Retained earnings	32(g)	1,171,491	1,428,928	128,194	168,687
Treasury shares, at cost	31	(381)	(381)	(381)	(381)
		2,896,518	3,138,699	3,340,609	3,384,169
Perpetual Sukuk	33	820,133	819,449	820,133	819,449
Non-controlling interests	34	(29,785)	(51,638)	-	-
Total equity		3,686,866	3,906,510	4,160,742	4,203,618
Non-current liabilities					
Trade payables	19	111,898	137,643	-	-
Other payables	20	29,148	32,853	232	230
Contract liabilities	12	6,000	8,525	-	-
Lease commitment payable	21	82,875	88,845	-	-
Hire-purchase and lease liabilities	22	139,638	152,829	9,010	12,341
Due to related parties	14	-	-	175,000	50,000
Borrowings	25	1,457,820	1,167,754	660,000	510,000
Deferred tax liabilities	15	137,343	126,957	-	-
		1,964,722	1,715,406	844,242	572,571
		5,651,588	5,621,916	5,004,984	4,776,189

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT AND LOSS

For the Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	35	1,727,349	2,104,868	119,559	117,982
Cost of sales	36	(1,681,684)	(1,847,234)	-	-
Gross profit		45,665	257,634	119,559	117,982
Other operating income	37	86,686	145,370	3,628	3,260
Administration expenses		(132,110)	(130,415)	(20,196)	(21,550)
Other expenses		(78,471)	(49,579)	(10,248)	(4,493)
Operating (loss)/profit		(78,230)	223,010	92,743	95,199
Finance costs	38	(129,425)	(110,108)	(76,017)	(72,038)
Share of results of associates	9	15,008	12,838	-	-
Share of results of joint ventures	10(b)	14,887	13,603	-	-
(Loss)/profit before taxation	39	(177,760)	139,343	16,726	23,161
Taxation	40	(31,638)	33,448	(5,119)	(3,695)
(Loss)/profit after taxation		(209,398)	172,791	11,607	19,466
Attributable to:					
Equity holders of the Company		(254,148)	128,675	(36,474)	(28,710)
Holders of Perpetual Sukuk	33	48,081	48,176	48,081	48,176
Non-controlling interests	34	(3,331)	(4,060)	-	-
		(209,398)	172,791	11,607	19,466
(Loss)/earnings per share attributable to equity holders of the Company (sen)					
- Basic	41(i)	(17.93)	9.08		
- Fully diluted	41(ii)	(17.93)	9.08		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit after taxation	(209,398)	172,791	11,607	19,466
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
- Foreign currency translation	14,169	23,510	-	-
Other comprehensive income to be reclassified to retained earnings in subsequent periods:				
- Revaluation of freehold land and buildings	5,068	3,565	-	-
Other comprehensive income for the financial year, net of tax	19,237	27,075	-	-
Total comprehensive (loss)/income for the financial year	(190,161)	199,866	11,607	19,466
Total comprehensive (loss)/income for the financial year attributable to:				
Equity holders of the Company	(235,095)	156,029	(36,474)	(28,710)
Holders of Perpetual Sukuk	48,081	48,176	48,081	48,176
Non-controlling interests	(3,147)	(4,339)	-	-
	(190,161)	199,866	11,607	19,466

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

cont'd

Attributable to equity holders of the Company													

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

		← Non-distributable →		Distributable			
	Note	Share capital (Note 31) RM'000	Treasury shares (Note 31) RM'000	Equity compensation reserve (Note 32) RM'000	Retained earnings (Note 32) RM'000	Perpetual Sukuk (Note 33) RM'000	Total equity RM'000
Company							
At 1 January 2023		3,212,796	(381)	3,067	168,687	819,449	4,203,618
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year		-	-	-	(36,474)	48,081	11,607
Transactions with owners							
Dividend paid to shareholders	42	-	-	-	(7,086)	-	(7,086)
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	(48,081)	(48,081)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	684	684
Transfer within reserve arising from lapse and forfeiture of employees' share option scheme		-	-	(3,067)	3,067	-	-
At 31 December 2023		3,212,796	(381)	-	128,194	820,133	4,160,742
At 1 January 2022		3,212,796	(381)	3,067	204,483	818,765	4,238,730
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year		-	-	-	(28,710)	48,176	19,466
Transactions with owners							
Dividend paid to shareholders	42	-	-	-	(7,086)	-	(7,086)
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	(48,176)	(48,176)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	684	684
At 31 December 2022		3,212,796	(381)	3,067	168,687	819,449	4,203,618

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
(Loss)/profit before taxation	(177,760)	139,343	16,726	23,161
Adjustments for:				
Interest income	(35,019)	(30,828)	(95,067)	(89,755)
Dividend income	-	-	(7,100)	(7,900)
Interest expense	129,425	110,108	76,017	72,038
Finance income from financial assets at amortised cost	(192)	(2,976)	-	-
Net unrealised foreign exchange loss	4,677	1,865	-	-
Allowance for expected credit losses:				
- related parties	-	-	4,754	-
- third parties	1,660	1,232	-	-
Reversal of allowance for expected credit losses:				
- third parties	(511)	(3,704)	-	-
- arising from receivables from settlement agreement	(10,332)	(18,012)	-	-
Bad debts written off	-	4	-	-
Write off of investment in an associate	-	3	-	-
Intangible asset:				
- amortisation	6,972	6,595	-	-
Property, plant and equipment:				
- depreciation	25,643	27,931	359	474
- gain on disposal	(675)	(10,979)	-	-
- written off	473	663	-	2
Right-of-use assets:				
- depreciation	6,032	4,901	3,149	2,806
- fair value adjustment	4,985	3,468	-	-
- loss/(gain) on lease modification	2	(414)	-	-
Net write down/(back) in value of inventory properties:				
- completed inventory properties	29,525	17,388	-	-
- land held for property development	(627)	542	-	-
- property development costs	(16,909)	-	-	-
Reversal of provision for restoration costs	(19)	(39)	-	-
Fair value gain on investment properties	(12,954)	(65,118)	-	-
Loss on deemed disposal of a joint venture	6,839	-	-	-
Impairment of goodwill arising from business combination	2,776	-	-	-
Share of results of associates	(15,008)	(12,838)	-	-
Share of results of joint ventures	(14,887)	(13,603)	-	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023
cont'd

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities <i>cont'd</i>				
Operating (loss)/profit before changes in working capital	(65,884)	155,532	(1,162)	826
Working capital changes:				
Development expenditure	(46,605)	116,792	-	-
Related parties	(53,827)	(41,501)	183,496	231,337
Joint ventures	(964)	(1,033)	-	-
Inventories	90,780	59,206	-	-
Receivables	(15,501)	(60,921)	5	325
Payables	238,202	67,586	288	1,058
Lease commitment payable	(12,797)	(12,433)	-	-
Cash flows generated from operations	133,404	283,228	182,627	233,546
Taxes refunded/(paid)	632	(70,197)	(2,838)	(5,819)
Net cash generated from operating activities	134,036	213,031	179,789	227,727
Cash flows from investing activities				
Dividend received	-	-	7,100	7,900
Interest received	35,019	30,828	95,067	89,755
Purchase of property, plant and equipment	(48,181)	(63,603)	(249)	(216)
Subsequent expenditure of investment properties	(3,381)	(1,227)	-	-
Acquisition of subsidiary, net of cash acquired	1,907	-	-	-
Additional investment in a joint venture	-	(26,000)	-	-
Net subscription of preference shares of a subsidiary by a non-controlling interest	25,000	-	-	-
Placement in deposits in licensed banks	(13,339)	(15,219)	-	-
Proceeds from disposal of assets classified as held for sale	10,955	10,956	-	-
Proceeds from disposal of property, plant and equipment	3,793	19,607	-	-
Net cash (used in)/generated from investing activities	11,773	(44,658)	101,918	97,439

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023
cont'd

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Interest paid	(150,963)	(124,512)	(74,545)	(70,451)
Dividends paid	(7,086)	(7,086)	(7,086)	(7,086)
Distribution to holders of Perpetual Sukuk	(48,081)	(48,176)	(48,081)	(48,176)
Proceeds from:				
- Sukuk Murabahah	350,000	200,000	350,000	200,000
- term loans	594,961	268,651	-	-
- Medium Term Notes	-	310,000	-	-
- revolving credits	993,204	271,194	-	-
- trade facilities	-	432	-	-
Repayment of:				
- Sukuk Murabahah	(500,000)	(400,000)	(500,000)	(400,000)
- term loans	(249,797)	(337,263)	-	-
- revolving credits	(938,184)	(353,791)	-	-
- trade facilities	(2,126)	-	-	-
Payments of:				
- hire purchase payables	(3,948)	(9,274)	-	-
- lease liabilities	(26,057)	(24,567)	(3,940)	(3,701)
Net cash generated from/(used in) financing activities	11,923	(254,392)	(283,652)	(329,414)
Net increase/(decrease) in cash and cash equivalents	157,732	(86,019)	(1,945)	(4,248)
Exchange differences	9,823	20,905	-	-
Cash and cash equivalents at beginning of the financial year	156,963	222,077	4,394	8,642
Cash and cash equivalents at end of the financial year	324,518	156,963	2,449	4,394

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at reporting date:

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	17	414,690	233,796	2,449	4,394
Less: Deposits with maturity more than 3 months	17	(10,963)	(32)	-	-
Less: Deposits with licensed banks pledged as security	17	(54,706)	(50,363)	-	-
Less: Cash and bank balances with licensed banks pledged as security	17	(24,503)	(26,438)	-	-
Total cash and cash equivalents		324,518	156,963	2,449	4,394

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office and principal place of business of the Company is located at B-30-01, The Ascent, Paradigm, No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services to the subsidiaries, joint ventures and associates. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 8, 9 and 10 respectively.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 23 April 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted the new and revised MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2023 as described fully in Note 2.2.

The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

On 1 January 2023, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

Descriptions	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 (Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112: <i>International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

The adoption of the above standards did not have any significant impact on the financial statements of the Group and of the Company, except as discussed below:

Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.2 Changes in accounting policies *cont'd*

The adoption of the above standards did not have any significant impact on the financial statements of the Group and of the Company, except as discussed below: *cont'd*

MFRS 112: International Tax Reform – Pillar Two Model Rules (Amendments to MFRS 112)

The Organisation for Economic Co-operation and Development (OECD) under the OECD Inclusive Framework on Base Erosion and Profit Shifting issued Pillar Two Global Anti-Base Erosion (“GloBE”) Model Rules (“GloBE MR”) and related guidance. The GloBE MR introduce a new, complex 15% global minimum tax regime applicable to multinational entities with consolidated financial statement revenues of EUR750 million or more in two of the four fiscal years immediately preceding the tested fiscal year. The Group operates in countries and tax jurisdictions that are enacting tax law to adopt the GloBE MR in 2023 with effective dates beginning for the first fiscal year beginning on or after 31 December 2023. As at reporting date, the Group’s four fiscal years immediately preceding the current fiscal year consolidated revenue is below EUR750 million and is out of scope for GloBE MR.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of the Group’s and of the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 16 Leases: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: <i>Disclosures – Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an investor and its Associate or Joint Venture</i>	Deferred

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

Pursuant to the restructuring in 2013, the Company was introduced as a new parent company. The introduction of the Company constitutes a Group reconstruction and has been accounted for using merger accounting principles as the combination of the companies meet the relevant criteria for merger, thus depicting the combination of those entities as if they have been in the combination for the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of consolidation *cont'd*

Business combinations and merger accounting

Business combinations involving entities under common control are accounted for by applying the merger accounting method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as internal reorganisation reserve.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its fair value on acquisition date and any resulting gain or loss is recognised in statements of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in statements of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Transactions with non-controlling interest

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.8 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act 2016, a distribution is authorised when it is approved by the shareholders.

A corresponding amount is recognised as a reduction in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.9 Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Land and buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in statements of profit or loss, the increase is recognised in statements of profit or loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and is not depreciated. Building work-in-progress are also not depreciated as these assets are not available for use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	3 to 60 years
Plant and machinery	2 to 16 years
Motor vehicles	3 to 21 years
Renovations	5 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	3 to 10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Intangible assets

Intangible assets are measured on initial recognition at cost. The cost of intangible asset of the Group comprises cost incurred in relation to a service concession arrangement which includes the refurbishment cost of a terminal building, a car parking area, a business aviation centre and a hangarage complex at the Sultan Abdul Aziz Shah Airport in Subang and the present value of the lease commitments over the concession period.

Following the initial recognition, the cost of the intangible assets are amortised over the concession period and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

2.11 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

2.12 Financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Financial assets and financial liabilities *cont'd*

(i) Financial assets *cont'd*

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. The Group and the Company apply individual assessment on each individual receivables and recognise a loss allowance based on the individual receivables' exposures to credit losses, adjusted for forward-looking factors specific for the debtor and the economic.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

The Group's and the Company's financial liabilities include trade and other payables, amounts due to related parties and loans and borrowings including bank overdrafts.

2.13 Inventory property

(i) Completed inventory property and inventory property under development

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value.

(ii) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

2.15 Medium term notes

The medium term notes were issued via bought deal basis and are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Sukuk Murabahah

Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1,500,000,000 in nominal value ("Sukuk Murabahah Programme").

2.17 Leases

Group as a lessee

i) Right-of-use assets (Property, plant and equipment)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	2 to 128 years
Buildings	2 to 9 years

ii) Right-of-use assets (Investment properties)

Accounting policies on investment properties are disclosed in Note 2.11.

iii) Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

The Group's lease liabilities are included in Note 23.

iv) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Revenue

Revenue from contracts with customers

The Group's and the Company's key sources of revenue from contracts with customers and the application of the accounting standard for each of revenue is discussed below.

(a) Revenue from engineering and construction works

(i) Identify performance obligation(s) in the contract

In determining whether there are promises in the contract that are separate performance obligations, the Group assessed that it is responsible for the overall management of the project and identifies various goods and services to be provided based on the contract with the customer which generally include design work, material procurement, site preparation and foundation pouring, framing and plastering, mechanical and electrical work and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

(ii) Determine the transaction price - financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less, or is immaterial.

(iii) Determine the transaction price - variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iv) Determine the timing of revenue recognition

The Group has determined that the performance obligation is satisfied over time as the performance by the Group does not create an asset with alternative use to the Group. The Group has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

(b) Revenue from sale of inventory property

(i) Identify performance obligations in the contract

(a) Sale of completed inventory property

The sale of completed inventory property constitutes a single performance obligation as the Directors have assessed and concluded that separate promises (other than the delivery of the completed inventory property) within a contract is immaterial to the overall sale of completed inventory property.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Revenue *cont'd*

Revenue from contracts with customers *cont'd*

(b) Revenue from sale of inventory property *cont'd*

(i) Identify performance obligations in the contract *cont'd*

(b) Sale of inventory property under development

In determining whether there are promises in the contract that are separate performance obligations, the Group assessed that it is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

(ii) Determine the transaction price - financing component

For some contracts involving the sale of inventory property, the Group is entitled to receive an initial deposit. This is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the counter parties failing to adequately complete some or all of their obligations under the contract where customers do not have an established credit history or have a history of late payments.

In addition, for certain contracts involving the sale of inventory property, the Group may require customers to make progress payments of up to 15.00% of the selling price, as work progresses, that give rise to a significant financing component. The Group adopted the practical expedient for the significant financing component, as it generally expects, at contract inception, that the length of time between when the customers pays for the asset and when the Group transfers the asset to the customer will be 1 year or less.

(iii) Determine the transaction price - consideration payable to the customer

Some contracts with a customer include consideration payable to a customer. Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customer such as rebate, liquidated ascertained damages, legal fees and maintenance charges paid on behalf of the customer. Consideration payable to a customer is accounted for as a reduction of the transaction price and thus revenue, and should be recognised at the later of when the Group transfers the promised goods or services to the customer or when the Group promises to pay the consideration.

If the consideration payable to the customer contains variable consideration, the Group apply the guidance on variable consideration as described in Note 2.18(a)(iii).

(iv) Determine the timing of revenue recognition

(a) Sale of completed inventory property

The Group has determined that its performance obligation(s) is satisfied at the point in time when control transfers. For unconditional exchange of contracts, transfer of control generally occurs when legal title transfers to the customer. For conditional exchanges, transfer of control generally occurs when all conditions precedent are satisfied.

(b) Sale of inventory property under development

The Group has determined that the performance obligation is satisfied over time as the performance by the Group does not create an asset with alternative use to the Group. The Group has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Revenue *cont'd*

Other revenue

Rental income

The Group earns revenue from acting as a lessor in operating leases. Rental income arising from operating leases on investment property and hiring of machineries is accounted for on a straight-line basis over the lease term and is included in revenue in the statements of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will or will not exercise that option.

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on its products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 53, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.20 Perpetual Sukuk

Perpetual Sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

Perpetual Sukuk holders' entitlement is accounted for as a distribution is recognised in the statement of changes in equity in the period in which it is declared or paid.

2.21 Fair value measurement

Senior management determines the policies and procedures for both recurring fair value measurement, such as investment properties, property, plant and equipment and non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Revenue from contracts with customers

(i) Identify performance obligations in the contract

With respect to the revenue from engineering and construction works and revenue from sales of inventory under development, the Group concluded the goods and services transferred in each contract constitute a single performance obligation as the Group is responsible for all the goods and services specified in the contracts and the overall management of the project. Although the goods and services are capable of being distinct, the Group accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output for which the customer has contracted.

(ii) Determine the timing of revenue recognition

The Group has evaluated the timing of revenue recognition based on a careful analysis of the rights and obligations under the terms of the contract.

The Group has generally concluded that contracts relating to sales of completed properties are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the conditions precedent are satisfied.

For contracts relating to the provision of engineering and construction services and sale of property under development, the Group has considered the factors contained in the contracts and concluded that the control of the assets is transferred to the customer over time because:

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the Group has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed, e.g., the fact that the customer is able to pledge the property under development while it is being constructed, the customer's ability to change any specification of the property as it is being constructed. However, none of the factors is determinative and therefore, the Group has carefully weighed all factors and used judgement to determine that it meets the over-time criteria.
- The Group's performance does not create an asset with alternative use to the Group. Furthermore, the Group has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is at all times entitled to an amount that at least compensates it for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the Group has carefully considered the contractual terms as well as any legislation or legal precedent that could supplement or override those contractual terms.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.1 Critical judgements made in applying accounting policies *cont'd*

(b) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of land and building with shorter non-cancellable period (i.e., 1 to 3 years). The Group typically exercises its option to renew for these leases. The renewal periods for leases of building with longer non-cancellable periods (i.e., 5 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than 5 years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 23 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

(c) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

3.2 Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Measurement of progress when revenue is recognised over time

For contracts that meet the over time criteria of revenue recognition, the Group generally uses the cost incurred method as a measure of progress for its contracts because it best depicts the Group's performance of its obligation. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group excludes the effect of those costs. Also, the Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation.

(b) Estimation of cost to complete the performance obligation

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction and property development contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction and property development cost based on estimates. In the event of contract variations, the Group engages professional consultants to determine the quantum of the contract variations to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *cont'd*

3.2 Key sources of estimation and uncertainty *cont'd*

(c) Estimation of variable consideration

The Group estimates variable considerations, generally liquidated ascertained damages to be included in the transaction price through project monitoring. Project monitoring is a constant and ongoing process that can identify potentially serious delays in a project.

The Group has a monthly monitoring model which effectively updates each project's progress to date and the completion forecast. For each project, the model used the historical data progress forecast (including costs incurred and milestones reached) and current economic conditions to derive expected completion date of the project. The expected completion date is applied to determine the expected value of the variable consideration. Any significant changes in expectation as compared to historical pattern will impact the expected timing of completion estimated by the Group.

(d) Estimation of net realisable value for inventory property

Inventory property is stated at the lower of cost and net realisable value ("NRV").

NRV for completed inventory property is assessed based on an opinion of a qualified independent valuer and comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under development is assessed based on an opinion of a qualified independent valuer, less estimated costs to complete the development and the estimated costs necessary to make the sale.

(e) Fair value of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to assess fair value for land and buildings and investment properties as at 31 December 2023. For investment properties, a valuation methodology either based on a discounted cash flow ("DCF") or comparison method was used. In addition, it measures land and buildings included in property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties.

(f) Investment in subsidiaries

The Company assesses at the end of each reporting period whether there is any indication that its investment in subsidiaries may be impaired. For subsidiary with such indication, the Company performs an impairment assessment on the carrying amount of its investment against its recoverable amount based on value-in-use calculations.

The key assumptions used in determining the recoverable amount require management's estimates and are sensitive to changes in revenue, earnings before interest, taxes, depreciation and amortisation ("EBITDA"), post-tax discount rate and terminal growth rate. From the impairment assessment and reasonable sensitivity analysis performed, the Directors have concluded that the investments are not impaired.

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4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
Group							
At 31 December 2023							
Cost/valuation							
At 1 January 2023	28,674	167,302	234,184	56,411	75,990	111,004	673,565
Additions	-	552	1,844	1,733	6,735	41,378	52,242
Reclassification	1,226	(1,226)	(418)	418	-	-	-
Transferred to buildings	-	152,382	-	-	-	(152,382)	-
Disposals	-	-	(4,290)	(4,596)	(171)	-	(9,057)
Written off	-	-	(3,902)	(5)	(53)	-	(3,960)
Revaluation	700	5,841	-	-	-	-	6,541
Acquisition of a new subsidiary	-	-	11,574	-	295	-	11,869
Exchange differences	-	-	695	70	236	-	1,001
At 31 December 2023	30,600	324,851	239,687	54,031	83,032	-	732,201
Accumulated depreciation and impairment							
At 1 January 2023	-	52,508	170,341	32,576	56,237	-	311,662
Depreciation charge for the financial year	-	4,433	15,757	2,554	6,125	-	28,869
Reclassification	-	-	(162)	162	-	-	-
Disposals	-	-	(2,855)	(2,925)	(159)	-	(5,939)
Written off	-	-	(3,433)	(4)	(50)	-	(3,487)
Acquisition of a new subsidiary	-	-	3,803	-	146	-	3,949
Exchange differences	-	-	648	52	228	-	928
At 31 December 2023	-	56,941	184,099	32,415	62,527	-	335,982
Net carrying amount							
At 31 December 2023	30,600	267,910	55,588	21,616	20,505	-	396,219

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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovations, office equipment, furniture and fittings RM'000	Building work in progress RM'000	Total RM'000
Group <i>cont'd</i>							
At 31 December 2022							
Cost/valuation							
At 1 January 2022	32,574	162,593	245,522	61,809	70,556	66,018	639,072
Additions	-	706	6,083	215	5,870	56,138	69,012
Reclassified to investment properties (Note 7)	-	-	-	-	-	(11,152)	(11,152)
Disposals	(3,900)	(688)	(15,735)	(5,419)	(412)	-	(26,154)
Written off	-	-	(2,594)	(283)	(317)	-	(3,194)
Revaluation	-	4,691	-	-	-	-	4,691
Exchange differences	-	-	908	89	293	-	1,290
At 31 December 2022	28,674	167,302	234,184	56,411	75,990	111,004	673,565
Accumulated depreciation and impairment							
At 1 January 2022	-	48,692	166,721	33,414	50,433	-	299,260
Depreciation charge for the financial year	-	4,504	17,520	3,016	6,227	-	31,267
Disposals	-	(688)	(12,760)	(3,685)	(393)	-	(17,526)
Written off	-	-	(1,984)	(234)	(313)	-	(2,531)
Exchange differences	-	-	844	65	283	-	1,192
At 31 December 2022	-	52,508	170,341	32,576	56,237	-	311,662
Net carrying amount							
At 31 December 2022	28,674	114,794	63,843	23,835	19,753	111,004	361,903

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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	Renovations, office equipment, furniture and fittings Total RM'000
Company	
At 31 December 2023	
Cost	
At 1 January 2023	8,256
Additions	249
At 31 December 2023	8,505
Accumulated depreciation	
At 1 January 2023	7,068
Depreciation charge for the financial year	359
At 31 December 2023	7,427
Net carrying amount	
At 31 December 2023	1,078
At 31 December 2022	
Cost	
At 1 January 2022	8,114
Additions	216
Written off	(74)
At 31 December 2022	8,256
Accumulated depreciation	
At 1 January 2022	6,666
Depreciation charge for the financial year	474
Written off	(72)
At 31 December 2022	7,068
Net carrying amount	
At 31 December 2022	1,188

- (a) Freehold land is carried at valuation whilst freehold buildings are carried at valuation less accumulated depreciation. All other categories of property, plant and equipment are carried at costs less accumulated depreciation and impairment. Freehold land and buildings in Malaysia were revalued on 31 December 2023 by the Directors based on the valuation performed by PA International Property Consultants Sdn. Bhd., a professional independent valuer and registered with the Board of Valuers, Appraisers, Estate Agents and Property, Malaysia. Valuations were made using comparison method on the basis of market value. This means that valuations performed by the valuers are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

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31 December 2023

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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) *cont'd*

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2023 would have been as follows:

	Group	
	2023	2022
	RM'000	RM'000
Freehold land and buildings		
Cost	236,331	91,496
Accumulated depreciation	(18,210)	(16,179)
Net carrying amount	218,121	75,317

Significant unobservable valuation input:

	Range	
	2023	2022
Price per square foot	RM57 - RM792	RM57 - RM792

Significant increases/(decreases) in estimated price per square foot in isolation would result in a significantly higher/(lower) fair value.

Reconciliation of fair value

	Group	
	2023	2022
	RM'000	RM'000
As at 1 January	143,468	146,475
Level 3 revaluation recognised	6,541	4,691
Additions during the financial year	552	706
Disposals	-	(3,900)
Transferred from building work in progress	152,382	-
Depreciation charge during the financial year	(4,433)	(4,504)
As at 31 December	298,510	143,468

Fair value hierarchy disclosures for freehold land and buildings are disclosed in Note 46(f)(i).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

- (b) During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash	48,181	63,603	249	216
Hire purchase	573	1,362	-	-
Interest costs capitalised (Note 38)	3,488	4,047	-	-
	52,242	69,012	249	216

- (c) The carrying amounts of the property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Motor vehicles	2,916	16,323
Machineries	8,262	17,792
Equipment	115	150
	11,293	34,265

- (d) The freehold land and buildings with an aggregate carrying amount of RM239,393,000 (2022: RM108,984,000) are pledged to financial institutions for term loans obtained as disclosed in Note 27.

5. INTANGIBLE ASSET

	Group	
	2023	2022
	RM'000	RM'000
Concession asset		
Cost less amortisation		
At 1 January	103,680	110,275
Amortisation (Note 39(a))	(6,972)	(6,595)
At 31 December	96,708	103,680

By virtue of the commercial agreement and supplemental commercial agreement signed between Subang SkyPark Sdn. Bhd. ("SSSB"), a subsidiary of the Company, Malaysia Airports Holdings Berhad ("MAHB") and Malaysia Airport Sdn. Bhd. dated 20 August 2010 and 7 March 2013 respectively, SSSB was given the concession right to operate and maintain a commercial retail area, a carpark and a hangarage in the airport terminal of Sultan Abdul Aziz Shah Airport in Subang known as Subang SkyPark Terminal 3 and a business aviation centre.

NOTES TO THE FINANCIAL STATEMENTS

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5. INTANGIBLE ASSET *cont'd*

The concession shall be for a period of 30 years from 4 December 2007 to 3 December 2037, with option for extension of 29 years, to be agreed between SSSB and MAHB. Pursuant to the Sub-lease Agreement dated 4 December 2007 and the Supplement Sub-lease Agreement dated 17 November 2010 signed between SSSB and MAHB, throughout the concession period, SSSB has contractual obligations to make annual lease payment to MAHB which give rise to recognition of lease commitment payables as disclosed in Note 21.

Upon the expiry of the concession period, the Subang SkyPark Terminal 3, car park and hangarage complex shall be handed over by SSSB to MAHB at no cost.

Committed rental proceeds of the retail area at Subang SkyPark Terminal 3 and the business aviation centre are pledged to bank facilities as disclosed in Note 27.

6. INVENTORY PROPERTIES UNDER DEVELOPMENT

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
Cost				
At 1 January 2022	867,050	290,191	460,786	1,618,027
Additions	13,541	2	62,217	75,760
Net write down in value of undeveloped lands (Note 39(a))	(542)	-	-	(542)
Disposals	(135,271)	-	(19,949)	(155,220)
At 31 December 2022/1 January 2023	744,778	290,193	503,054	1,538,025
Additions	-	-	91,684	91,684
Net write back in value of undeveloped lands (Note 37)	627	-	-	627
At 31 December 2023	745,405	290,193	594,738	1,630,336

The land held for property development with a carrying amount of RM1,045,672,000 (2022: RM998,930,000) are pledged to a financial institution for bank borrowings obtained as disclosed in Notes 26, 27 and 29.

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31 December 2023

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6. INVENTORY PROPERTIES UNDER DEVELOPMENT *cont'd*

(b) Property development costs

	Freehold land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 December 2023			
Cumulative property development costs			
At 1 January 2023	172,105	1,268,312	1,440,417
Cost incurred during the financial year	-	177,859	177,859
Net write back in value of developed lands (Note 37)	16,909	-	16,909
At 31 December 2023	189,014	1,446,171	1,635,185
Cumulative costs recognised in statements of profit and loss			
At 1 January 2023	(36,532)	(1,042,953)	(1,079,485)
Recognised during the financial year (Note 36)	(17,596)	(171,222)	(188,818)
At 31 December 2023	(54,128)	(1,214,175)	(1,268,303)
Property development costs as at 31 December 2023	134,886	231,996	366,882
At 31 December 2022			
Cumulative property development costs			
At 1 January 2022	173,996	1,014,850	1,188,846
Cost incurred during the financial year	-	274,372	274,372
Unsold units transferred to completed inventory properties	(1,891)	(20,910)	(22,801)
At 31 December 2022	172,105	1,268,312	1,440,417
Cumulative costs recognised in statements of profit and loss			
At 1 January 2022	(28,545)	(794,526)	(823,071)
Recognised during the financial year	(7,987)	(248,427)	(256,414)
At 31 December 2022	(36,532)	(1,042,953)	(1,079,485)
Property development costs as at 31 December 2022	135,573	225,359	360,932

The carrying amount of freehold land and development costs included contract cost assets of RM21,049,000 (2022: RM842,000) and RM69,461,000 (2022: RM24,116,000) respectively.

The property development costs with a carrying amount of RM223,593,000 (2022: RM217,147,000) are pledged to a financial institution for bank borrowings obtained as disclosed in Notes 26, 27 and 29.

Interest costs of RM34,120,000 (2022: RM32,489,000) were capitalised within development costs during the financial year as disclosed in Note 38.

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7. INVESTMENT PROPERTIES

	Group RM'000
Fair value	
At 1 January 2023	1,789,057
Subsequent expenditure	3,381
Gain from fair value adjustment (Note 37)	12,954
At 31 December 2023	<u>1,805,392</u>
At 1 January 2022	1,722,515
Subsequent expenditure	1,227
Reclassified from property, plant and equipment (Note 4)	11,152
Reclassified to assets held for sale (Note 18)	(10,955)
Gain from fair value adjustment (Note 37)	65,118
At 31 December 2022	<u>1,789,057</u>

	Group 2023 RM'000	2022 RM'000
Income derived from investment properties:		
- Rental income (Note 35)	181,909	153,601
- Car park income (Note 35(a)(i))	17,895	15,012
Direct operating expenses (including repair and maintenance) of income generating properties	(34,395)	(29,792)
Fair value adjustment on investment properties (Note 37)	12,954	65,118
Profit arising from investment properties carried at fair value	<u>178,363</u>	<u>203,939</u>

Investment properties with an aggregate carrying amount of RM46,600,000 (2022: RM46,600,000) are held under lease terms.

Investment properties are stated at their fair values as at 31 December 2023. Valuations were performed by PA International Property Consultants Sdn. Bhd., a professional independent valuer and registered with the Board of Valuers, Appraisers, Estate Agents and Property, Malaysia in accordance with International Valuation Standards using Investment Method and Comparison Method.

Investment properties with an aggregate carrying amount of RM1,789,192,000 (2022: RM1,754,857,000) are pledged as securities for borrowings as disclosed in Notes 26, 27 and 29.

Except for investment properties pledged as securities for borrowings, the Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are disclosed in Note 46(f)(i).

Strata titles of certain investment properties with a total net carrying amount of RM34,000,000 (2022: RM34,000,000) are pending issuance by the authorities.

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENT PROPERTIES *cont'd*

Reconciliation of fair value:

	Group			Total
	Investment properties			
	Office properties	Retail properties	Vacant land	
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	34,000	1,676,015	12,500	1,722,515
Subsequent expenditure	-	1,227	-	1,227
Reclassified from property, plant and equipment (Note 4)	-	11,152	-	11,152
Reclassified to assets held for sale (Note 18)	-	(10,955)	-	(10,955)
Gain on fair value adjustments recognised in profit or loss (Note 37)	-	65,018	100	65,118
As at 31 December 2022/1 January 2023	34,000	1,742,457	12,600	1,789,057
Subsequent expenditure	-	3,381	-	3,381
Gain on fair value adjustments recognised in profit or loss (Note 37)	-	12,954	-	12,954
As at 31 December 2023	34,000	1,758,792	12,600	1,805,392

Description of valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2023	2022
Retail and office properties	Investment method	Estimated rental value per square feet per month	RM1.38 - RM6.10	RM1.30 - RM5.60
		Rent growth per annum	0.00% - 6.00%	0.00% - 6.00%
		Long term vacancy rate	5.00% - 20.00%	5.00% - 25.00%
		Discount rate	5.50% - 5.75%	5.00% - 7.50%
Vacant land	Comparison method	Difference in location, time factor, size and tenure	-20.00% - +20.00%	-10.00% - +20.00%
Office properties	Comparison method	Difference in location, time factor, size and tenure	-35.00% - +5.00%	- -

Significant changes to the unobservable inputs would result in significant changes in fair value.

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7. INVESTMENT PROPERTIES *cont'd*

Investment method

Using the investment method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant increases/(decreases) in the long term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

Comparison method

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Highest and best use

For investment property that is measured at fair value, the current use of the property is considered the highest and best use.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost	3,248,914	3,248,914
Redeemable convertible preference shares-A ("RCPS-A")	453,000	453,000
Arising from ESOS granted to subsidiaries' employees	16,112	16,112
	<u>3,718,026</u>	<u>3,718,026</u>

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 (%)	2022 (%)
WCT Berhad ("WCTB")	Malaysia	Engineering, construction works and investment holding	100	100
WCT Land Sdn. Bhd. ("WCT Land")	Malaysia	Investment holding	100	100
WCT Equity Sdn. Bhd. ⁽¹⁾	Malaysia	Provision of treasury and fund management services	100	100
Held by WCTB:				
WCT Construction Sdn. Bhd.	Malaysia	Engineering and construction works	100	100
WCT Overseas Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
WCT TSR Sdn. Bhd. ("WCT TSR") (Note 8(a))	Malaysia	Construction work	100	51
WCT Group Sdn. Bhd. ⁽¹⁾	Malaysia	General trading, land and property investment and investment holding*	100	100
Cebarco-WCT W.L.L. ⁽¹⁾	Kingdom of Bahrain	Construction works	50	50
WCT Engineering Vietnam Company Limited ⁽¹⁾	Vietnam	Construction of civil and industrial projects*	100	100
WCT (S) Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100
Allied WCT L.L.C. ⁽¹⁾	Sultanate of Oman	General on civil constructions*	70	70
Held by WCT (S) Pte. Ltd.:				
WCT-DPN Company Limited ⁽¹⁾	Vietnam	Development and management	70	70

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31 December 2023

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 (%)	2022 (%)
Held by WCT Construction Sdn. Bhd.:				
WCT Machinery Sdn. Bhd.	Malaysia	Hiring and repair of machineries	100	100
WCT Products Sdn. Bhd.	Malaysia	Trading of building materials	100	100
Intraxis Engineering Sdn. Bhd. ⁽¹⁾	Malaysia	Construction work	60	60
W Façade Sdn. Bhd. (Formerly known as WCT Plantations Sdn. Bhd.) ⁽¹⁾	Malaysia	Design, manufacturing, fabrication, installation of façade, aluminium and glazing works	100	100
Held by WCT Land:				
Gemilang Waras Sdn. Bhd.	Malaysia	Property development, property investment and management	100	100
WCT Properties Sdn. Bhd.	Malaysia	Property investment and trading in properties	100	100
Gabungan Efektif Sdn. Bhd.	Malaysia	Property development	100	100
Labur Bina Sdn. Bhd.	Malaysia	Property development and provision of management service to subsidiaries and related companies	100	100
WCT Land Resources Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
Camellia Tropicana Sdn. Bhd. ⁽¹⁾	Malaysia	Property development	100	100
Atlanta Villa Sdn. Bhd. (“Atlanta Villa”) (Note 8(b))	Malaysia	Property development	100	100
WCT F&B Management Sdn. Bhd. ⁽¹⁾	Malaysia	Food and beverage management	100	100
WCT Property Management Sdn. Bhd. ⁽¹⁾	Malaysia	Property management	100	100
Urban Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
Platinum Meadow Sdn. Bhd.	Malaysia	Property development	100	100
WCT Premier Development Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
WCT Assets Sdn. Bhd. ⁽¹⁾	Malaysia	Property development*	100	100
WCT Perkasa Sdn. Bhd. ⁽¹⁾	Malaysia	Property development and investment	80	80
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 (%)	2022 (%)
Held by WCT Land: <i>cont'd</i>				
WCT Acres Sdn. Bhd.	Malaysia	Property development	100	100
Jubilant Courtyard Sdn. Bhd.	Malaysia	Property development	100	100
WCT Hartanah Jaya Sdn. Bhd.	Malaysia	Property investment and development	100	100
One Medini Sdn. Bhd.	Malaysia	Property development	100	100
WCT Pioneer Development Sdn. Bhd. ⁽¹⁾	Malaysia	Property development*	100	100
WCT Malls E-Shop Sdn. Bhd. ⁽¹⁾	Malaysia	Retail sale of any kind of product over the internet and loyalty programme	100	100
WCT Malls Management Sdn. Bhd. ⁽¹⁾	Malaysia	Malls management	100	100
Kekal Kirana Sdn. Bhd.	Malaysia	Property development	100	100
WCT Green Sdn. Bhd. ⁽¹⁾	Malaysia	Construction works and property development	100	100
Skyline Domain Sdn. Bhd. ⁽¹⁾	Malaysia	Investment holding	100	100
WCT (MM2H) Sdn. Bhd. ⁽¹⁾	Malaysia	Property development*	100	100
WCT REIT Management Sdn. Bhd. ⁽¹⁾	Malaysia	As the manager of WCT Real Estate Investment Trust *	100	100
Held by Labur Bina Sdn. Bhd.:				
Labur Bina Management Sdn. Bhd. ⁽¹⁾	Malaysia	Maintenance and management services on developed property	100	100
Held by WCT Land Resources Sdn. Bhd.:				
BBT Mall Sdn. Bhd. ⁽¹⁾	Malaysia	Special purpose vehicle	100	100
BBT Hotel Sdn. Bhd.	Malaysia	Investment in hotel	100	100
Held by WCT Premier Development Sdn. Bhd.:				
WCT OUG Development Sdn. Bhd.	Malaysia	Property development, management and investment	100	100

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: *cont'd*

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 (%)	2022 (%)
Held by Skyline Domain Sdn. Bhd.:				
Subang SkyPark Sdn. Bhd. ⁽¹⁾	Malaysia	Business of development of commercial aviation related infrastructure and facilities together with its management and operation	60	60
Held by Subang SkyPark Sdn. Bhd.:				
SkyPark RAC Sdn. Bhd. ⁽¹⁾	Malaysia	Business of development of hangarage complexes and the provision of maintenance, repair, overhaul (“MRO”) engineering services	100	100
Held by Subang SkyPark Sdn. Bhd. and SkyPark RAC Sdn. Bhd.:				
SkyPark FBO Malaysia Sdn. Bhd. ⁽¹⁾	Malaysia	Provision of full range of ground services for all aircraft types and model	100	100
Held by WCT Overseas Sdn. Bhd.:				
WCT (International) Private Limited ⁽¹⁾	Republic of Mauritius	Investment holding	100	100
Held by WCT (International) Private Limited:				
WCT (Offshore) Private Limited ⁽¹⁾	Republic of Mauritius	Investment holding	100	100
Held by WCT (Offshore) Private Limited:				
IWM Constructions Private Limited ⁽¹⁾	India	Engineering, procurement and construction	61.9	61.9
WCT Infrastructure (India) Private Limited ⁽¹⁾	India	Investment holding	99.9	99.9

* *Intended principal activities*

Subsidiaries are audited by Ernst & Young PLT except for:

(1) Audited by firms of auditors other than Ernst & Young PLT

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

The salient terms of RCPS-A are as follows:

- (i) The issue price is RM1 per RCPS-A;
- (ii) The RCPS-A have a perpetual tenure;
- (iii) The RCPS-A's holder shall not be entitled to receive any fixed dividend. Dividend may be declared by the Directors of the issuers at their discretion;
- (iv) Upon issuance thereof, the RCPS-A shall not be sold, transferred or assigned without the prior written consent of the Directors of the issuers;
- (v) The RCPS-A may be redeemed by the issuers at the redemption price at any time during the tenure at the option of and at the sole discretion of the issuers (subject to the consent of the lender of the issuers, if applicable), and subject to a minimum of 1,000 RCPS-A for each redemption or multiples thereof. For avoidance of doubt, the issuers shall be under no obligation to redeem the RCPS-A from the holder at any particular time;
- (vi) The RCPS-A shall be redeemed at a price to be determined by the Directors of the issuers. Where the proposed redemption price is less than the issue price, the same shall be subject to the approval and acceptance of the holder;
- (vii) Unless redeemed earlier, the RCPS-A may, at any time and at the discretion of the holder, be converted to ordinary shares of the issuers. The conversion ratio of each RCPS-A shall be fixed at 1 RCPS-A surrendered for cancellation for every 1 new ordinary shares of the issuers; and
- (viii) The RCPS-A shall rank *pari passu* without any preference or priority among themselves, the existing preference shares in issue and any new preference shares which are created and issued which ranks *pari passu* with the RCPS-A. The RCPS-A rank in priority to the ordinary shares of the issuers but shall rank behind all secured and unsecured obligations of the issuers.

(a) Step acquisition of WCT TSR

On 3 July 2023, WCTB entered into a share sale agreement with TSR Bina Sdn. Bhd. to acquire 1,470,000 ordinary share, representing the remaining 49% equity interest in WCT TSR, previously a 51% owned joint venture, for a total cash consideration of RM1,470,000. Following the acquisition of the 49% equity interest, WCT TSR is a wholly-owned subsidiary of WCTB. The step acquisition of WCT TSR resulted in the Group recognising a deemed loss on disposal of a joint venture and impairment of goodwill amounting to RM6,839,000 and RM2,776,000 respectively.

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(a) Step acquisition of WCT TSR *cont'd*

The fair value of identifiable assets and liabilities of WCT TSR

	Fair value RM'000	Carrying amount RM'000
Total assets		
Property, plant and equipment	7,920	7,920
Trade and other receivables	112,236	112,236
Cash and cash equivalents	3,377	3,377
Deferred tax assets (Note 15)	3,179	-
	<u>126,712</u>	<u>123,533</u>
Total liabilities		
Trade and other payables	(55,177)	(55,177)
Amount due to holding company	(23,659)	(23,659)
Deferred tax liabilities	-	(1,468)
Income tax payable	(1,566)	(1,566)
Revolving credits	(47,616)	(47,616)
	<u>(128,018)</u>	<u>(129,486)</u>
Net identifiable liabilities	<u>(1,306)</u>	<u>(5,953)</u>

RM'000

The effect of the acquisition on cash flows is as follows:

Cash and cash equivalents of WCT TSR	3,377
Less: Consideration settled in cash	<u>(1,470)</u>
Net cash inflow to the Group	<u>1,907</u>

Goodwill arising on the acquisition:

Fair value of net identifiable liabilities acquired	(1,306)
Goodwill on business combination, subsequently impaired (Note 39(a))	<u>2,776</u>
Cost of business acquired	<u>1,470</u>

(b) Issuance of redeemable convertible preference shares-A by Atlanta Villa ("AVSB RCPS-A")

On 25 September 2023, Atlanta Villa issued 30,000,000 AVSB RCPS-A to Galak Permata Sdn. Bhd. ("GPSB") for a total cash consideration of RM30,000,000.

The salient terms of AVSB RCPS-A is identical to that of the Company's RCPS-A.

On 22 December 2023, Atlanta Villa redeemed 5,000,000 AVSB RCPS-A for a total cash redemption sum of RM5,000,000.

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(c) Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	Group	
		2023	2022
Subang SkyPark Sdn. Bhd. and its wholly-owned subsidiaries	Malaysia	40%	40%
SkyPark RAC Sdn. Bhd.			
SkyPark FBO Malaysia Sdn. Bhd. ("SSSB Group")			

	Group	
	2023	2022
	RM'000	RM'000

Accumulated balances of material non-controlling interests:

SSSB Group	(59,484)	(56,191)
Net subscription of AVSB RCPS-A by GPSB (Note 8(b))	25,000	-
Other individually immaterial non-controlling interests	4,699	4,553
	<u>(29,785)</u>	<u>(51,638)</u>

	Group	
	2023	2022
	RM'000	RM'000

Total comprehensive loss allocated to material non-controlling interests:

SSSB Group	(3,293)	(4,043)
Other individually immaterial non-controlling interests	146	(296)
	<u>(3,147)</u>	<u>(4,339)</u>

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(c) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of comprehensive income:

	SSSB Group	
	2023 RM'000	2022 RM'000
Revenue	37,887	31,433
Cost of sales	(14,284)	(12,115)
Gross profit	23,603	19,318
Other income	2,919	3,036
Administrative expenses	(8,989)	(7,863)
Other expenses	(9,289)	(8,240)
Finance costs	(15,642)	(15,903)
Loss before tax	(7,398)	(9,652)
Taxation	(835)	(455)
Loss for the financial year, representing total comprehensive loss for the financial year	(8,233)	(10,107)
Attributable to:		
Non-controlling interests	(3,293)	(4,043)
Other individually immaterial non-controlling interests	146	(296)
	(3,147)	(4,339)

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(c) Material partly-owned subsidiaries *cont'd*

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations. *cont'd*

Summarised statement of financial position:

	SSSB Group	
	2023	2022
	RM'000	RM'000
Property, plant and equipment	7,087	6,864
Intangible asset	96,708	103,680
Trade and other receivables (current)	4,824	6,065
Cash and bank balances (current)	11,374	7,378
Trade and other payables		
- Current	(12,404)	(13,490)
- Non-current	(4,000)	(4,000)
Lease commitment payables		
- Current	(5,547)	(4,716)
- Non-current	(82,875)	(88,845)
Amount due to related parties/companies (current)	(121,998)	(100,923)
Interest-bearing loans and borrowings		
- Current	(5,905)	(10,611)
- Non-current	(20,573)	(26,479)
Others	(15,300)	(15,300)
Total equity	(148,609)	(140,377)
Attributable to:		
Non-controlling interest	(59,444)	(56,151)
Non-participation in capital subscription	(40)	(40)
Other individually immaterial non-controlling interests	4,699	4,553
Net subscription of AVSB RCPS-A by GPSB (Note 8(b))	25,000	-
Total non-controlling interest	(29,785)	(51,638)

Summarised cash flows information:

	SSSB Group	
	2023	2022
	RM'000	RM'000
Operating activities	16,719	14,003
Investing activities	2,919	3,036
Financing activities	(15,642)	(15,903)
Net increase in cash and cash equivalents	3,996	1,136

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9. INVESTMENTS IN ASSOCIATES

	Group	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost	104,899	104,899
Share of pre-acquisition profit and reserves	(79)	(79)
Group's share of post acquisition profit and reserves	114,060	99,052
	218,880	203,872
Exchange difference	(28,343)	(32,616)
	190,537	171,256
Represented by:		
Group's share of net identifiable assets	190,537	171,256

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023	2022
			(%)	(%)
Held by WCTB:				
KKBWCT Joint Venture Sdn. Bhd. ("KKBWCT") ⁽¹⁾	Malaysia	Construction works	30	30
Held by WCT Land:				
CORE Precious Development Sdn. Bhd. ("CORE Precious")	Malaysia	Property development	20	20
Held by WCT (International) Private Limited:				
Gamuda-WCT (Offshore) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Mapex Infrastructure Private Limited ("Mapex")	India	Highway concessionaire	30	30
Suria Holding (O) Private Limited and its subsidiary	Republic of Mauritius	Investment holding: holding company to the concessionaire holder of an expressway	30	30
- Emas Expressway Private Limited ("Emas")	India	Highway concessionaire	30	30
Held by WCT (Offshore) Private Limited:				
Gamuda-WCT (India) Private Limited	India	Engineering, procurement and construction works	30	30

(1) Audited by Ernst & Young PLT. All other associates are audited by firms of auditors other than Ernst & Young PLT.

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9. INVESTMENTS IN ASSOCIATES *cont'd*

In the previous financial year, Perdana Highway Operations Private Limited was struck off resulting in a write off of investment in associate amounting to RM3,000. (Note 39(a)).

All associates have financial year end of 31 March, other than those incorporated in Republic of Mauritius, which have financial year end of 31 July and those incorporated in Malaysia and the Kingdom of Bahrain, which have financial year end of 31 December. For the purpose of applying the equity method of accounting for associates with financial year ends of 31 March and 31 July, the last audited financial statements available and the management financial statements to the end of the accounting period of the associates have been used.

These associates have no material capital commitments as at 31 December 2023 and 2022.

These associates have reported a combined contingent liabilities of RM22,149,000 (2022: RM21,365,000) as at reporting date. The Group's share of these contingent liabilities approximate RM6,645,000 (2022: RM6,410,000) as disclosed in Note 45(d).

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	KKBWCT RM'000	CORE Precious RM'000	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2023						
(i) Summarised statements of financial position						
Non-current assets	937	1,837	2,364	4,249	264,437	273,824
Current assets	123,105	451,187	134,465	73,314	68,731	850,802
Total assets	124,042	453,024	136,829	77,563	333,168	1,124,626
Non-current liabilities	(8,140)	-	-	-	-	(8,140)
Current liabilities	(112,893)	(63,674)	(13,257)	(10,313)	(2,049)	(202,186)
Total liabilities	(121,033)	(63,674)	(13,257)	(10,313)	(2,049)	(210,326)
Net assets	3,009	389,350	123,572	67,250	331,119	914,300
(ii) Summarised statements of profit and loss and other comprehensive income						
Revenue	150,846	238,432	-	-	-	389,278
(Loss)/profit for the financial year	(7,127)	71,910	4,850	2,233	2,130	73,996
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	903	77,870	37,072	20,175	35,728	171,748
Foreign exchange effect on investments in subsidiaries of associates	-	-	11,781	7,008	-	18,789
	903	77,870	48,853	27,183	35,728	190,537
(iv) Group's share of results of associates						
(Loss)/profit for the financial year	(2,138)	14,382	1,455	670	639	15,008

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9. INVESTMENTS IN ASSOCIATES *cont'd*

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates. *cont'd*

	KKBWCT RM'000	CORE Precious RM'000	Mapex RM'000	Emas RM'000	Other individually immaterial associates RM'000	Total RM'000
2022						
(i) Summarised statements of financial position						
Non-current assets	1,625	102,267	62	9	253,691	357,654
Current assets	87,484	293,108	127,046	72,502	64,492	644,632
Total assets	89,109	395,375	127,108	72,511	318,183	1,002,286
Non-current liabilities	(6,987)	-	-	-	-	(6,987)
Current liabilities	(71,986)	(77,935)	(12,586)	(9,796)	(2,221)	(174,524)
Total liabilities	(78,973)	(77,935)	(12,586)	(9,796)	(2,221)	(181,511)
Net assets	10,136	317,440	114,522	62,715	315,962	820,775
(ii) Summarised statements of profit and loss and other comprehensive income						
Revenue	213,526	165,498	-	-	-	379,024
Profit for the financial year	2,300	48,355	5,050	1,793	1,413	58,911
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	3,041	63,488	34,357	18,815	31,181	150,882
Foreign exchange effect on investments in subsidiaries of associates	-	-	12,775	7,599	-	20,374
	3,041	63,488	47,132	26,414	31,181	171,256
(iv) Group's share of results of associates						
Profit for the financial year	690	9,671	1,515	538	424	12,838

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) Investments in joint operations

Details of the incorporated/unincorporated joint operations are as follows:

			Proportion of ownership interest	
			2023	2022
Name of joint operations	Country of operations	Principal activities	(%)	(%)
Held by WCTB:				
Malaysia - China Hydro Joint Venture	Malaysia	Construction works	7.7	7.7
WCT-CCCC Joint Venture	Malaysia	Construction works	60	60
Gamuda Berhad - WCT Engineering Berhad Joint Venture ⁽¹⁾	Qatar	Engineering and construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan Industrial area in the state of Qatar	-	49
AES - WCT Joint Venture	United Arab Emirates	Engineering and construction of infrastructure works	50	50
Arabtec Construction L.L.C. - WCT Engineering Joint Venture	United Arab Emirates	Construction work	50	50
AES - WCT Contracting L.L.C.	United Arab Emirates	Road, bridges and dam contracting	49	49
WCT Berhad - Al-Ali Joint Venture ⁽²⁾	Qatar	Execution of Lusail City Development Project, Construction Package CP07-C-1B, Commercial Boulevard Road D3, Road A4, Internal Roads, Utilities and Underground Car Parks 2, 3, 4 and 5	70	70

(1) Dissolved during the financial year with no gain/loss on dissolution. However, the dissolution resulted in the reclassification from the exchange reserve to realised foreign exchange losses at net foreign currency translation loss of RM48,000 disclosed in Note 39(a).

(2) Audited by member firms of Ernst & Young Global. All other joint operations are audited by firms of auditors other than Ernst & Young Global.

All joint operations are unincorporated except for AES - WCT Contracting L.L.C..

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(a) Investments in joint operations *cont'd*

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the joint operations are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Assets and liabilities		
Current assets	66,250	29,453
Non-current assets	37,852	97,038
Total assets	104,102	126,491
Current liabilities	(129,003)	(110,883)
Non-current liabilities	(6,000)	(32,112)
Total liabilities	(135,003)	(142,995)
Net liabilities	(30,901)	(16,504)
Results		
Revenue	29,494	45,044
Expenses	(31,228)	(51,495)
Other income	(264)	3,129
Loss before tax	(1,998)	(3,322)
Taxation	-	-
Loss after tax	(1,998)	(3,322)
Other comprehensive (loss)/income for the financial year, net of tax	(12,399)	1,582
Total comprehensive loss	(14,397)	(1,740)

(b) Investments in joint ventures

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	412,648	414,178	-	-
Redeemable preference shares ("RPS")	86,000	86,000	-	-
Group's share of post acquisition profits and reserves	(198,826)	(208,404)	-	-
Unrealised profit	11,887	10,923	-	-
Arising from ESOS granted to joint ventures' employees	777	777	777	777
	312,486	303,474	777	777
Represented by:				
Group's share of net identifiable assets	312,486	303,474	777	777

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023	2022
			(%)	(%)
Held by WCT Land Sdn. Bhd.:				
Segi Astana Sdn. Bhd. ("Segi Astana")	Malaysia	Concession holder of an integrated complex	70	70
Jelas Puri Sdn. Bhd. ("Jelas Puri")	Malaysia	Property investment, management and development	70	70
Held by WCTB:				
WCT TSR (Note 8(a))	Malaysia	Construction work	-	51

All joint ventures are audited by Ernst & Young PLT.

Although the Group has 70% equity interest in the Segi Astana and Jelas Puri, they are classified as joint ventures because decisions about the relevant activities require the unanimous consent.

Distribution of profits are subject to consents from the joint venture partners and negative covenants of the joint venture borrowing facilities.

In the previous financial year, the Group via WCT Land, a wholly-owned subsidiary of the Company, increased its investment in Segi Astana through the subscription of RPS by way of cash.

The salient terms of the RPS are as follows:

- (i) The issue price is RM1 per RPS;
- (ii) The RPS have a perpetual tenure;
- (iii) The RPS's holder shall not be entitled to receive any fixed dividend. Dividend may be declared by the Directors of the issuer at their discretion;
- (iv) The RPS may be redeemed by the issuer at the redemption price at any time during the tenure at the option of and at the sole discretion of the issuer (subject to the consent of the lenders of the issuer, if applicable), and subject to a minimum of 1,000 RPS for each redemption or multiples thereof. For avoidance of doubt, the issuer shall be under no obligation to redeem the RPS from the holder at any particular time;
- (v) The RPS shall be redeemed at a price to be determined by the issuer's shareholders;

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

The salient terms of the RPS are as follows: *cont'd*

- (vi) The holder shall have the same rights as ordinary shareholders with regards to receiving notices, reports and audited financial statements and attending general meetings of the issuer;

The holder is however not entitled to vote in person or by proxy or by attorney in a general meeting of the issuer except at such meeting in each of the following circumstances:

- (a) Where any dividend or part of the dividend of the RPS has been declared but remains unpaid for more than six (6) months;
- (b) On a proposal to reduce the issuer's share capital;
- (c) Upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RPS;
- (d) Upon any resolution for the winding-up of the issuer; and
- (e) Other circumstances as may be provided under Law and applicable to preference shares and/or preference shareholders from time to time.

For the avoidance of doubt, where the RPS holder is entitled to attend a general meeting and to vote by reason of the above matters, the holder shall only be entitled to vote in respect of the above matters only.

- (vii) Upon issuance thereof, the RPS shall not be sold, transferred or assigned without the prior written consent of the issuer;
- (viii) The RPS shall rank *pari passu* without any preference or priority among themselves, the existing preference shares in issue and any new preference shares which are created and issued which ranks *pari passu* with the RPS. The RPS rank in priority to the ordinary shares of the issuers but shall rank behind all secured and unsecured obligations of the issuers; and
- (ix) The issuer shall have the power to create and issue further preference shares ranking in all respects *pari passu* with, but not ranking in priority to the RPS save with the prior approval of the relevant shareholder(s) (where required) and holder(s) of the RPS.

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures.

	WCT TSR RM'000	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2023				
(i) Summarised statements of financial position				
Non-current assets	-	883,463	457,947	1,341,410
Current assets	-	91,546	78,365	169,911
Total assets	-	975,009	536,312	1,511,321
Non-current liabilities	-	(233,689)	(240,930)	(474,619)
Current liabilities	-	(535,246)	(55,048)	(590,294)
Total liabilities	-	(768,935)	(295,978)	(1,064,913)
Net assets	-	206,074	240,334	446,408
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	55,659	135,686	123,845	315,190
Profit/(loss) for the financial year	1,090	(10,096)	30,568	21,562
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	-	144,252	168,234	312,486
(iv) Group's share of results of joint ventures	556	(7,067)	21,398	14,887

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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

The following table summarises the information of the Group's joint ventures, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures. *cont'd*

	WCT TSR RM'000	Jelas Puri RM'000	Segi Astana RM'000	Total RM'000
2022				
(i) Summarised statements of financial position				
Non-current assets	35,760	883,282	477,799	1,396,841
Current assets	102,779	141,232	77,823	321,834
Total assets	138,539	1,024,514	555,622	1,718,675
Non-current liabilities	(7,343)	(266,021)	(255,107)	(528,471)
Current liabilities	(118,876)	(543,700)	(90,749)	(753,325)
Total liabilities	(126,219)	(809,721)	(345,856)	(1,281,796)
Net assets	12,320	214,793	209,766	436,879
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	131,627	123,592	71,562	326,781
Profit/(loss) for the financial year	3,498	18,298	(1,414)	20,382
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	6,283	150,355	146,836	303,474
(iv) Group's share of results of joint ventures	1,784	12,809	(990)	13,603

11. TRADE RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Current		
Trade receivables	564,242	534,826
Retention sum on contracts receivable within 1 year	249,650	228,968
	813,892	763,794
Less: Allowance for expected credit losses	(5,519)	(6,066)
	808,373	757,728
Non-current		
Retention sum on contracts receivable after 1 year	261,972	308,298
Total	1,070,345	1,066,026

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11. TRADE RECEIVABLES *cont'd*

(a) Credit risk

The Group's primary exposure to credit risk arises from its trade receivables. The normal credit term ranges from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. The Group seeks to maintain strict control over its outstanding receivables and provision for expected credit losses is performed at each reporting date. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

As at the reporting date, management has taken the current market conditions into account when assessing the credit quality of contract and trade receivables. Each business unit also hold regular meetings with contract customers to renegotiate payment terms and to ensure the credit-worthiness of the ultimate end-users.

At the reporting date, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risks related to any financial assets other than an amount of RM645,143,000 (2022: RM611,824,000) due from 3 (2022: 3) companies in which a Director has interest, representing approximately 60% (2022: 57%) of the gross trade receivables of the Group. Of this total trade receivable amount, a total of RM302,074,000 (2022: RM294,869,000) is retention sum. Further information is disclosed in Note 46(e).

The ageing of trade receivables as at the end of the financial year was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2023			
Not past due	595,546	-	595,546
Past due 0-30 days	58,224	-	58,224
Past due 31-120 days	105,099	-	105,099
Past due more than 120 days	316,995	(5,519)	311,476
	<u>1,075,864</u>	<u>(5,519)</u>	<u>1,070,345</u>
2022			
Not past due	667,911	-	667,911
Past due 0-30 days	61,041	-	61,041
Past due 31-120 days	119,360	-	119,360
Past due more than 120 days	223,780	(6,066)	217,714
	<u>1,072,092</u>	<u>(6,066)</u>	<u>1,066,026</u>

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11. TRADE RECEIVABLES *cont'd*

(a) Credit risk *cont'd*

Movements of the allowance for expected credit losses of trade receivables are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	6,066	9,036
Charge for the financial year	1,636	951
Written off	(1,672)	(588)
Reversal of allowance	(511)	(3,333)
At 31 December	5,519	6,066

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired are related to customers with good track records with the Group or those with ongoing transactions or progressive payments.

12. CONTRACT BALANCES

	Group	
	2023	2022
	RM'000	RM'000
Contract assets		
Current		
Contract assets - construction (Note (a))	848,261	607,023
Contract assets - property development (Note (b))	82,737	36,527
	930,998	643,550
Contract liabilities		
Current		
Contract liabilities - construction (Note (a))	(46,817)	(22,001)
Non-current		
Contract liabilities - construction (Note (a))	(6,000)	(8,525)
Total	(52,817)	(30,526)

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12. CONTRACT BALANCES *cont'd*

(a) Details of the contracts assets/(liabilities) from construction are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Aggregate costs incurred to date	8,890,491	8,649,133
Add: Attributable profits	319,234	455,630
	9,209,725	9,104,763
Less: Progress billings	(8,379,980)	(8,502,906)
Less: Advances received from customers on contracts	(34,301)	(25,360)
	795,444	576,497
Presented as:		
Contract assets - construction	848,261	607,023
Contract liabilities - construction	(52,817)	(30,526)
	795,444	576,497
Contract revenue recognised during the financial year (Note 35(a)(i))	1,111,971	1,440,469
Contract cost recognised during the financial year (Note 36)	(1,299,687)	(1,393,007)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2023	2022
	RM'000	RM'000
Audit fees	51	86
Wages and salaries	63,194	48,434
Other staff related expenses	18,216	14,869
Hiring of machineries	60,306	76,579
Expense relating to short-term leases and leases of low-value assets (Note 23)	2,316	2,020
Interest expense on lease liabilities (Note 38)	38	87
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	1,052	1,292
Depreciation of property, plant and equipment	3,226	3,336

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12. CONTRACT BALANCES *cont'd*

(b) Details of the contracts assets from property development are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At beginning of the financial year	36,527	26,120
Consideration payable to customers	2,360	823
Revenue recognised during the financial year (Note 35(a)(i))	248,452	124,074
	287,339	151,017
Less: Progress billings during the financial year	(204,602)	(114,490)
At end of the financial year	82,737	36,527
Presented as:		
Contract assets - property development	82,737	36,527
Contract revenue recognised during the financial year (Note 35(a)(i))	248,452	124,074
Contract cost recognised during the financial year (Note 36)	279,560	338,405

13. OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry receivables	41,417	32,320	16	16
Deposits (Note (i))	73,633	72,772	4	4
Advances to subcontractors (Note (ii))	171,624	174,809	-	-
Prepayments	7,627	6,217	128	133
Advances to shareholders of joint operations (Note (iii))	6,318	516	-	-
Advances to non-controlling interests of subsidiaries (Note (iii))	4,534	4,462	-	-
Settlement from arbitration award (Note 49)	139,848	178,889	-	-
	445,001	469,985	148	153
Less: Allowance for expected credit losses	(6,307)	(7,851)	-	-
	438,694	462,134	148	153

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13. OTHER RECEIVABLES *cont'd*

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Deposits	7,358	7,653	149	149
Prepayments	240	942	-	-
Settlement from arbitration award (Note 49)	-	134,167	-	-
	7,598	142,762	149	149
Less: Allowance for expected credit losses	-	(8,265)	-	-
	7,598	134,497	149	149
Total	446,292	596,631	297	302

- (i) Included in deposits is RM8,400,000 (2022: RM8,400,000) paid to Yayasan Sabah ("YS") for the acquisition of development rights to a parcel of land.

On 13 October 2021, WCT Perkasa Sdn. Bhd. ("WCT Perkasa") entered into a principal agreement with YS for the acquisition of options to acquire development rights whereby WCT Perkasa is granted options by YS to acquire the sole, exclusive and absolute development rights over each and every of the parcels comprising lands measuring approximately 411.394 acres in total area situated at Lok Kawi, District of Putatan, Sabah. As at the date of this report, certain conditions precedent have yet to be met.

- (ii) The Group's outstanding advances to subcontractors in excess of 1 year as at 31 December 2023 amounted to RM46,850,000 (2022: RM41,468,000). These advances mainly comprise payment for purchase of project materials on behalf of subcontractors. The Directors, having considered all available information, are of the opinion that these debts are collectible in full and require no further allowance for ECL. These advances will be recouped through deduction from work to be performed by subcontractors.
- (iii) These advances represent the portion attributable to shareholders of joint operations and non-controlling interests of subsidiaries arising from advance from the Group to the respective joint operations and subsidiaries. These advances are unsecured, non-interest bearing and the repayment term is repayable on demand.

Credit risk

Movements of the allowance for expected credit losses of other receivables are as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	16,116	32,411
Charge for the financial year	24	281
Reversal of allowance	(10,332)	(18,383)
Exchange differences	499	1,807
At 31 December	6,307	16,116

As at the reporting date, the Group's maximum exposure to credit risk is represented by carrying amount of each class of financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

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14. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	947,218	1,154,156
- non-interest bearing	-	-	219,530	247,111
Associates				
- trade accounts				
- interest bearing	74,469	23,173	-	-
- non-interest bearing	13,092	18,501	-	-
- current accounts				
- non-interest bearing	600	360	489	248
Joint ventures				
- trade accounts				
- interest bearing	189,912	207,626	-	-
- non-interest bearing	19,518	16,422	-	-
- current accounts				
- interest bearing	250,589	280,150	-	-
- non-interest bearing	35,093	11,107	4,187	3,429
	583,273	557,339	1,171,424	1,404,944
Less: Allowance for expected credit losses	-	-	(4,754)	-
	583,273	557,339	1,166,670	1,404,944
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	707,510	432,510
	583,273	557,339	1,874,180	1,837,454

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14. DUE FROM/(TO) RELATED PARTIES *cont'd*

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(379,689)	(278,320)
- non-interest bearing	-	-	(3,374)	(4,767)
Joint ventures				
- trade accounts				
- non-interest bearing	(1,353)	(912)	-	-
- current accounts				
- non-interest bearing	(268)	(266)	-	-
	(1,621)	(1,178)	(383,063)	(283,087)
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(175,000)	(50,000)
	(1,621)	(1,178)	(558,063)	(333,087)

Movements of the allowance for expected credit losses of related parties are as follows:

	Company	
	2023	2022
	RM'000	RM'000
At 1 January	-	-
Charge for the financial year	4,754	-
At 31 December	4,754	-

Further details on related party transactions and information on financial risks are disclosed in Notes 43 and 46 respectively.

Balances with related parties are unsecured, bear interest ranging from 5.00% to 6.00% (2022: 5.00% to 6.00%) per annum during the financial year.

Trade accounts have a credit terms of 90 days (2022: 90 days) whereas current accounts are repayable on demand.

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15. DEFERRED TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	111,741	106,325	(270)	(225)
Acquisition of a new subsidiary (Note 8(a))	(3,179)	-	-	-
Recognised in the profit or loss (Note 40)	9,418	4,290	70	(45)
Recognised in equity (Note 40)	1,473	1,126	-	-
At 31 December	119,453	111,741	(200)	(270)

Presented after appropriate offsetting as follows:

Deferred tax assets	(17,890)	(15,216)	(200)	(270)
Deferred tax liabilities	137,343	126,957	-	-
	119,453	111,741	(200)	(270)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Provision for foreseeable losses	Other payables	Unused tax losses and unabsorbed capital allowances	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	(2,763)	(1,580)	(68,218)	(72,561)
Acquisition of a new subsidiary	-	(4,652)	-	(4,652)
Recognised in the profit or loss	2,552	753	9,042	12,347
At 31 December 2023	(211)	(5,479)	(59,176)	(64,866)
At 1 January 2022	(2,644)	575	(28,890)	(30,959)
Recognised in the profit or loss	(119)	(2,155)	(39,328)	(41,602)
At 31 December 2022	(2,763)	(1,580)	(68,218)	(72,561)

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAXATION *cont'd*

Deferred tax liabilities of the Group:

	Inventory properties under development	Asset revaluation	Accelerated capital allowances	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	27,506	67,733	78,510	10,553	184,302
Acquisition of a new subsidiary	-	-	1,473	-	1,473
Recognised in the profit or loss	2,401	1,253	(443)	(6,140)	(2,929)
Recognised in equity	-	1,473	-	-	1,473
At 31 December 2023	29,907	70,459	79,540	4,413	184,319
At 1 January 2022	21,470	60,324	51,203	4,287	137,284
Recognised in the profit or loss	6,036	6,283	27,307	6,266	45,892
Recognised in equity	-	1,126	-	-	1,126
At 31 December 2022	27,506	67,733	78,510	10,553	184,302

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Company:

	Other payables
	RM'000
At 1 January 2023	(286)
Recognised in the profit or loss	43
At 31 December 2023	(243)
At 1 January 2022	(229)
Recognised in the profit or loss	(57)
At 31 December 2022	(286)

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAXATION *cont'd*

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2023	16
Recognised in the profit or loss	27
At 31 December 2023	43
At 1 January 2022	4
Recognised in the profit or loss	12
At 31 December 2022	16

The amounts of unused tax losses and unabsorbed capital allowances of which no deferred tax assets are recognised in the statements of financial position are as follows:

	Group	
	2023 RM'000	2022 RM'000
Unused tax losses	646,830	371,130
Unabsorbed capital allowances	36,312	35,845
Unused deductible temporary difference	11,764	17,904
Unused tax losses in foreign countries	344	319
Unused tax losses in foreign branches	79,833	78,318
	775,083	503,516
Deferred tax at rates prevailing in the respective jurisdictions, if recognised	174,812	109,851

Deferred tax assets have not been recognised in respect of these items as they have arisen in entities that have a recent history of losses or in entities where future taxable profits may be insufficient to trigger the utilisation of these items.

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysian Income Tax Act, 1967 which became effective in year of assessment 2006 restricts the utilisation of unused business losses and unabsorbed capital allowances where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unused losses or unabsorbed capital allowances were ascertained with those on the first day of the basis period in which the unused losses or unabsorbed capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and unused business losses.

Under New Section 44(5F) of the Income Tax Act 1967, unused business losses up to the year of assessment 2018 shall be deductible against the aggregate of statutory incomes until the year of assessment 2025. Any amount that has not been deducted at the end of the year of assessment 2025 shall be disregarded.

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15. DEFERRED TAXATION *cont'd*

Any unused business losses for the year of assessment 2019 onwards shall be deductible for a maximum period of 10 (2022: 10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deductible at the end of the period of 10 (2022: 10) years of assessment shall be disregarded.

Under provisions of Article (7) of Law No.24 of 2018 of the Qatari Tax Law, unused business losses shall not be carried forward for more than 5 years after the end of the taxable year during which they are incurred.

Under Section 20(1)(b) of the Mauritius Income Tax Act 1995, unused business losses shall not be carried forward for more than 5 years after the end of the taxable year during which they are incurred.

Unused business losses for which no deferred tax asset was recognised will expire as follows:

	Group			
	2023		2022	
	RM'000	Expiry date	RM'000	Expiry date
Expire - within 5 years	117,433	2024 - 2028	78,637	2023 - 2027
Expire - beyond 5 years	609,574	2029 - 2033	371,130	2028 - 2032
	727,007		449,767	

16. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
Consumable stocks, at cost	321	359
Completed inventory properties, at cost	74,603	123,218
Completed inventory properties, at net realisable value	150,850	222,502
	<u>225,774</u>	<u>346,079</u>
Costs of inventories recognised as an expense	<u>(110,957)</u>	<u>(116,479)</u>

Certain properties held for sale with an aggregate carrying amount of RM2,250,000 (2022: RM2,250,000) are in the process of being registered in a subsidiary's name.

Certain properties held for sale with an aggregate carrying amount of RM53,887,000 (2022: RM88,933,000) are pledged as securities for borrowings as disclosed in Notes 26 and 27.

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17. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits:				
With licensed banks ^(a)	186,345	78,155	1,250	1,000
With licensed banks ^{(a), (b)}	54,706	50,363	-	-
	241,051	128,518	1,250	1,000
Cash and bank balances	105,297	64,196	1,199	3,394
Cash and bank balances ^(b)	24,503	26,438	-	-
Cash held under Housing Development Accounts ^(c)	43,289	14,202	-	-
Escrow account	550	442	-	-
	173,639	105,278	1,199	3,394
Total cash and bank balances	414,690	233,796	2,449	4,394

(a) The maturities of the deposits are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Less than 3 months	230,088	128,486	1,250	1,000
More than 3 months but less than 1 year	10,963	32	-	-
	241,051	128,518	1,250	1,000

(b) Cash and bank balances and deposits with licensed banks of the Group are pledged to banks to secure banking facilities.

(c) The cash held under Housing Development Accounts are amounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Other information on financial risks of cash and bank balances are disclosed in Note 46.

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18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2023	2022
	RM'000	RM'000
Assets		
Arising from disposal of investment properties:		
At 1 January	10,955	10,956
Transferred from investment properties (Note 7)	-	10,955
Disposal during the financial year	(10,955)	(10,956)
At 31 December	-	10,955

On 13 January 2022, WCT Construction Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, entered into an agreement with a third party for the disposal of 43 vacant commercial units within a commercial building named Riverson - The Walk located in Kota Kinabalu, Sabah for a total consideration of RM21,911,000. Pursuant to the agreement, the disposal of the 43 vacant commercial units is to be completed on a piecemeal basis over 24 months commencing January 2022. As at 31 December 2022, 21 units of vacant commercial units amounting to RM10,955,000 were reclassified as non-current assets held for sale (because the assets, being available for immediate sale in its present condition, will be recovered principally through a sale transaction rather than through continuing use, and that the sale is highly probable), and their disposals were completed during the current financial year.

19. TRADE PAYABLES

	Group	
	2023	2022
	RM'000	RM'000
Current		
Trade payables	863,890	668,838
Retention sum on contracts payable within 1 year	211,379	143,690
	1,075,269	812,528
Non-current		
Retention sum on contracts payable after 1 year	111,898	137,643
Total	1,187,167	950,171

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2022: 30 to 90 days).

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20. OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables ^(a)	30,811	23,344	1,133	246
Accruals	72,949	71,216	954	805
Interest payable	20,613	21,906	12,825	13,497
Advances from a non-controlling interest of subsidiaries				
- non-interest bearing	263	254	-	-
Advances from shareholders of joint ventures				
- non-interest bearing	47,213	45,753	-	-
Refundable deposits	10,294	9,529	-	-
Others	39,870	13,495	552	628
	222,013	185,497	15,464	15,176
Non-current				
Sundry payables ^(a)	-	4,406	-	-
Advances from a non-controlling interest of a subsidiary				
- non-interest bearing	4,000	4,000	-	-
Provision for restoration cost (Note 23)	121	109	232	230
Refundable deposits	25,027	24,338	-	-
	29,148	32,853	232	230
Total	251,161	218,350	15,696	15,406

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand.

- (a) Included in sundry payables of the Group are commissions payable arising from settlement of the arbitration award amounting to RM4,823,000 (2022: RM10,611,000). Further details on the arbitration award are disclosed in Note 49.

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21. LEASE COMMITMENT PAYABLE

	Group	
	2023	2022
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	12,797	12,797
Later than 1 year and not later than 2 years	12,797	12,797
Later than 2 years and not later than 5 years	39,540	39,157
Later than 5 years	79,792	92,972
Total future minimum lease payments	144,926	157,723
Less: Future finance charges	(56,504)	(64,162)
Present value of finance lease liabilities	88,422	93,561
Analysis of present value of lease commitment payables:		
Not later than 1 year	5,547	4,716
Later than 1 year and not later than 2 years	6,001	5,547
Later than 2 years and not later than 5 years	22,367	20,318
Later than 5 years	54,507	62,980
	88,422	93,561
Less: Amount due within 12 months	(5,547)	(4,716)
Amount due after 12 months	82,875	88,845

The Group's lease commitment payables arose from the acquisition of 60.00% equity interest in SSSB in the previous financial years. The lease commitment payables are in relation to the concession assets recognised as intangible assets as disclosed in Note 5.

22. HIRE-PURCHASE AND LEASE LIABILITIES

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Lease liabilities	23	16,083	15,317	3,332	3,155
Hire purchase payables	24	1,365	3,402	-	-
		17,448	18,719	3,332	3,155
Non-current					
Lease liabilities	23	137,838	149,691	9,010	12,341
Hire purchase payables	24	1,800	3,138	-	-
		139,638	152,829	9,010	12,341
Total hire purchase and lease liabilities		157,086	171,548	12,342	15,496

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22. HIRE-PURCHASE AND LEASE LIABILITIES *cont'd*

The hire purchase and lease liabilities are initially measured at the present value of the lease payments that are not paid at the inception date.

After initial recognition, hire purchase and lease liabilities are measured by increasing the carrying amounts to reflect interest on the hire purchase and lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the hire purchase and lease liabilities are presented as property, plant and equipment and right-of-use assets as disclosed in Notes 4 and 23 respectively.

23. LEASES

Group as a lessee

The Group and the Company have lease contracts for the use of land and buildings in their operations. Leases of land generally have lease terms between 1 to 128 years, while buildings generally have lease terms between 1 and 15 years. There are several lease contracts that include extension and termination options, which are further discussed below.

Set out below are the carrying amounts of right-of-use assets arising from certain long term leases of land and buildings recognised and the movements during the year:

	Right-of-use assets (Property, plant and equipment)		
	Land RM'000	Buildings RM'000	Total RM'000
Group			
At 1 January 2022	13,211	27,139	40,350
Additions	45	3,936	3,981
Modification	-	25	25
Depreciation expense	(116)	(6,077)	(6,193)
At 31 December 2022/1 January 2023	13,140	25,023	38,163
Additions	2,234	3,873	6,107
Modification	43	(210)	(167)
Depreciation expense	(1,658)	(5,426)	(7,084)
At 31 December 2023	13,759	23,260	37,019

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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23. LEASES *cont'd*

Group as a lessee *cont'd*

	Right-of-use assets (Property, plant and equipment) Buildings RM'000
Company	
At 1 January 2022	16,910
Additions	1,344
Depreciation expense	(2,806)
At 31 December 2022/1 January 2023	15,448
Depreciation expense	(3,149)
At 31 December 2023	12,299

The above excludes certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

	Right-of-use assets (Investment properties) RM'000
Group	
At fair value	
At 1 January 2022	124,204
Fair value adjustments recognised in profit or loss (Note 39(a))	(3,468)
At 31 December 2022/1 January 2023	120,736
Fair value adjustments recognised in profit or loss (Note 39(a))	(4,985)
At 31 December 2023	115,751

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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23. LEASES *cont'd*

Group as a lessee *cont'd*

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	165,008	176,353	15,496	16,969
Additions	6,080	3,924	-	1,326
Accretion of interest (Note 38)	9,055	9,687	786	902
Remeasurement	(165)	(389)	-	-
Payments	(26,057)	(24,567)	(3,940)	(3,701)
At 31 December	153,921	165,008	12,342	15,496
Current	16,083	15,317	3,332	3,155
Non-current	137,838	149,691	9,010	12,341
	153,921	165,008	12,342	15,496

The maturity analysis of lease liabilities are disclosed in Note 46(b).

Set out below are the carrying amounts of provision for restoration cost and the movements during the year:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	109	87	230	211
Additions	27	57	-	18
Reversal (Note 37)	(19)	(39)	-	-
Unwinding of discount on provision for restoration costs (Notes 12 and 38)	4	4	2	1
At 31 December (Note 20)	121	109	232	230

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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23. LEASES *cont'd*

Group as a lessee *cont'd*

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation expense of right-of-use assets (property, plant and equipment)				
- included in other expenses (Note 39(a))	6,032	4,901	3,149	2,806
- included in construction contracts (Note 12(a))	1,052	1,292	-	-
	7,084	6,193	3,149	2,806
Fair value adjustment on right-of-use assets (investment properties) (Note 39(a))	4,985	3,468	-	-
Interest expense on lease liabilities (Note 38)	9,055	9,687	786	902
Unwinding of discount on provision for restoration costs				
- included in finance costs (Note 38)	4	4	2	1
Loss/(gain) on lease modification (Notes 39(a) and 37)	2	(414)	-	-
Expense relating to short-term leases and leases of low-value assets				
- included in administrative expenses	600	1,746	-	-
- included in construction contract (Note 12(a))	2,316	2,020	-	-
Total amount recognised in profit or loss	24,046	22,704	3,937	3,709

The Group and the Company had total cash outflows for leases of RM28,973,000 (2022: RM28,333,000) and RM3,940,000 (2022: RM3,701,000), respectively. The Group and the Company also had non-cash additions to right-of-use assets of RM6,107,000 (2022: RM3,981,000) and Nil (2022: RM1,344,000) with a corresponding increase in lease liabilities of RM6,080,000 (2022: RM3,924,000) and Nil (2022: RM1,326,000), respectively.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3.1(b)).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Group	
	2023	2022
	RM'000	RM'000
Extension options expected not to be exercised:		
More than 5 years	224,700	224,700

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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23. LEASES *cont'd*

Group as a lessor

The Group has entered into non-cancellable operating lease agreements on its investment properties portfolio. These leases have remaining non-cancellable lease terms of between 1 to 15 years. Certain leases have auto renewal option of 2 years included in the contracts.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the statement of financial position date but not recognised as receivables, are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Future minimum rental receivables:		
Not later than 1 year	137,470	111,393
Later than 1 year and not later than 5 years	186,667	62,751
Later than 5 years	10,468	17,395
	<u>334,605</u>	<u>191,539</u>

Rental income earned from these investment properties during the financial year is disclosed in Note 35.

24. HIRE PURCHASE PAYABLES

	Group	
	2023	2022
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	1,502	3,645
Later than 1 year and not later than 2 years	1,151	1,681
Later than 2 years and not later than 5 years	756	1,697
Total future minimum lease payments	<u>3,409</u>	<u>7,023</u>
Less: Future finance charges	<u>(244)</u>	<u>(483)</u>
Present value of finance lease liabilities	<u>3,165</u>	<u>6,540</u>
Analysis of present value of hire purchase payables:		
Not later than 1 year	1,365	3,402
Later than 1 year and not later than 2 years	1,084	1,529
Later than 2 years and not later than 5 years	716	1,609
	<u>3,165</u>	<u>6,540</u>
Less: Amount due within 12 months	<u>(1,365)</u>	<u>(3,402)</u>
Amount due after 12 months	<u>1,800</u>	<u>3,138</u>

The hire purchase payables are secured by a charge over the leased assets (Note 4(c)) and bear weighted average effective interest rate at 5.07% (2022: 5.51%) per annum.

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25. BORROWINGS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Secured:					
Revolving credits	26	524,062	440,426	-	-
Term loans	27	81,721	186,623	-	-
Medium term notes	29	310,000	-	-	-
		915,783	627,049	-	-
Unsecured:					
Revolving credits	26	458,500	439,500	-	-
Trade facilities	28	61,169	63,295	-	-
Sukuk Murabahah	30	200,000	500,000	200,000	500,000
		719,669	1,002,795	200,000	500,000
		1,635,452	1,629,844	200,000	500,000
Non-current					
Secured:					
Term loans	27	797,820	347,754	-	-
Medium term notes	29	-	310,000	-	-
		797,820	657,754	-	-
Unsecured:					
Sukuk Murabahah	30	660,000	510,000	660,000	510,000
		1,457,820	1,167,754	660,000	510,000
Total borrowings					
Revolving credits	26	982,562	879,926	-	-
Trade facilities	28	61,169	63,295	-	-
Term loans	27	879,541	534,377	-	-
Medium term notes	29	310,000	310,000	-	-
Sukuk Murabahah	30	860,000	1,010,000	860,000	1,010,000
		3,093,272	2,797,598	860,000	1,010,000

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25. BORROWINGS *cont'd*

As at the reporting date, unutilised borrowings available for use are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revolving credits	32,924	221,592	-	-
Term loans	190,594	195,556	-	-
Bank overdrafts	15,500	24,500	-	-
Medium term notes	1,190,000	1,190,000	1,000,000	1,000,000
Sukuk Murabahah	640,000	490,000	640,000	490,000
Other trade lines	39,727	25,805	-	-
	2,108,745	2,147,453	1,640,000	1,490,000

Other information on the borrowings are disclosed in Note 46.

26. REVOLVING CREDITS

	Group	
	2023	2022
	RM'000	RM'000
Secured		
Revolving credit I	-	1,689
Revolving credit II	384,062	348,737
Revolving credit III	100,000	90,000
Revolving credit IV	40,000	-
	524,062	440,426
Unsecured		
Revolving credit V	37,000	28,000
Revolving credit VI	421,500	411,500
	458,500	439,500
	982,562	879,926

In the previous financial year, Revolving credit I was secured by way of fixed charge over 51 unsold units as disclosed in Note 16; legal assignment of insurance on 51 unsold units; specific debenture; legal assignment over bank account; third party assignment over the surplus balance in Housing Development Account of 2 subsidiaries and corporate guarantee from a subsidiary. The Revolving credit I bore interest at 1.75% per annum over the bank's cost of funds.

Revolving credit II is secured by a charge over bank accounts receiving all contract proceeds of 8 local projects (2022: 8 local projects) undertaken by the Group and bears interest ranging from 4.18% to 5.57% (2022: 3.15% to 5.03%) per annum.

Revolving credit III is secured by way of a fixed charge over freehold lands as disclosed in Note 6; third party specific debenture over 10 levels of office lots and 244 bays of car park space owned by a subsidiary as disclosed in Note 7 and corporate guarantee from the Company. The Revolving credit III bears interest at 4.84% (2022: 4.63%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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26. REVOLVING CREDITS *cont'd*

Revolving credit IV is secured by way of a third party legal charge over a 4-star hotel with 250 hotel rooms owned by a subsidiary as disclosed in Note 4 and corporate guarantee from the Company. The Revolving credit IV bears interest at 1.25% (2022: Nil) per annum over the bank's cost of funds.

Revolving credit V is unsecured with corporate guarantee from a subsidiary and bears interest at 1.25% (2022: 1.25%) per annum over the bank's cost of funds.

Revolving credit VI is unsecured and bears interest at rates ranging from 3.79% to 5.31% (2022: 2.72% to 4.55%) per annum.

27. TERM LOANS

	Group	
	2023	2022
	RM'000	RM'000
Secured		
Term loan I	150,000	-
Term loan II	223,237	235,747
Term loan III	90,525	91,541
Term loan IV	-	4,705
Term loan V	26,479	32,384
Term loan VI	250,000	70,000
Term loan VII	50,000	100,000
Term loan VIII	40,000	-
Term loan IX	49,300	-
Total term loans	879,541	534,377
The term loans are repayable as follows:		
Not later than 1 year	81,721	186,623
Later than 1 year and not later than 2 years	556,267	93,281
Later than 2 years and not later than 5 years	241,553	251,616
Later than 5 years	-	2,857
	879,541	534,377
Less: Amount due within 12 months	(81,721)	(186,623)
Amount due after 12 months	797,820	347,754

- (i) Term loan I obtained by a subsidiary bears interest at 2.25% (2022 : Nil) per annum over the bank's cost of funds and is secured by corporate guarantee and negative pledge from the Company. Term loan I is repayable on the 18th month from the date of first drawdown.

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31 December 2023

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27. TERM LOANS *cont'd*

- (ii) Term loan II comprises facilities obtained by a subsidiary via a facility agreement dated 18 December 2014 ("the TL-II Facilities") as follows:

- Term Loan 1 ("TL1") is a CMTF-I to part finance the construction of the Paradigm Mall Johor Bahru ("Paradigm JB") and car park including the infrastructure.
- Term Loan 2 ("TL2") is to part finance the construction of a hotel.

The TL-II Facilities are secured by way of a first party legal charge over the freehold land and buildings owned by a subsidiary; debentures over a subsidiary; legal assignment of rental proceeds of the Paradigm JB and car park; legal assignment over bank accounts receiving all the rental proceeds and car park collection of the Paradigm JB, disposal proceeds of development properties (except for proceeds to be deposited to Housing Development Account) and investment properties as disclosed in Notes 4, 6, 7 and 16, and proceeds from insurances claims (if any); and legal assignment of the right and benefits of a subsidiary under the insurances policies.

The TL1 is repayable over 24 quarterly principal payments commencing from April 2017. The margin of profit rate is 1.00% (2022: 1.00%) above the bank's cost of funds.

The TL2 is repayable over 24 quarterly principal repayments commencing from October 2022. The TL2 bears interest at 1.20% (2022: 1.20%) per annum and 1.00% (2022: 1.00%) above the bank's cost of funds during the construction stage and upon completion respectively.

- (iii) Term loan III comprises facilities obtained by a subsidiary via a facility agreements dated 3 November 2016 and 7 February 2022 ("the TL-III Facilities") as follows:

- Term Loan A ("TL-A") is a CMTF-I to part reimburse advances from the shareholders and/or the Company and its related companies, where applicable pursuant to the acquisition of 3 parcels of residential freehold land ("R1", "R2" and "R4") located at the southern portion of Overseas Union Garden, Kuala Lumpur for the development of condominium units ("OUG Project Land").
- Term Loan B ("TL-B") is a CMTF-I to part finance the total construction cost in relation to the development on R2 ("Construction Cost"); and to part reimburse any advances and/or deposits made to the subsidiary pursuant to the Construction Cost prior to drawdown of the TL-III Facilities.
- Term Loan C ("TL-C") is a CMTF-I to part finance the piling, foundation and infrastructure works in relation to the R4 Development.
- Term Loan D ("TL-D") is a CMTF-I to part finance the basement, elevated car park, podium and main building works in relation to the R4 development.

The TL-III Facilities are secured by way of a first legal charge and specific debenture over the OUG Project Land as disclosed in Note 6; legal assignment of all insurances in respect of the development on the OUG Project Land; legal assignment over bank accounts receiving all disposal proceeds of development properties (except for proceeds to be deposited to Housing Development Account) as disclosed in Notes 4, 6, 7 and 16, and proceeds from insurances claims (if any).

The TL-A is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or 12 equal quarterly principal repayments commencing from February 2019 whichever is earlier. The margin of profit rate is 1.25% (2022: 1.25%) per annum above the bank's cost of funds. The TL-A was fully settled during the financial year.

The TL-B is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or over 11 equal quarterly principal payments and a final principal payment, with the first payment commencing from April 2019 whichever is earlier with TL-A taking precedent. The margin of profit rate is 1.25% (2022: 1.25%) per annum above the bank's cost of funds. The TL-B was fully settled during the financial year.

The TL-C is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or 11 equal quarterly principal payments and a final principal payment commencing from June 2024. The margin of profit rate is 1.50% (2022: 1.50%) per annum above the bank's cost of funds. The TL-C was fully settled during the financial year.

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31 December 2023

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27. TERM LOANS *cont'd*

(iii) *cont'd*

The TL-D is repayable by way of redemption sum of the selling price of each development properties on the OUG Project Land and/or 11 equal quarterly principal payments and a final principal payment commencing from October 2024. The margin of profit rate is 1.50% (2022: 1.50%) per annum above the bank's cost of funds.

- (iv) The Term loan IV bore interest at a rate of 1.25% (2022: 1.25%) per annum above the bank's base lending rate and was repayable over 36 quarterly instalments (inclusive of interests) commencing from August 2013. The term loan IV was fully settled during the financial year.

Term loan IV was secured by way of a first party first legal charge over the sub-lease lands, debenture and legal proceeds of the retail space at Subang SkyPark Terminal, legal assignment over bank accounts receiving all the rental proceeds (Note 5), legal assignment of the rights and benefits under the sub-lease agreement and commercial agreement and corporate guarantees from subsidiaries.

- (v) The Term loan V comprises 2 term loans, bear interest rate at 1.25% (2022: 1.25%) per annum above the bank's base lending rate and is repayable in 48 and 56 quarterly principal repayments commencing 2 years from the date of first drawdown.

Term loan V is secured by way of a third party second legal charge over the sub-lease lands held by a subsidiary of the Company; debenture; third party debenture over a subsidiary; legal assignment of rental proceeds, insurance and bank account receiving the rental proceeds (Note 5); and corporate guarantees from subsidiaries.

- (vi) The Term loan VI comprises 2 term loans, as follows:

In the previous financial year, the TL-E of RM70,000,000 bore interest rate at 10.00% per annum and is secured by way of a third party legal charge over freehold lands owned by a subsidiary as disclosed in Note 6 and corporate guarantee from the Company. Term loan VI is repayable in one lump sum/bullet principal repayment on last day of the 12th month from date of first drawdown. The TL-E was fully settled during the financial year.

The TL-F bears interest rate at 2.75% (2022: Nil) per annum above the bank's cost of funds and is secured by way of third party charges over 5 parcels of freehold commercial land located at Taman Overseas United owned by a subsidiary as disclosed in Note 6 and corporate guarantee from the Company. TL-F is repayable via proceeds from the mandatory prepayments (which include proceeds from right issue exercise by the Company and net disposal/refinancing proceeds of certain properties as disclosed in Notes 4 and 7 or one bullet principal repayment upon 18 months from the first disbursement date, whichever earlier.

- (vii) Term loan VII bears interest at 1.50% (2022: 1.50%) per annum over the bank's cost of funds and is secured by way of a third party legal charge over a freehold land owned by a subsidiary as disclosed in Note 6 and corporate guarantee from the Company. The first and second principal repayment commencing 9th month and 12th month from the date of first drawdown. The balance is repayable in 4 equal half yearly instalments commencing 18th month from the date of first drawdown.

- (viii) Term loan VIII bears interest at 2.50% (2022: Nil) per annum above the bank's cost of funds and is secured by way of fixed charge over Pavilion Mont' Kiara Project ("PMK Project") land owned by a subsidiary as disclosed in Note 6, debentures and corporate guarantee from the Company. Term loan VIII is repayable by way of redemption of the selling price of each development properties on the PMK Project land and/or over 12 equal quarterly principal payments and a final principal payment, with the first payment commencing from June 2025.

- (ix) Term loan IX bears interest at 1.25% (2022: Nil) per annum above the bank's cost of funds and is secured by way of a third party charge over a 4-star hotel with 250 hotel rooms owned by a subsidiary as disclosed in Note 4, corporate guarantee from the Company and third party legal charges over 42 units of serviced apartments owned by a subsidiary as disclosed in Note 16. Term loan IX is repayable by way of redemption of the selling price of each development properties on Renai Jelutong Residences units and/or over 54 monthly principal payments, with the first payment commencing from December 2023.

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28. TRADE FACILITIES

	Group	
	2023	2022
	RM'000	RM'000
Unsecured		
Bankers' acceptances	49,200	49,327
Invoice financing	11,969	13,968
	<u>61,169</u>	<u>63,295</u>

The bankers' acceptances bear interest at rates ranging from 3.36% to 4.89% (2022: 2.54% to 4.73%) per annum. These bankers' acceptances have a maturity period of 30 to 182 (2022: 97 to 180) days.

The invoice financing bear interest at rates ranging from 3.92% to 4.63% (2022: 2.80% to 4.45%) per annum. These invoice financing have a maturity period of 172 to 180 (2022: 175 to 180) days.

29. MEDIUM TERM NOTES

	Group	
	2023	2022
	RM'000	RM'000
Secured		
The medium term notes are repayable as follows:		
Not later than 1 year	310,000	-
Later than 1 year and not later than 2 years	-	310,000
	<u>310,000</u>	<u>310,000</u>
Less: Amount due within 12 months	(310,000)	-
Amount due after 12 months	<u>-</u>	<u>310,000</u>

On 8 November 2022, a subsidiary established an unrated medium term notes ("MTN") Programme for the issuance of MTN up to RM500,000,000 in nominal value.

On 23 November 2022, the subsidiary issued RM310,000,000 nominal value of MTN for a tenure of 15 months. The coupon rate is 5.05% (2022: 5.05%) per annum, payable quarterly in arrears commencing 3 months after the issued date. The MTN are secured by way of a third party legal charge over freehold lands owned by a subsidiary comprising certain land held for property development and investment properties ("BBT Mall") as disclosed in Notes 6 and 7; assignment of debt service reserve account; assignment of rental and carpark income in respect of BBT Mall; assignment of insurances of BBT Mall and corporate guarantee from the Company and a subsidiary.

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30. SUKUK MURABAHAH

	Group/Company	
	2023	2022
	RM'000	RM'000
Unsecured		
The Sukuk Murabahah are repayable as follows:		
Not later than 1 year	200,000	500,000
Later than 1 year and not later than 2 years	350,000	-
Later than 2 years and not later than 5 years	310,000	510,000
	860,000	1,010,000
Less: Amount due within 12 months	(200,000)	(500,000)
Amount due after 12 months	660,000	510,000

On 25 September 2014, the Company established a Sukuk Murabahah Programme for the issuance of Sukuk ("Sukuk Murabahah") based on the Shariah principle of Murabahah involving Shariah-compliant commodities of up to RM1,500,000,000 in nominal value ("Sukuk Murabahah Programme").

The Sukuk Murabahah is constituted by a Trust Deed dated 13 October 2014 executed between the Company and the Trustee for the holders of the Sukuk Murabahah.

The Sukuk Murabahah Programme shall have tenure of 15 years from the date of first issue of the Sukuk Murabahah provided that the first issuance of Sukuk Murabahah shall be made no later than 2 years from the date of the Securities Commission Malaysia's approval and authorisation of the Sukuk Murabahah Programme. Each tranche of Sukuk Murabahah shall be issued for tenure of more than 1 year and up to 15 years from the date of issuance, at the option of the Company, provided always that no Sukuk Murabahah shall mature beyond the tenure of the Sukuk Murabahah Programme.

The Sukuk Murabahah may be issued via book-building, private placement or bought deal basis.

Proceeds from the issuance of the Sukuk Murabahah are to be utilised for the following purposes which are Shariah-compliant:

- (i) to fund the Group's working capital requirements, capital expenditure and investments specific to the Group's principal activities, excluding the construction or acquisition of hotel(s);
- (ii) refinancing of the Group's existing borrowings;
- (iii) to fund the Trustee's Reimbursement Account; and/or
- (iv) to defray fees and expenses incurred in relation to the Sukuk Murabahah Programme.

On 23 October 2014, the Company issued RM600,000,000 nominal value of Sukuk Murabahah in 3 series and have tenures of 7, 8 and 9 years respectively. The profit rates are 4.95%, 5.05% and 5.17% per annum, respectively and payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the current financial year.

On 4 January 2018 and 23 February 2018, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah in 2 series of RM100,000,000 each. Both series have tenure of 7 years at profit rate of 5.55% per annum and payable semi-annually in arrears commencing 6 months after the issue date.

On 17 April 2018, the Company issued additional RM310,000,000 nominal value Sukuk Murabahah with a tenure of 8 years at profit rate of 5.65% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

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30. SUKUK MURABAHAH *cont'd*

On 25 February 2022 and 30 March 2022, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah in 2 series of RM100,000,000 each. Both series have tenure of 1.01 and 1 year and at profit rate of 4.00% and 4.05% per annum respectively. Both series are payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the current financial year.

On 27 February 2023 and 31 March 2023, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah in 2 series of RM100,000,000 each to refinance the existing Sukuk Murabahah. Both series have tenure of 366 and 367 days and at profit rate of 5.00% and 5.15% per annum respectively. Both series are payable semi-annually in arrears commencing 6 months after the issue date.

On 23 October 2023, the Company issued additional RM150,000,000 nominal value Sukuk Murabahah with a tenure of 18 months at profit rate of 5.60% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

The Sukuk Murabahah Programme has been accorded a rating of "A₊IS (Stable)" (2022: "AA₋IS (Stable)") by Malaysian Rating Corporation Berhad on 5 March 2024 (2022: 17 November 2022).

31. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:				
At 1 January/31 December	1,418,150	1,418,150	3,212,796	3,212,796

(a) Issue of shares

There is no issuance of new ordinary shares during the financial year.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry 1 vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

There is no repurchase of the Company's ordinary shares during the current and the previous financial years.

As at 31 December 2023, the total number of ordinary shares held as treasury shares was 915,000 (2022: 915,000) at a total cost of RM381,000 (2022: RM381,000).

None of the treasury shares held were resold or cancelled during the financial year.

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31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023")

The Company's ESOS 2013/2023 is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 26 April 2013. ESOS 2013/2023 has expired on 18 July 2023.

The salient terms of the ESOS 2013/2023 were as follows:

- (i) Subject to the ESOS By-Laws, the maximum number of options granted under the ESOS 2013/2023 shall not exceed 10.00% of the total issued and paid-up share capital comprising ordinary shares in the Company at any time throughout the duration of the scheme which shall be in force for a period of 10 years commencing from 19 July 2013 ("ESOS Option Period");
- (ii) An employee of the Group shall be eligible to participate in the ESOS 2013/2023 if, as at the date of the ESOS 2013/2023 offer, such employee:
 - (aa) has attained the age of 18 years;
 - (bb) has been in the employment of any company(s) within the Group for a period of at least 1 year of continuous service (which employment need not be with the same company within the Group throughout the duration) prior to and up to the offer date, including service during the probation period, and is confirmed in service; and
 - (cc) in the case where a company is acquired by the Group during the duration of the ESOS 2013/2023 and becomes a subsidiary of the Company upon such acquisition, must have completed a continuous period of at least 1 year of employment in the Group following the date such company becomes or is deemed to be a subsidiary of the Company.

Any non-executive director of the Company who is not involved in the day-to-day management of the Company and who, on the offer date, has served any company within the Group for at least 1 year, including any period that he/she was an employee or director of any company within the Group, shall be eligible to participate in the ESOS 2013/2023.

The Options Committee may with its power under the ESOS By-Laws, nominate any employee or non-executive directors of the Group to be an Eligible Employee notwithstanding that the eligibility criteria as stated in (c) (ii) (bb), (cc) or the above is not met.

Subject to the fulfilment of additional eligibility criteria under the ESOS By-Laws, no employee shall participate at anytime in more than 1 employee share option scheme implemented by any company within the Group;

- (iii) Not more than 10.00% of the Options available under the ESOS 2013/2023 shall be allocated, to any individual Director or Eligible Employee who, either individually or collectively through persons connected with the Directors or employees, holds 20.00% or more in the issued and paid-up share capital of the Company;
- (iv) The option price for subscription of each share shall be at a discount of not more than 10.00% from the weighted average market price of the Company's shares traded on Bursa Malaysia for the 5 market days preceding the date of offer;
- (v) Subject to any adjustments that may be made under the ESOS By-Laws, no options shall be granted for less than 100 shares of the Company but not more than the maximum allowable allotment as set out in the ESOS By-Laws;
- (vi) Subject to the ESOS By-Laws, the Options Committee may with its power under the ESOS By-Laws, at any time and from time to time, before or after an ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of new shares of the Company and/or such percentage of the total new shares of the Company comprised in the ESOS Option during such periods within the ESOS Option Period and impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion including amending/varying any terms and conditions imposed earlier;
- (vii) An ESOS 2013/2023 offer may be made upon such terms and conditions as the Options Committee may decide from time to time. Each ESOS 2013/2023 offer shall be made in writing and is personal to the Eligible Employee and cannot be assigned, transferred, encumbered or otherwise disposed off in any manner whatsoever; and

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31. SHARE CAPITAL *cont'd*

(c) ESOS 2013/2023 *cont'd*

The salient terms of the ESOS 2013/2023 were as follows: *cont'd*

- (viii) Subject to the ESOS By-Laws, an ESOS Option can be exercised by the Grantee, by notice in writing to the Company in the form prescribed by the Options Committee during the ESOS Option Period in respect of all or any parts of the new shares in the ESOS Option.

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

Grant date	Expiry date	Exercise price	Number of share options				
			Outstanding at 1 January	Movement during the year		Outstanding at 31 December	Exercisable at 31 December
			'000	(Forfeited)	(Expired)	'000	'000
2023							
30 August 2013	18 July 2023	1.63	3,794	(128)	(3,666)	-	-
15 August 2014	18 July 2023	1.55	3,450	(115)	(3,335)	-	-
18 September 2015	18 July 2023	1.18	2,051	(91)	(1,960)	-	-
			9,295	(334)	(8,961)	-	-
WAEP (RM)			1.50	1.48	1.50	-	-
2022							
30 August 2013	18 July 2023	1.63	4,777	(983)	-	3,794	3,794
15 August 2014	18 July 2023	1.55	4,398	(948)	-	3,450	3,450
18 September 2015	18 July 2023	1.18	2,400	(349)	-	2,051	2,051
			11,575	(2,280)	-	9,295	9,295
WAEP (RM)			1.51	1.53	-	1.50	1.50

(i) Details of share options outstanding at the end of the previous financial year:

	Exercise price RM	Exercise period
2022		
Date granted		
30 August 2013	1.63	30.08.2013 - 18.07.2023
15 August 2014	1.55	15.08.2014 - 18.07.2023
18 September 2015	1.18	18.09.2015 - 18.07.2023

In the previous financial year, there are 9,295,000 options exercisable at the WAEP of RM1.50 each. The exercise and vesting period is from 30 August 2013 to 18 July 2023.

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31. SHARE CAPITAL *cont'd*

(c) ESOS 2013/2023 *cont'd*

(ii) Share options exercised during the financial year

There is no share option exercised during the current and the previous financial years.

(iii) Fair value of share options granted in the previous financial years

The fair value of share options granted was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	18 September 2015	15 August 2014	30 August 2013
Fair value of share options at grant date (RM)	0.32	0.24	0.40
Weighted average share price (RM)	1.35	2.29	2.44
Weighted average exercise price (RM)	1.18	2.05	2.15
Expected volatility	21.95%	21.95%	16.66%
Expected life (year)	10	10	10
Risk free rate	3.88%	4.10%	3.42%
Expected dividend yield	4.88%	2.90%	2.73%

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the option was incorporated into the measurement of fair value.

32. RESERVES

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	68,460	63,392	-	-
Capital reserve	(b)	61,646	61,646	-	-
Equity compensation reserve	(c)	-	3,797	-	3,067
Exchange reserve	(d)	(64,141)	(78,126)	-	-
Internal reorganisation reserve	(e)	(1,554,791)	(1,554,791)	-	-
		(1,488,826)	(1,504,082)	-	3,067
Distributable					
General reserve	(f)	1,438	1,438	-	-
		(1,487,388)	(1,502,644)	-	3,067

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32. RESERVES *cont'd*

The nature and purpose of each category of the reserves are as follows:

(a) Revaluation reserve

This revaluation reserve is used to record changes in fair values of certain freehold land and buildings, net of tax.

(b) Capital reserve

Capital reserve of the Group arose from bonus issue of shares by subsidiaries.

(c) Equity compensation reserve

The equity compensation reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(d) Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Internal reorganisation reserve

Internal reorganisation reserve is used to record the differences arising from the share premium of the Company and the share premium of WCTB pursuant to the securities exchange made between the Company and WCTB pertaining to a scheme of arrangement under Section 366 of the Companies Act 2016.

(f) General reserve

- (i) Under the provisions of the Bahrain Commercial Companies Law, a statutory reserve equivalent to 10.00% of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account until no less than 50.00% of the share capital; and
- (ii) Under the provisions of the India Companies Act, 1956, a statutory reserve equivalent to a certain percentage of the subsidiary's net profit before appropriation is required to be transferred to a non-distributable reserve account before any dividend can be declared or paid, as follows:

Proposed dividend	Amount to be transferred to statutory reserve
~ Exceeds 10.00% but less than 12.50% of paid-up capital	Not less than 2.50% of current profits
~ Exceeds 12.50% but less than 15.00% of paid-up capital	Not less than 5.00% of current profits
~ Exceeds 15.00% but less than 20.00% of paid-up capital	Not less than 7.50% of current profits
~ Exceeds 20.00% of paid-up capital	Not less than 10.00% of current profits

(g) Retained earnings

The Company may distribute dividends out of its entire retained earnings under the single-tier system.

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33. PERPETUAL SUKUK

	Group/Company	
	2023	2022
	RM'000	RM'000
Issuance in nominal value	821,500	821,500
Less: Transaction cost	(1,367)	(2,051)
Net nominal value	820,133	819,449

On 27 September 2019, the Company issued two tranches of perpetual Islamic notes totalling RM617,000,000 in nominal value based on the Shariah principle of Musharakah ("Perpetual Sukuk") under the newly established Perpetual Sukuk Musharakah programme of up to RM1,000,000,000 in nominal value ("Perpetual Sukuk Musharakah Programme").

On 3 March 2020, the Company issued additional RM204,500,000 nominal value of Perpetual Sukuk Musharakah pursuant to the Perpetual Sukuk Musharakah Programme.

The Perpetual Sukuk is constituted by a Trust Deed dated 18 September 2019 between the Company and the Trustee for the holders of the Perpetual Sukuk.

The proceeds raised from the issuance of the Perpetual Sukuk are allowed to be utilised by the Company, its subsidiaries, associated companies and/or jointly controlled entities (i.e. the Group) for the following purposes which are Shariah-compliant:

- (i) refinancing of existing financing/borrowings;
- (ii) capital expenditure;
- (iii) asset acquisition;
- (iv) working capital;
- (v) general corporate purposes; and/or
- (vi) to defray fees, costs and expenses incurred in relation to the issuance of the Perpetual Sukuk and the Perpetual Sukuk Musharakah Programme.

Under the Perpetual Sukuk Musharakah Programme, the Company may, at its sole discretion, redeem the Perpetual Sukuk Musharakah pursuant to certain redemption events.

There are no events of default or dissolution events which will entitle the trustee or the sukukholders to declare any or all amounts under the Perpetual Sukuk Musharakah Programme to be immediately due and payable, save for certain enforcement events.

The Perpetual Sukuk Musharakah Programme has been accorded a rating of "A_{IS} (Stable)" (2022: "A_{IS} (Stable)") by Malaysian Rating Corporation Berhad on 5 March 2024 (2022: 17 November 2022).

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk shall constitute direct, unsecured, unconditional and subordinated obligations of the Company and shall at all times rank (i) junior to all present and future creditors of the Company; (ii) *pari passu* with any instrument issued or guaranteed by the Company that ranks *pari passu* with the Perpetual Sukuk; and (iii) ahead of any class of the Company's share capital, including without limitation, any ordinary shares and preference shares.

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31 December 2023

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33. PERPETUAL SUKUK *cont'd*

The salient features of the Perpetual Sukuk are as follows: *cont'd*

- (b) Being perpetual in nature, the Company has a call option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Optional redemption at the first call date i.e. at the end of fifth and seventh year respectively for the first and second tranche of the Perpetual Sukuk and on each periodic distribution date of the expected distribution amount thereafter;
 - (ii) Accounting event – change in accounting standards resulting in a Perpetual Sukuk no longer being recognised as an equity instrument;
 - (iii) Tax event – if the expected periodic distribution of the profit would not be fully tax deductible or the Company become obligated to pay additional tax due to changes in tax laws or regulations; and
 - (iv) Rating event - change in rating methodology by the rating agency that results in a lower equity credit for the relevant tranche of the Perpetual Sukuk.
- (c) The first tranche of the Perpetual Sukuk with a nominal amount of RM282,000,000 has a tenor of perpetual non-callable 5 years with an initial periodic distribution rate of 5.80% per annum while the second tranche with a nominal amount of RM335,000,000 has a tenor of perpetual non-callable 7 years with an initial periodic distribution rate of 6.00% per annum thereafter.

The second tranche of the Perpetual Sukuk with a nominal amount of RM204,500,000 nominal value of Perpetual Sukuk has a tenor of perpetual, non-callable 7 years with an initial periodic distribution rate of 5.70% per annum. Together with the RM617,000,000 nominal value of Perpetual Sukuk issued as mentioned in Note (c) above, the total outstanding Perpetual Sukuk in issue stood at RM821,500,000 in nominal value as at 31 December 2023 and 2022.
- (d) The periodic distribution amount is payable six months from the issue date of the respective tranche and every six months thereafter.
- (e) The Company may, at its sole discretion, opt to (i) defer the periodic distribution or (ii) further defer any outstanding arrears of deferred periodic distribution, provided that it has not during the last six months declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of the Company ranking junior to or *pari passu* with the Perpetual Sukuk. The deferred periodic distribution, if any, will be cumulative and will not earn additional profits (i.e. there will be no compounding of the periodic distribution being deferred). There is no limit as to the number of times the expected periodic amount and the arrears of deferred periodic distribution can be deferred.
- (f) Notwithstanding the optional deferral stipulated in (e) above, all outstanding arrears of deferred periodic distribution shall be due and payable within 15 days from the date the Company declared or paid any dividend or payment or other distributions in respect of or redeem or repurchase its ordinary shares or any other securities of the Company ranking junior to or *pari passu* with the Perpetual Sukuk.
- (g) If the optional redemption is not exercised by the Company on the first call date of the respective tranche, the periodic distribution rate shall be reset at the prevailing relevant Malaysian Government Securities rate plus the initial margin/spread determined prior to issuance of the respective tranche plus a step-up margin of 1.00% per annum.

As at the date of this report, none of the Perpetual Sukuk's periodic distribution has been deferred. During the financial year, the Group and the Company have made a distribution of RM48,081,000 (2022: RM48,176,000) to the holders of Perpetual Sukuk.

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34. NON-CONTROLLING INTERESTS

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	(51,638)	(47,299)
Share of losses for the financial year	(3,331)	(4,060)
Subscription of AVSB RCPS-A by GPSB (Note 8(b))	25,000	-
Exchange differences	184	(279)
At 31 December	(29,785)	(51,638)

35. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (Note (a))	1,531,883	1,938,841	17,392	20,327
Interest income (Note (b))	13,557	12,426	95,067	89,755
Dividend income	-	-	7,100	7,900
Rental income (Note 7)	181,909	153,601	-	-
	1,727,349	2,104,868	119,559	117,982

(a) Revenue from contracts with customers

(i) Disaggregated revenue information

Set up below is the disaggregation of the Group's and the Company's revenue from contracts with customers:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Type of goods or services:				
Engineering and construction works (Note 12(a))	1,111,971	1,440,469	-	-
Revenue from property development (Note 12(b)):				
- Completed inventory properties	111,723	89,494	-	-
- Inventory properties under development	248,452	124,074	-	-
- land held for property development	-	214,555	-	-
	360,175	428,123	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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35. REVENUE *cont'd*

(a) Revenue from contracts with customers *cont'd*

(i) Disaggregated revenue information *cont'd*

Set up below is the disaggregation of the Group's and the Company's revenue from contracts with customers: *cont'd*

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Others:				
- Management fees	7,272	7,116	17,392	20,327
- Sale of goods	21,032	36,253	-	-
- Car park income (Note 7)	17,895	15,012	-	-
- Hotel income	13,538	11,868	-	-
	59,737	70,249	17,392	20,327
Total revenue from contracts with customers	1,531,883	1,938,841	17,392	20,327

(ii) Timing of revenue recognition

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At a point in time	171,460	374,298	17,392	20,327
Over time	1,360,423	1,564,543	-	-
Total revenue from contracts with customers	1,531,883	1,938,841	17,392	20,327

Information on the Group's identification of performance obligations, determination of the timing of revenue recognition and measurement of progress when revenue is recognised over time are disclosed in Note 2.18.

Contract balances, comprising trade receivables, contract assets and contract liabilities are disclosed in Notes 11 and 12 respectively.

NOTES TO THE FINANCIAL STATEMENTS

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35. REVENUE *cont'd*

(a) Revenue from contracts with customers *cont'd*

(iii) Remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December, are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Within one year		
- Engineering and construction works	1,217,815	1,274,545
- Property development	210,996	133,338
	<u>1,428,811</u>	<u>1,407,883</u>
More than one year		
- Engineering and construction works	1,591,486	2,331,599
- Property development	112,567	19,390
	<u>1,704,053</u>	<u>2,350,989</u>
Total in future years	<u>3,132,864</u>	<u>3,758,872</u>

(b) Interest income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits with licensed banks	45	407	45	408
Interest income from subsidiaries	-	-	95,022	89,347
Interest income from joint ventures	13,512	12,019	-	-
	<u>13,557</u>	<u>12,426</u>	<u>95,067</u>	<u>89,755</u>

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36. COST OF SALES

	Group	
	2023	2022
	RM'000	RM'000
Construction contract costs (Note 12(a))	1,299,687	1,393,007
Cost of inventory properties (Note 12(b)):		
- Inventory properties under development	188,818	256,414
- Completed inventory properties	90,742	81,991
- Agent commission	14,228	16,436
Cost of goods sold	20,215	34,488
Cost of maintenance of investment properties	32,319	27,581
Cost of services provided	27,276	29,701
Cost incurred on car park operation	2,076	2,211
Cost of sales - hotel	6,323	5,405
	<u>1,681,684</u>	<u>1,847,234</u>

37. OTHER OPERATING INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits with licensed banks	10,985	8,598	-	-
Interest income from joint ventures	8,280	9,391	-	-
Interest income from associates	2,197	413	-	-
	<u>21,462</u>	<u>18,402</u>	<u>-</u>	<u>-</u>
Rental income	6,150	7,718	3,111	2,846
Gain on disposal of property, plant and equipment	675	10,979	-	-
Net realised gain on foreign exchange	-	132	-	-
Fair value adjustment on investment properties (Note 7)	12,954	65,118	-	-
Net write back in value of inventory properties under development:				
- land held for property development (Note 6(a))	627	-	-	-
- property development costs (Note 6(b))	16,909	-	-	-
Finance income from financial assets carried at amortised cost	192	2,976	-	-
Reversal of provision for restoration costs (Note 23)	19	39	-	-
Insurance claim	49	125	-	-
Reversal of allowance for expected credit losses:				
- third parties	518	3,704	-	-
- arising from receivables from settlement agreement (Note 49(i))	10,325	18,012	-	-
Gain on lease modification (Note 23)	-	414	-	-
Others	16,806	17,751	517	414
	<u>86,686</u>	<u>145,370</u>	<u>3,628</u>	<u>3,260</u>

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	33,144	26,335	-	-
- medium term notes	15,655	1,673	-	-
- bank overdrafts	9	33	-	-
- trade facilities	2,653	1,813	-	-
- revolving credits	45,123	35,162	-	-
- hire purchase	308	584	-	-
- lease commitment	7,658	8,044	-	-
- lease liabilities (Note 23)	9,055	9,687	786	902
- profit on Sukuk Murabahah	52,487	62,632	52,487	62,632
- amortisation of transaction costs incurred on Perpetual Sukuk	684	684	684	684
- unwinding of discount (Note 23)	4	4	2	1
- interest to subsidiaries	-	-	22,058	7,819
- others	291	80	-	-
	167,071	146,731	76,017	72,038
- less: Amount capitalised under property, plant and equipment (Note 4(b))	(3,488)	(4,047)	-	-
- less: Amount capitalised under property development costs (Note 6(b))	(34,120)	(32,489)	-	-
- less: Amount capitalised under construction contracts (Note 12(a))	(38)	(87)	-	-
	129,425	110,108	76,017	72,038

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39. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) The following amounts have been included in arriving at (loss)/profit before taxation:				
Auditors' remuneration				
- statutory	950	890	115	115
- under/(over) provision in prior financial years	14	(17)	-	-
- other services	48	75	12	42
Expense relating to short-term leases and leases of low-value assets	600	1,746	-	-
Amortisation of intangible asset (Note 5)	6,972	6,595	-	-
Depreciation of property, plant and equipment	25,643	27,931	359	474
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	6,032	4,901	3,149	2,806
Bad debts written off	-	4	-	-
Allowance for expected credit losses:				
- related parties	-	-	4,754	-
- third parties	1,660	1,232	-	-
Property, plant and equipment written off	473	663	-	2
Fair value adjustment on right-of-use assets (investment properties) (Note 23)	4,985	3,468	-	-
Loss on lease modification (Note 23)	2	-	-	-
Net realised loss on foreign exchange (Note i)	219	-	-	-
Net unrealised loss on foreign exchange	4,677	1,865	-	-
Write off of investment in an associate (Note 9)	-	3	-	-
Net write down in value of inventory properties				
- completed inventory properties	29,525	17,388	-	-
- land held for property development (Note 6(a))	-	542	-	-
Loss on deemed disposal of a joint venture	6,839	-	-	-
Impairment of goodwill arising from business combination (Note 8(a))	2,776	-	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties (Note 7)	34,395	29,792	-	-

- (i) Included in net realised loss on foreign exchange is reclassification from the exchange reserve amounting to RM48,000 (2022: Nil) arising from the dissolution of a joint operation as disclosed in Note 10(a).

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39. (LOSS)/PROFIT BEFORE TAXATION *cont'd*

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration):				
Wages and salaries	62,984	61,362	3,042	4,324
Fees	106	116	-	-
Social security costs	779	588	8	9
Employees' Provident Fund contribution	7,239	6,943	397	540
Bonus and ex-gratia	2,117	149	129	-
Other staff related expenses	5,351	4,408	850	115
	78,576	73,566	4,426	4,988

(c) Directors' remuneration

	Salaries and other emoluments	Fees	Allowances	Estimated money value of benefits-in-kind	Indemnity given to or insurance effected for Directors	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2023						
Group/Company						
Executive						
Tan Sri Lim Siew Choon	3,091	12	-	27	7	3,137
Dato' Lee Tuck Fook	2,688	12	-	-	5	2,705
Datuk Chow Ying Choon	2,016	12	-	31	3	2,062
	7,795	36	-	58	15	7,904
Non-executive						
Tan Sri Marzuki Bin Mohd Noor	-	84	23	-	-	107
Datuk Ab Wahab Bin Khalil	-	84	17	-	1	102
Dato' Ng Sooi Lin	-	84	19	-	3	106
Ng Soon Lai @ Ng Siek Chuan	-	84	16	-	3	103
Rahana Binti Abdul Rashid	-	84	16	-	3	103
	-	420	91	-	10	521
	7,795	456	91	58	25	8,425

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39. (LOSS)/PROFIT BEFORE TAXATION *cont'd*

(c) Directors' remuneration *cont'd*

	Salaries and other emoluments RM'000	Fees RM'000	Allowances RM'000	Estimated money value of benefits- in-kind RM'000	Indemnity given to or insurance effected for Directors RM'000	Total RM'000
At 31 December 2022						
Group/Company						
<i>Executive</i>						
Tan Sri Lim Siew Choon	3,105	12	-	37	8	3,162
Dato' Lee Tuck Fook	2,700	12	-	-	5	2,717
Goh Chin Liong	2,025	12	-	31	3	2,071
Datuk Chow Ying Choon	1,652	4	-	23	6	1,685
Liang Kai Chong	2,824	7	-	23	9	2,863
	12,306	47	-	114	31	12,498
<i>Non-executive</i>						
Tan Sri Marzuki Bin Mohd Noor	-	84	26	-	1	111
Datuk Ab Wahab Bin Khalil	-	84	25	-	1	110
Dato' Ng Sooi Lin	-	84	27	-	3	114
Ng Soon Lai @ Ng Siek Chuan	-	84	17	-	3	104
Rahana Binti Abdul Rashid	-	84	17	-	3	104
	-	420	112	-	11	543
	12,306	467	112	114	42	13,041

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40. TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	27,689	23,743	5,104	3,955
Over provision in prior financial years	(5,469)	(61,481)	(55)	(215)
	22,220	(37,738)	5,049	3,740
Deferred income tax (Note 15):				
Relating to origination and reversal of temporary differences	6,705	7,400	(19)	(51)
Under/(over) provision in prior financial years	2,713	(3,110)	89	6
	9,418	4,290	70	(45)
Taxation reported in profit or loss	31,638	(33,448)	5,119	3,695
Deferred tax related to items recognised in OCI during the financial years:				
Revaluation of land and buildings included in property, plant and equipment (Note 15)	1,473	1,126	-	-

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

Tax in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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40. TAXATION *cont'd*

A reconciliation of income tax expense/(credit) applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group are as follows:

	2023 RM'000	2022 RM'000
Group		
(Loss)/profit before taxation	(177,760)	139,343
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	(42,662)	33,442
Effect of:		
Different tax rates in foreign branches	241	3,669
Zero tax rates in foreign countries	(206)	(7,536)
Share of results of associates	(3,602)	(3,081)
Share of results of joint ventures	(3,573)	(3,265)
Different tax rate on real property gain tax	-	(448)
Different tax rate for fair value changes in investment properties	(1,814)	(9,117)
Distribution to holders of Perpetual Sukuk	(11,539)	(11,562)
Foreign source income subject to tax	-	1,864
Income not subject to tax	(270)	(14)
Expenses not deductible for tax purposes	32,858	21,184
Utilisation of previously unrecognised deferred tax assets	(3,473)	(8,485)
Deferred tax assets not recognised during the financial year	68,422	13,883
Deferred tax assets in foreign countries not recognised during the financial year	12	10
Deferred tax assets in foreign branches not recognised during the financial year	-	599
Under/(over) provision of deferred tax in prior financial years	2,713	(3,110)
Over provision of income tax in prior financial years	(5,469)	(61,481)
Tax expense/(credit) for the financial year	31,638	(33,448)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	2023 RM'000	2022 RM'000
Company		
Profit before taxation	16,726	23,161
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	4,014	5,559
Income not subject to tax	(1,704)	(1,896)
Expenses not deductible for tax purposes	14,314	11,803
Distribution to holders of Perpetual Sukuk	(11,539)	(11,562)
Under provision of deferred tax in prior financial years	89	6
Over provision of income tax in prior financial years	(55)	(215)
Tax expense for the financial year	5,119	3,695

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41. (LOSS)/EARNINGS PER SHARE

(i) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
	RM'000	RM'000
(Loss)/profit attributable to ordinary equity holders of the Company	(254,148)	128,675
Weighted average number of shares in issue	1,417,236	1,417,236
Basic (loss)/earnings per share (sen)	(17.93)	9.08

(ii) Fully diluted

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/profit for the financial year attributable to ordinary equity holders of the Company is divided by the weighted average number of ordinary shares in issue during the financial year which have been adjusted for the dilutive effects of the share options granted to employees.

	Group	
	2023	2022
	RM'000	RM'000
(Loss)/profit attributable to ordinary equity holders of the Company	(254,148)	128,675
Weighted average number of shares in issue	1,417,236	1,417,236
Effect of dilution:		
Share options ^	-	-
Adjusted weighted average number of shares in issue and issuable	1,417,236	1,417,236
Diluted (loss)/earnings per share (sen)	(17.93)	9.08

^ All the employees' share options were anti-dilutive. The ESOS 2013/2023 has expired during the current financial year.

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements.

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42. DIVIDENDS

	Dividends in respect of financial year		Dividends recognised in financial year	
	2022	2021	2023	2022
	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year:				
Final dividend comprising:				
- Single-tier cash dividend of 0.50 sen per ordinary share on 1,417,235,529 ordinary shares paid on 15 July 2022	-	7,086	-	7,086
- Single-tier cash dividend of 0.50 sen per ordinary share on 1,417,235,529 ordinary shares paid on 17 July 2023	7,086	-	7,086	-
	7,086	7,086	7,086	7,086

43. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Contract revenue from:				
- associates	18,909	146,901	-	-
- companies in which certain Director has interest	483,049	661,855	-	-
Contract costs to a company in which certain Director has interest	(301,827)	(208,096)	-	-
Lease expense payable to:				
- subsidiaries	-	-	-	(3,109)
- joint ventures	(48)	(48)	-	-
- a company in which certain Directors have interest	(1,217)	(954)	-	(592)
Office utilities expense payable to a subsidiary	-	-	-	(137)
Season parking expense payable to a joint venture	(341)	(302)	-	(302)
Interest payable to subsidiaries	-	-	(22,058)	(7,819)
Management fee receivable from:				
- subsidiaries	-	-	15,259	18,194
- joint ventures	7,032	6,876	1,893	1,893
- associates	240	240	240	240
Gross dividend receivable from:				
- subsidiaries	-	-	7,100	7,900

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43. RELATED PARTY DISCLOSURES *cont'd*

(a) The Group and the Company had the following transactions with related parties during the financial year: *cont'd*

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest receivable from:				
- subsidiaries	-	-	95,022	89,347
- joint ventures	21,792	21,410	-	-
- associates	2,197	413	-	-
Rental income receivable from:				
- subsidiaries	-	-	3,111	2,846
- joint ventures	1,079	2,522	-	-
Office utilities income receivable from subsidiaries	-	-	192	125
Season parking income receivable from subsidiaries	-	-	325	287
Net (advances to)/repayment from:				
- associates	(240)	-	-	-
- joint ventures	5,577	(18,916)	-	-
Advance (to)/from non-controlling interest of subsidiaries	(72)	347	-	-
Office equipment rental income receivable from associates	62	152	-	-
Motor vehicle rental income receivable from joint ventures	129	496	-	-
Fees payable for retail management to:				
- joint ventures	(169)	(406)	-	-
- a company in which certain Directors have interest	(636)	(636)	-	-

The above transactions were transacted at terms and conditions mutually agreed with related parties. Balances with these parties are disclosed in Notes 11, 13, 14 and 20.

(b) Compensation of key management personnel

Remuneration on an aggregate basis paid to the top 5 senior management (not including Directors as disclosed in Note 39(c)) for the financial year are as follows:

	2023	2022
	RM'000	RM'000
Salaries	5,313	4,134
Other emoluments	21	77
Fees	60	29
Bonus	139	223
Employees' Provident Fund contribution	429	312
Benefits-in-kind	138	134
	6,100	4,909

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44. COMMITMENT

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Property, plant and equipment	2,204	19,936	106	106

45. GUARANTEES AND CONTINGENT LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(a) Corporate guarantees given to:				
- Financial institutions and trade suppliers for credit facilities granted to subsidiaries, joint ventures and associates	57,000	93,695	4,461,740	3,725,881
- Contract customers of subsidiaries, joint ventures and associates to secure the performance of their obligation for contract works	2,918,739	1,910,307	952,859	621,227
Letter of undertaking issued to financial institutions for credit facilities granted to subsidiaries and joint ventures	648,000	993,168	684,549	1,059,717
	3,623,739	2,997,170	6,099,148	5,406,825

As at reporting date, no values are ascribed on these guarantees and letter of undertaking provided by the Group and by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees and undertaking as minimal and the probability of default, based on historical track records of the parties receiving the guarantees and undertaking are remote.

	Group	
	2023	2022
	RM'000	RM'000
(b) Performance, advance payment and tender guarantee granted to:		
Clients of subsidiaries	387,620	412,738
Clients of a joint venture and associates	64,454	81,712
	452,074	494,450

As at the reporting date, no values are ascribed on these guarantees provided by the Group for the purpose described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

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45. GUARANTEES AND CONTINGENT LIABILITIES *cont'd*

	Group	
	2023 RM'000	2022 RM'000
(c) Tax matters under appeal by a subsidiary and a foreign branch of a subsidiary	17,463	1,931
(d) Share of contingent liabilities of associates (Note 9)	6,645	6,410

46. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points higher/lower, with all other variables held constant, the Group's (loss)/profit before taxation would have been RM2,166,000 (2022: RM1,666,000) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

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46. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2023									
Group									
Fixed rate									
Deposits	17	2.21	241,051	-	-	-	-	-	241,051
Hire purchase payables	24	5.31	(1,365)	(1,084)	(429)	(203)	(84)	-	(3,165)
MTN	29	5.05	(310,000)	-	-	-	-	-	(310,000)
Sukuk Murabahah	30	5.20	(200,000)	(350,000)	(310,000)	-	-	-	(860,000)
Floating rate									
Lease commitment payable	21	8.20	(5,547)	(6,001)	(6,876)	(7,440)	(8,051)	(54,507)	(88,422)
Lease liabilities	23	5.57	(16,083)	(16,228)	(16,433)	(16,737)	(17,109)	(71,331)	(153,921)
Revolving credits	26	4.65	(982,562)	-	-	-	-	-	(982,562)
Trade facilities	28	4.15	(61,169)	-	-	-	-	-	(61,169)
Term loans	27	5.56	(81,721)	(556,267)	(173,425)	(52,040)	(16,088)	-	(879,541)
Company									
Fixed rate									
Deposits	17	2.32	1,250	-	-	-	-	-	1,250
Lease liabilities	23	5.45	(3,332)	(3,362)	(3,114)	(2,534)	-	-	(12,342)
Sukuk Murabahah	30	5.20	(200,000)	(350,000)	(310,000)	-	-	-	(860,000)

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46. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: *cont'd*

	Note	WAEIR %	Within 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2022									
Group									
Fixed rate									
Deposits	17	2.01	128,518	-	-	-	-	-	128,518
Hire purchase payables	24	5.51	(3,402)	(1,529)	(974)	(601)	(34)	-	(6,540)
Term loans	27	10.00	(70,000)	-	-	-	-	-	(70,000)
MTN	29	5.05	-	(310,000)	-	-	-	-	(310,000)
Sukuk Murabahah	30	5.25	(500,000)	-	(200,000)	(310,000)	-	-	(1,010,000)
Floating rate									
Lease commitment payable	21	8.20	(4,716)	(5,547)	(5,547)	(6,002)	(8,769)	(62,980)	(93,561)
Lease liabilities	23	5.59	(15,317)	(14,263)	(14,784)	(15,467)	(16,737)	(88,440)	(165,008)
Revolving credits	26	3.76	(879,926)	-	-	-	-	-	(879,926)
Trade facilities	28	3.17	(63,295)	-	-	-	-	-	(63,295)
Term loans	27	4.33	(116,623)	(93,281)	(116,265)	(13,585)	(121,766)	(2,857)	(464,377)
Company									
Fixed rate									
Deposits	17	1.86	1,000	-	-	-	-	-	1,000
Lease liabilities	23	5.27	(3,155)	(3,118)	(3,350)	(3,101)	(2,772)	-	(15,496)
Sukuk Murabahah	30	5.25	(500,000)	-	(200,000)	(310,000)	-	-	(1,010,000)

Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. Other financial instruments that are not included in the above tables are not subject to material interest rate risk.

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollars ("USD"), United Arab Emirates Dirhams ("AED"), Bahrain Dinars ("BHD"), Qatari Riyals ("QAR") and Vietnamese Dong ("VND"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency which is pegged with the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

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46. FINANCIAL INSTRUMENTS *cont'd*

(c) Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit before taxation to a reasonably possible change in BHD, AED, QAR and USD against the respective functional currencies of the Group's entities, with all variables held constant.

	Group	
	Loss before taxation	Profit before taxation
	2023 RM'000	2022 RM'000
BHD/RM - Strengthen 3.00%	118	(118)
Weakened 3.00%	(118)	118
AED/RM - Strengthen 3.00%	8,304	(13,464)
Weakened 3.00%	(8,304)	13,464
QAR/RM - Strengthen 3.00%	5,089	(5,234)
Weakened 3.00%	(5,089)	5,234
USD/RM - Strengthen 3.00%	545	(509)
Weakened 3.00%	(545)	509

Included in the following statement of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currencies:

	Bahrain Dinars RM'000	UAE Dirhams RM'000	Qatar Riyals RM'000	Vietnamese Dong RM'000	United States Dollars RM'000	Total RM'000
Group						
At 31 December 2023						
Cash, deposit and bank balances	1,127	322	18,795	13,272	30	33,546
Receivables	4,316	181,808	41,460	637	-	228,221
Payables	(24)	(97,120)	(32,596)	(4)	(25)	(129,769)
At 31 December 2022						
Cash, deposit and bank balances	1,081	468	5,837	13,030	50	20,466
Receivables	4,203	343,433	71,776	404	-	419,816
Payables	(26)	(99,058)	(43,486)	-	(34)	(142,604)

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46. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Group				
As at 31 December 2023				
Trade and other payables	1,297,282	140,925	-	1,438,207
Lease commitment payables				
- Principal	5,547	28,368	54,507	88,422
- Interest	7,251	23,969	25,284	56,504
Hire-purchase and lease liabilities				
- Principal	17,448	68,307	71,331	157,086
- Interest	8,345	23,917	7,554	39,816
Due to related parties	1,621	-	-	1,621
Loans and borrowings				
- Principal	1,635,452	1,457,820	-	3,093,272
- Interest	132,076	58,741	-	190,817
	3,105,022	1,802,047	158,676	5,065,745
As at 31 December 2022				
Trade and other payables	998,025	170,387	-	1,168,412
Lease commitment payables				
- Principal	4,716	25,865	62,980	93,561
- Interest	7,658	26,090	30,414	64,162
Hire-purchase and lease liabilities				
- Principal	18,719	64,389	88,440	171,548
- Interest	9,107	27,457	12,112	48,676
Due to related parties	1,178	-	-	1,178
Loans and borrowings				
- Principal	1,629,844	1,164,897	2,857	2,797,598
- Interest	123,653	80,895	294	204,842
	2,792,900	1,559,980	197,097	4,549,977

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46. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity risk *cont'd*

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. *cont'd*

	On demand or within 1 year RM'000	More than 1 year less than 5 years RM'000	More than 5 years RM'000	Total RM'000
Company				
As at 31 December 2023				
Other payables	15,464	-	-	15,464
Lease liabilities				
- Principal	3,332	9,010	-	12,342
- Interest	608	713	-	1,321
Due to related parties				
- Principal	383,063	175,000	-	558,063
- Interest	31,698	3,576	-	35,274
Loans and borrowings				
- Principal	200,000	660,000	-	860,000
- Interest	39,210	26,129	-	65,339
	673,375	874,428	-	1,547,803
As at 31 December 2022				
Other payables	15,176	-	-	15,176
Lease liabilities				
- Principal	3,155	12,341	-	15,496
- Interest	786	1,321	-	2,107
Due to related parties				
- Principal	283,087	50,000	-	333,087
- Interest	13,651	2,582	-	16,233
Loans and borrowings				
- Principal	500,000	510,000	-	1,010,000
- Interest	42,763	52,260	-	95,023
	858,618	628,504	-	1,487,122

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise other receivables, due from related parties and cash and bank balances arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

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46. FINANCIAL INSTRUMENTS *cont'd*

(e) Credit risk *cont'd*

On the trade receivables disclosed in Note 11, the Group has received a further RM126,950,000 (2022: RM107,600,000) subsequent to the reporting period. Management is closely monitoring its credit risk and is taking appropriate credit control measures for the collection of the remaining balances.

The exposure of credit risk for trade receivables as at the reporting date by geographic region are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Malaysia	1,033,762	1,004,338
Middle East	36,583	61,688
	<u>1,070,345</u>	<u>1,066,026</u>

(f) Fair values

(i) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

		Fair value measurement using			
	Note	Total	Quoted prices (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		RM'000	RM'000	RM'000	RM'000
Group					
As at 31 December 2023					
Assets measured at fair value					
Investment properties	7	1,805,392	-	-	1,805,392
Property, plant and equipment					
- Freehold land and buildings	4	298,510	-	-	298,510
Right-of-use assets:					
- Property, plant and equipment	23	37,019	-	-	37,019
- Investment properties	23	115,751	-	-	115,751
As at 31 December 2022					
Assets measured at fair value					
Investment properties	7	1,789,057	-	-	1,789,057
Property, plant and equipment					
- Freehold land and buildings	4	143,468	-	-	143,468
Right-of-use assets:					
- Property, plant and equipment	23	38,163	-	-	38,163
- Investment properties	23	120,736	-	-	120,736

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46. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

(i) *cont'd*

There are no liabilities measured at fair value.

There were no transfer between Level 1, Level 2 and Level 3 during the financial year.

- (ii) Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2023				
Financial liabilities				
Sukuk Murabahah	(860,000)	(858,589)	(860,000)	(858,589)
As at 31 December 2022				
Financial liabilities				
Sukuk Murabahah	(1,010,000)	(1,004,492)	(1,010,000)	(1,004,492)

The management assessed that cash and short-term deposits, trade and other receivables, trade and other payables, due from/to related parties and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments or the effects of discounting are immaterial.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (a) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- (b) The fair values of the Sukuk Murabahah and MTNs are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments are also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

- (c) The fair values of the Group's interest-bearing borrowings and loans are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at 31 December 2023 was assessed to be insignificant.

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46. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets at amortised cost ("FAAC")
- (ii) Financial liabilities at amortised cost ("FLAC")

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2023				
Group				
Financial assets				
Trade receivables	11	1,070,345	1,070,345	-
Other receivables, excluding prepayment and advances to subcontractors	13	266,801	266,801	-
Due from related parties	14	583,273	583,273	-
Cash and bank balances	17	414,690	414,690	-
		<u>2,335,109</u>	<u>2,335,109</u>	<u>-</u>
Financial liabilities				
Due to related parties	14	(1,621)	-	(1,621)
Trade payables	19	(1,187,167)	-	(1,187,167)
Other payables	20	(251,040)	-	(251,040)
Lease commitment payable	21	(88,422)	-	(88,422)
Hire-purchase and lease liabilities	23	(157,086)	-	(157,086)
Borrowings	25	(3,093,272)	-	(3,093,272)
		<u>(4,778,608)</u>	<u>-</u>	<u>(4,778,608)</u>

NOTES TO THE FINANCIAL STATEMENTS

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46. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2023				
Company				
Financial assets				
Other receivables, excluding prepayment	13	169	169	-
Due from related parties	14	1,874,180	1,874,180	-
Cash and bank balances	17	2,449	2,449	-
		1,876,798	1,876,798	-
Financial liabilities				
Due to related parties	14	(558,063)	-	(558,063)
Other payables	20	(15,464)	-	(15,464)
Lease liabilities	23	(12,342)	-	(12,342)
Borrowings	25	(860,000)	-	(860,000)
		(1,445,869)	-	(1,445,869)
At 31 December 2022				
Group				
Financial assets				
Trade receivables	11	1,066,026	1,066,026	-
Other receivables, excluding prepayment and advances to subcontractors	13	414,663	414,663	-
Due from related parties	14	557,339	557,339	-
Cash and bank balances	17	233,796	233,796	-
		2,271,824	2,271,824	-
Financial liabilities				
Due to related parties	14	(1,178)	-	(1,178)
Trade payables	19	(950,171)	-	(950,171)
Other payables	20	(218,241)	-	(218,241)
Lease commitment payable	21	(93,561)	-	(93,561)
Hire-purchase and lease liabilities	23	(171,548)	-	(171,548)
Borrowings	25	(2,797,598)	-	(2,797,598)
		(4,232,297)	-	(4,232,297)

NOTES TO THE FINANCIAL STATEMENTS

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46. FINANCIAL INSTRUMENTS *cont'd*

(g) Categories of financial instruments *cont'd*

The table below provides an analysis of financial instruments categorised as follows: *cont'd*

	Note	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
At 31 December 2022				
Company				
Financial assets				
Other receivables, excluding prepayment	13	169	169	-
Due from related parties	14	1,837,454	1,837,454	-
Cash and bank balances	17	4,394	4,394	-
		<u>1,842,017</u>	<u>1,842,017</u>	<u>-</u>
Financial liabilities				
Due to related parties	14	(333,087)	-	(333,087)
Other payables	20	(15,176)	-	(15,176)
Lease liabilities	23	(15,496)	-	(15,496)
Borrowings	25	(1,010,000)	-	(1,010,000)
		<u>(1,373,759)</u>	<u>-</u>	<u>(1,373,759)</u>

47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	1 January 2023 RM'000	Cash flows RM'000	Other RM'000	31 December 2023 RM'000
Current interest-bearing loans and borrowings	1,629,844	(838,499)	844,107	1,635,452
Current hire-purchase and lease liabilities	18,719	(39,372)	38,101	17,448
Non-current interest-bearing loans and borrowings	1,167,754	944,961	(654,895)	1,457,820
Non-current hire-purchase and lease liabilities	152,829	-	(13,191)	139,638
Total liabilities from financing activities	<u>2,969,146</u>	<u>67,090</u>	<u>214,122</u>	<u>3,250,358</u>
	1 January 2022 RM'000	Cash flows RM'000	Other RM'000	31 December 2022 RM'000
Current interest-bearing loans and borrowings	1,741,318	(933,665)	822,191	1,629,844
Current hire-purchase and lease liabilities	23,521	(44,116)	39,314	18,719
Non-current interest-bearing loans and borrowings	1,097,057	778,651	(707,954)	1,167,754
Non-current hire-purchase and lease liabilities	167,284	-	(14,455)	152,829
Total liabilities from financing activities	<u>3,029,180</u>	<u>(199,130)</u>	<u>139,096</u>	<u>2,969,146</u>

NOTES TO THE FINANCIAL STATEMENTS

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47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES *cont'd*

Company

	1 January 2023 RM'000	Cash flows RM'000	Other RM'000	31 December 2023 RM'000
Current interest-bearing loans and borrowings	500,000	(574,545)	274,545	200,000
Current hire-purchase and lease liabilities	3,155	(3,940)	4,117	3,332
Non-current interest-bearing loans and borrowings	510,000	350,000	(200,000)	660,000
Non-current hire-purchase and lease liabilities	12,341	-	(3,331)	9,010
Total liabilities from financing activities	1,025,496	(228,485)	75,331	872,342

	1 January 2022 RM'000	Cash flows RM'000	Other RM'000	31 December 2022 RM'000
Current interest-bearing loans and borrowings	400,000	(470,451)	570,451	500,000
Current hire-purchase and lease liabilities	2,731	(3,701)	4,125	3,155
Non-current interest-bearing loans and borrowings	810,000	200,000	(500,000)	510,000
Non-current hire-purchase and lease liabilities	14,238	-	(1,897)	12,341
Total liabilities from financing activities	1,226,969	(274,152)	72,679	1,025,496

48. CAPITAL MANAGEMENT

For the purpose of the Group's and the Company's capital management, capital includes their respective issued capital and all equity reserves attributable to the equity holders of the Company and of the subsidiaries of the Company, as the case may be. The primary objective of the capital management of the Group and of the Company is to maximise the shareholders' value.

In order to achieve this overall objective, the Group would continue to observe all the financial covenants attached to the Group's loans and borrowings. Breaches of such financial covenants may result in the banks and financial institutions calling back their loans and borrowings prior to the scheduled repayment dates. There have been no breaches of the financial covenants of any loans and borrowings in the current year.

The Group manages their capital structures and constantly makes adjustments after taking into account changes in the economic conditions and the financial covenants imposed on the Group. In managing the capital structure, the Group may declare varying dividends to its shareholders, return capital to shareholders and/or issue or buy back its shares. The Group also monitors its capital using a gearing ratio, which is defined as net debt divided by total equity. The net gearing ratio of the Group at the reporting date stood at 0.73 (2022: 0.66) time. The Group is continuously working towards reducing its gearing level via various de-gearing initiatives, such as equity fund raising, assets monetisation, disposal of lands which are not for immediate development as well as intensifying sales of the Group's existing properties under the property development segment in order to strengthen the Group's financial position and thereby improving the gearing level of the Group.

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31 December 2023

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48. CAPITAL MANAGEMENT *cont'd*

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	3,093,272	2,797,598	860,000	1,010,000
Less: Cash and bank balances	(414,690)	(233,796)	(2,449)	(4,394)
Net debt	2,678,582	2,563,802	857,551	1,005,606
Equity attributable to the owners of the Company	2,896,518	3,138,699	3,340,609	3,384,169
Perpetual Sukuk	820,133	819,449	820,133	819,449
Non-controlling interest	(29,785)	(51,638)	-	-
Total equity	3,686,866	3,906,510	4,160,742	4,203,618
Net gearing ratio	73%	66%	21%	24%

The definition of gearing ratio is not governed by the MFRS and IFRS and may vary from one company to another.

49. ARBITRATION AWARDS

Pursuant to the cancellation of the contract ("Contract") (previously awarded to WCTB Dubai Branch and Arabtec in a 50:50 joint venture ("the Joint Venture")) by Meydan Group LLC ("Meydan or the Employer") for the construction works in relation to the Nad Al Sheba Racecourse Project ("DRC Project") in which the Joint Venture was the main contractor and pursuant further to Meydan's subsequent call on the Joint Venture's bank guarantees, WCTB Dubai Branch, on 11 January 2009, jointly with Arabtec, commenced an arbitration proceeding against Meydan in the Dubai International Arbitration Centre for breach of contract and to enforce the Joint Venture's rights and remedies including the recovery of all amounts due under the Contract as well as damages.

The Joint Venture's bank guarantees that were called comprised the Performance Security amounting to AED461,300,000 (Group's share: AED230,650,000 or approximately RM288,565,000*) and the Advance Payment Guarantee amounting to AED77,300,000 (Group's share: AED38,650,000 or approximately RM48,355,000*). Management has accrued the amount payable on the Performance Security in the Group's consolidated financial statements, and has simultaneously recorded a receivable for the same amount from Meydan, pending resolution of the arbitration.

The Joint Venture's dispute and claims had been revised from time to time and the Group's share of the revised claims was in excess of AED1,400,000,000 (or approximately RM1,751,533,000*).

On 27 February 2013, WCTB Dubai Branch was informed by Arabtec that its board of directors has agreed to Meydan's proposal for Arabtec and Meydan to withdraw all pending legal cases as between themselves without prejudice to their respective rights and proceed with negotiations for an amicable settlement. Pursuant thereto, Arabtec and Meydan had withdrawn their respective claims and counterclaims as against themselves, from the DIAC Case No. 02/2009. The arbitration proceedings then continued as between WCTB Dubai Branch and Meydan in respect of WCTB Dubai Branch's rights in its share of the Joint Venture's claims namely approximately AED1,400,000,000 (or approximately RM1,751,533,000*).

On 8 July 2015, WCTB Dubai Branch received the Final Award of the Arbitration Tribunal in DIAC Case No. 02/2009, dated 5 July 2015 ("the Award"), where the Arbitration Tribunal had found and ruled in favor of WCTB Dubai Branch, amongst others, that:

1. Meydan's cancellation and purported termination of the Contract was unlawful, invalid and of no effect; and
2. Meydan was not entitled to call on the Joint Venture's Performance Security and must repay the same.

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49. ARBITRATION AWARDS *cont'd*

Consequently, the Arbitration Tribunal awarded to and in favor of WCTB Dubai Branch, and ordered Meydan to pay WCTB Dubai Branch a total of AED1,152,651,000 (approximately RM1,442,076,000*) being the aggregate of the following:

- (i) Principal sum of AED1,117,802,000 (approximately RM1,398,476,000*) ("Principal Sum");
- (ii) Arbitration costs of AED8,197,000 (approximately RM10,255,000*); and
- (iii) Legal costs of AED26,652,000 (approximately RM33,344,000*).

WCTB Dubai Branch had on 4 March 2019, filed an application for an order to recognise the Award with the local Dubai Civil Court of Appeal. Concurrently, Meydan had also filed an application in the local Dubai Civil Court to annul the Award. On 1 May 2019, the Dubai Civil Court of Appeal issued its decision and order to recognise the Award. On 16 June 2019, the Government of Dubai, through His Highness' The Ruler's Court decreed that all claims filed by or against Meydan and/or its subsidiaries in the Dubai Civil Courts be stayed and be referred to a Special Judicial Committee. Both WCTB Dubai Branch's application for recognition of the Award and Meydan's application to annul the Award was then referred to the Special Judicial Committee accordingly.

On 12 January 2021, WCTB Dubai Branch received the Special Judicial Committee's decision dated 10 January 2021 where the Special Judicial Committee dismissed Meydan's application to annul the Award, dismissed Meydan's opposition of WCTB Dubai Branch's application to recognise the Award and upheld the Court of Appeal's decision dated 1 May 2019 recognising the Award.

On 13 July 2021, WCTB and Meydan entered into a settlement agreement ("Settlement Agreement") whereby Meydan will pay WCTB and WCTB will accept a sum of AED726,571,000 (approximately RM828,248,000*) ("Settlement Sum") being a sum equivalent to 65% of the Principal Sum, in full and final settlement of all sums due and payable under the Award (the entire transaction shall hereinafter be referred to as "Meydan Settlement"). The Settlement Sum is to be paid in the following manner:

- (a) A sum of AED279,450,000 (approximately RM318,557,000*), being a sum equivalent to 25% of the Principal Sum on or before 20 July 2021 ("Initial Payment"); and
- (b) The balance AED447,121,000 (approximately RM509,691,000*), being a sum equivalent to 40% of the Principal Sum ("Balance Settlement Sum"), in 12 equal quarterly instalments of AED37,260,000 (approximately RM42,474,000*) each commencing from 20 October 2021.

Simultaneously with the execution of the Settlement Agreement and in accordance with the terms therein, Meydan has delivered a promissory note executed by Meydan in favour of WCTB. If enforced, the promissory note unconditionally and irrevocably promises WCTB that Meydan will pay on demand the Balance Settlement Sum.

On 16 July 2021, WCTB received a sum of AED279,450,000 (approximately RM319,180,000**) being the Initial Payment in accordance with the Settlement Agreement dated 13 July 2021. With the receipt of the Initial Payment, the Settlement Agreement has become unconditional and all sums other than the Settlement Sum which would otherwise be due under the Award is deemed waived and discharged by WCTB and both WCTB Dubai Branch and Meydan will take steps to withdraw all pending proceedings against each other in relation to the Contract and/or the Award. WCTB has as at 31 December 2023 duly received the quarterly instalments in accordance with and pursuant to the payment schedule in the Settlement Agreement. As at 31 December 2023, the remaining amount receivable from Meydan (after discounting) was AED111,780,000 (approximately RM139,848,000*) (2022: AED260,820,000 or approximately RM313,056,000*), of which the entire amount (2022: AED149,040,000 or approximately RM179,889,000*) is receivable within the next 12 months from 31 December 2023 as disclosed in Note 13.

- (i) Movements of the allowance for expected credit losses are as follows:

	2023	2022
	RM'000	RM'000
At 1 January	11,940	28,164
Reversal of allowance (Note 37)	(10,325)	(18,012)
Exchange differences	438	1,788
At 31 December	2,053	11,940

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49. ARBITRATION AWARDS *cont'd*

The Group's share of assets and liabilities of the Joint Venture are as follows:

	2023 RM'000	2022 RM'000
Statement of financial position	*	#
Non-current asset		
Property, plant and equipment	1	1
	1	1
Current assets		
Cash and bank balance	1	1
Other receivables		
Sundry receivables	5	4
Advances paid to suppliers and subcontractors	7,071	6,784
	7,077	6,789
Total assets	7,078	6,790
Current liabilities		
Trade payables	344	330
Other payables ⁽¹⁾	32,608	31,284
Retention payable - current portion	3,057	2,933
Advance received from customer	9,517	9,130
	45,526	43,677
Total liabilities	45,526	43,677
Exchange reserve	14,778	14,042
Net liabilities	(38,448)	(36,887)
Deficit	(23,670)	(22,845)

⁽¹⁾ Include payables of RM21,694,000 (2022: RM20,813,000) in respect of the Nominated Subcontractors of the DRC Project.

* Based on exchanges rate as at 31 December 2023

Based on exchanges rate as at 31 December 2022

^ Based on exchanges rate as at 13 July 2021

** Based on exchanges rate as at 15 July 2021

50. MATERIAL LITIGATIONS

Segi Astana had on 21 March 2019 through its solicitors served a Notice of Arbitration dated 21 March 2019 on MAHB, claiming against MAHB an estimated sum of not less than RM70,000,000 in respect of losses and damages suffered pertaining to, inter alia, the delay in the commencement of the commercial operation of the KLIA-2 Integrated Complex ("SASB's Claim"). The sums are payable pursuant to the Concession Agreement dated 22 September 2011 executed between Segi Astana, WCTB and MAHB ("Concession Agreement").

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50. MATERIAL LITIGATIONS *cont'd*

Concurrently, Segi Astana and WCTB had on 21 March 2019, received a Notice of Arbitration from MAHB through its solicitors, whereby MAHB is claiming from Segi Astana and WCTB fixed monthly charges of RM958,849 per month for the supply of chilled water for the cooling system of the KLIA-2 Integrated Complex from September 2013 to date, allegedly due pursuant to the Concession Agreement ("MAHB's Claim").

After completing the arbitral proceedings in respect of MAHB's Claim, Segi Astana had on 2 April 2021, received the Arbitrator's final award, where the Arbitrator had issued the following orders:

- (i) A declaration that fixed monthly charges for chilled water for the cooling system of the KLIA-2 Integrated Complex at the rate of RM958,849.33 per month is payable by Segi Astana to MAHB on a monthly basis from 2 May 2014 to September 2020 (amounting to RM73,832,000). SASB has since October 2020 adopted the stipulated fixed monthly charges of RM958,849.33 per month;
- (ii) An order for specific performance of Segi Astana's obligations under clause 8.1(d) of the Concession Agreement (where Segi Astana is to procure chilled water from MAHB's privatised chilled water supplier, Airport Cooling Energy Supply Sdn. Bhd. ("ACES"));
- (iii) Consequent to (ii) above, Segi Astana is to pay RM73,832,000 to ACES;
- (iv) Segi Astana is to pay MAHB RM894,000 for legal, arbitral and other related costs incurred; and
- (v) Segi Astana is to pay 5% per annum interest on all sums payable by Segi Astana to MAHB.

In addition to the above, the Arbitrator also made the following ruling:

- (vi) All claims by MAHB against WCTB are dismissed;
- (vii) No late payment interest is payable on the amount of RM73,832,000 payable by Segi Astana to ACES.

Pursuant to the receipt of further legal advice on the above final award in respect of the MAHB's Claim and in accordance thereto, Segi Astana has filed an application at the High Court of Malaya to challenge the validity of the final award. Concurrently, MAHB had also filed an application to the High Court of Malaya for recognition of the final award. Both applications were heard together by the High Court and on 1 September 2021 the High Court dismissed Segi Astana's application and allowed MAHB's application. On 10 September 2021, Segi Astana filed appeals to the Court of Appeal against the aforesaid High Court decisions.

On 1 November 2021, MAHB and Segi Astana entered into a mutually agreed amicable payment agreement for the amounts awarded under the final award in respect of the MAHB's Claim to be settled by Segi Astana progressively over a period of nine (9) months. Pursuant to the terms of the payment agreement, all pending legal proceedings arising from the arbitration in respect of the MAHB's Claim were discontinued and withdrawn with no order as to costs. Although the said payment agreement did not reduce the amount payable, it deferred SASB's repayment of the final of MAHB's Claim to August 2022.

Of the total amount payable amounting to RM74,726,000 (comprising RM73,832,000 final award of MAHB's Claim and incidental costs of RM894,000 which were accrued for during the financial year ended 31 December 2020), Segi Astana has fully paid the entire RM74,726,000 as at reporting date.

Separately, on 22 November 2022, Segi Astana received the Arbitral Tribunal's Final Award in respect of SASB's Claim where the Tribunal had issued the following orders:

- (i) MAHB to pay Segi Astana RM4,598,000 as damages within 30 calendar days of the date of the Tribunal's final award ("SASB's Award");
- (ii) MAHB to pay Segi Astana interest at the rate of 5% per annum on the SASB's Award from the date of the notice of arbitration (21 March 2019) until the date when Segi Astana receives the SASB's Award in full; and
- (iii) MAHB to pay Segi Astana RM1,300,000 for legal, arbitral and other related costs incurred.

As at the date of this report, MAHB has fully settled the above mentioned amounts.

In the previous financial year, Segi Astana had recognised a total of RM6,925,000 gain in relation to SASB's Award, of which the Group's share of the gain amounted to RM4,847,000.

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51. SIGNIFICANT EVENTS

During the financial year:

(a) Step acquisition of WCT TSR

Details are disclosed in Note 8(a).

(b) Additional issuance of Sukuk Murabahah

Details on issuance of Sukuk Murabahah are disclosed in Note 30.

52. SUBSEQUENT EVENTS

(a) Additional drawdown of term loan

On 28 February 2024 and 1 April 2024, a subsidiary of the Company drawdown additional RM200,000,000 in 2 tranches of RM100,000,000 each under Term loan I (refer Note 27(i)), to refinance the existing Sukuk Murabahah which bears interest rate at 2.25% per annum over the bank's cost of funds and is secured by corporate guarantee and negative pledge from the Company. The principal repayment shall be on the 18th month from the date of first drawdown.

(b) Additional issuance of Sukuk Murabahah

On 11 March 2024, the Company issued additional RM50,000,000 nominal value of Sukuk Murabahah to partially redeem the existing Perpetual Sukuk Musharakah. This issuance has a tenure of 2 years and at a profit rate of 6.10% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

On 14 March 2024, the Company issued an additional RM100,000,000 nominal value of Sukuk Murabahah with a tenure of 12 months at a profit rate of 6.00% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

On 5 April 2024, the Company issued an additional RM100,000,000 nominal value of Sukuk Murabahah with a tenure of 18 months at a profit rate of 5.40% per annum, payable semi-annually in arrears commencing 6 months after the issue date.

(c) Incorporation of an associate

On 19 March 2024, WCT Bahrain W.L.L. was incorporated in the Kingdom of Bahrain with an issued and paid-up share capital of 500 shares or Bahraini Dinar of BHD5,000 (approximately RM62,000*). WCTB had subscribed for 49% of the share capital of WCT Bahrain W.L.L. and the remaining 51% was subscribed by a third party, Pinnacle W.L.L..

* Based on exchanges rate as at 19 March 2024

(d) Redemption of AVSB RCPS-A

Subsequent to year end, Atlanta Villa redeemed from GPSB a total of 20,000,000 AVSB RCPS-A for a total cash redemption sum of RM20,000,000.

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53. SEGMENT INFORMATION

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments:

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2023						
Revenue						
Revenue from external customers	1,148,226	362,005	217,118	-	-	1,727,349
Inter-segment revenue	181,937	-	4,782	-	(186,719)	-
Total revenue	1,330,163	362,005	221,900	-	(186,719)	1,727,349
Result						
(Loss)/Profit from operations	(219,765)	20,179	121,356	-	-	(78,230)
Finance costs						(129,425)
Share of (loss)/profit of associates	(2,139)	14,382	-	2,765	-	15,008
Share of profit/(loss) of joint ventures	556	(17,043)	31,374	-	-	14,887
Taxation						(31,638)
Loss after taxation						(209,398)
Assets and liabilities						
Segment assets	3,038,904	2,724,136	2,401,549	5	-	8,164,594
Interest in						
- associates	904	77,870	-	111,763	-	190,537
- joint ventures	-	50,082	262,404	-	-	312,486
						8,667,617
Segment liabilities	3,225,575	740,832	1,014,340	-	4	4,980,751

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53. SEGMENT INFORMATION *cont'd*

Business segments *cont'd*

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segments: *cont'd*

	Engineering and construction RM'000	Property development RM'000	Property investment and management RM'000	Unallocated RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2022						
Revenue						
Revenue from external customers	1,468,861	451,509	184,498	-	-	2,104,868
Inter-segment revenue	149,044	-	3,954	-	(152,998)	-
Total revenue	1,617,905	451,509	188,452	-	(152,998)	2,104,868
Result						
Profit from operations	47,656	17,938	157,416	-	-	223,010
Finance costs						(110,108)
Share of profit of associates	690	9,671	-	2,477	-	12,838
Share of profit/(loss) of joint ventures	1,784	(8,203)	20,022	-	-	13,603
Taxation						33,448
Profit after taxation						172,791
Assets and liabilities						
Segment assets	2,836,279	2,621,718	2,371,012	5	-	7,829,014
Interest in						
- associates	3,043	63,488	-	104,725	-	171,256
- joint ventures	6,283	66,738	230,453	-	-	303,474
						8,303,744
Segment liabilities	2,943,942	492,542	960,729	-	21	4,397,234

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

cont'd

53. SEGMENT INFORMATION *cont'd*

Geographical segments

The following table provides an analysis of the Group's revenue and assets, analysed by geographical segments:

	Total revenue from external customers		Segment assets	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,724,211	2,089,279	8,306,589	7,770,389
Middle East	3,138	15,589	249,186	428,585
India	-	-	111,768	104,731
Others	-	-	74	39
Consolidated	1,727,349	2,104,868	8,667,617	8,303,744

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables other than those disclosed in Note 11. The Group's normal trade credit terms for trade receivables are 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

(a) Reporting format

The Group has 3 reportable segments as described below, which are the Group's strategic business units. Management monitors the operating results of its business segments for the purpose of decision making. Segment performance is evaluated based on profitability and is measured consistently with operating profit in the consolidated financial statements. However, Group's financing and income taxes are managed on a group basis and are not allocated to operating segments.

(b) Business segments

The following are the main business segments:

- (i) engineering and construction - engineering works specialising in earthworks, highway construction and related infrastructure works;
- (ii) property development - the development of residential and commercial properties; and
- (iii) property investment and management - holding and management of assets for capital appreciation and rental income.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's business segments operate in four main geographical areas:

- (i) Malaysia - the operations in this area are principally engineering and constructions, property development, property investment and management and investment holding;
- (ii) Middle East - the operations in this area are principally through the construction of roads, utilities, underground car parks and a light rail transit station in a new township and the construction of a government administration building in Qatar;
- (iii) India - the operation in this area is principally the highway concessionaire; and
- (iv) Others - primarily investment holding companies in Mauritius and Vietnam.

(d) Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

LIST OF TOP 10 PROPERTIES OF THE GROUP

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	Date of Valuation/ Acquisition/ Completion	Carrying value as at 31 December 2023 RM
1.	Seven (7) parcels of land at Mukim of Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan.	On-going and Future mixed development	58.33 acres	Freehold	Property development project	Acquisition: SSA date – 14 March 2012; 25 November 2015	1,152,518,749
		Completed stock properties: residential condominiums	1,088 sf to 1,691sf Total = 68,323 sf	Freehold	For Sales	Completion: 18 June 2020	
2.	Paradigm Mall, Johor Bahru Jalan Mewah Ria 2, Taman Bukit Mewah, 81200 Johor Bahru, Johor Darul Takzim.	A 6-storey shopping mall together with 2 storey car park and a basement car park	1,287,000 sf (Retail net lettable area)	Freehold/7	Owner operated	Valuation: December 2023	1,141,903,850
3.	Paradigm Mall, Petaling Jaya No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	A 6-storey shopping mall together with 2 levels of basement	672,000 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 9 February 2111/10	Owner operated	Valuation: December 2023	618,701,700
4.	Bukit Tinggi Shopping Centre, No.1, Persiaran Batu Nilam 1/KS 6, Bandar Bukit Tinggi 2, 41200 Klang, Selangor Darul Ehsan.	A 6-storey shopping mall and a parcel of commercial land	1,000,950 sf (Retail gross lettable area)	Freehold/16	Leased to AEON Co. (M) Bhd	Valuation: December 2023	609,417,700
5.	gateway@klia2, KL International Airport, Jalan klia 2/1, 64000 KLIA, Sepang, Selangor Darul Ehsan.	Integrated Complex with shopping mall, transportation hub and airport car park building with 5,690 parking lots	383,000 sf (Retail net lettable area)	Leasehold interest expiring 11 February 2034/9	Owner operated	Completion: 20 September 2013	449,619,110
6.	Le Méridien Hotel, Petaling Jaya No.1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	A five-star hotel with 300 fully furnished guest rooms with hotel facilities	316,466 sf	Leasehold interest 99 years expiring on 9 February 2111/6	Owner operated	Valuation: December 2023	252,000,000
7.	Nine (9) parcels of land at Mukim Pulau, Daerah Johor Bahru, Negeri Johor.	Proposed commercial development	20.8 acres	Leasehold interest 99 years expiring on 14 February 2107	Vacant	Acquisition: SPA date – 14 December 2010; 22 August 2013; 30 December 2014	200,410,759

LIST OF TOP 10 PROPERTIES OF THE GROUP

cont'd

No.	Location	Description	Land area or Built-up Area under Valuation (sq ft = sf)	Tenure/ Age of Building (where applicable) (Years)	Existing Use	Date of Valuation/ Acquisition/ Completion	Carrying value as at 31 December 2023 RM
8.	Hyatt Place Johor Bahru Paradigm Mall, Paradigm Mall Johor Bahru, Lot 32665 (PTD 63695), Jalan Mewah Ria 2, Taman Bukit Mewah, 81200 Johor Bahru, Johor.	A 4-star hotel with 204 fully-furnished hotel rooms together with hotel facilities	539,347 sf	Freehold	Owner operated	Valuation: December 2023	145,000,000
9.	The Ascent, Paradigm No.1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	Corporate office tower	520,596 sf (Net lettable area)	Lease period of 15 years expiring on 11 July 2032	Tenanted	Valuation: December 2023	132,130,568
10.	No.2 , Persiaran Medini Utara 3, 79000 Nusajaya, Johor Darul Takzim.	Completed stock properties: residential condominiums, retail office, commercial office	796 sf to 20,328 sf Total = 365,177 sf	Leasehold interest 99 years expiring on 1 January 2111/7 to 9	For sales	Completion: June 2015 to March 2017	127,274,243

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

(A) ORDINARY SHARES AS AT 29 MARCH 2024

Total number of issued shares : 1,417,235,529^
Voting rights : One (1) vote per ordinary share

(1) Analysis by size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	5,009	26.79	205,907	0.02
100 -1,000	2,208	11.81	769,458	0.05
1,001 -10,000	5,856	31.33	26,256,073	1.85
10,001 - 100,000	4,701	25.15	139,444,409	9.84
100,001 to less than 5% of issued shares	918	4.91	910,832,259	64.27
5% and above of issued shares	2	0.01	339,727,423	23.97
Total	18,694	100.00	^1,417,235,529	100.00

^excluding treasury shares of 914,942

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%*
1	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account -AmBank (M) Berhad for Dominion Nexus Sdn Bhd)	257,220,078	18.15
2	AmanahRaya Trustees Berhad (Amanah Saham Bumiputera)	82,507,345	5.82
3	Cheah Fook Ling	56,000,460	3.95
4	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Tan Sri Lim Siew Choon (PB))	43,436,137	3.06
5	AmanahRaya Trustees Berhad (Amanah Saham Malaysia 2-Wawasan)	35,217,170	2.48
6	AmanahRaya Trustees Berhad (Amanah Saham Malaysia)	34,990,076	2.47
7	Citigroup Nominees (Tempatan) Sdn Bhd (UBS AG Singapore for Lee Vui Han)	31,454,400	2.22
8	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Sri Lim Siew Choon)	30,865,600	2.18
9	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Sri Lim Siew Choon)	25,800,000	1.82
10	Cartaban Nominees (Asing) Sdn Bhd (SSBT Fund J724 for SPDR Portfolio Emerging Markets ETF)	19,347,126	1.36
11	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB for Choo Chuo Siong (PB))	18,706,478	1.32

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024
cont'd

(2) Thirty Largest Shareholders cont'd

No.	Names	No. of Shares	%*
12	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (LBF))	18,418,900	1.30
13	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Koh Goh Yuan)	14,199,600	1.00
14	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (LEEF))	13,109,200	0.92
15	HSBC Nominees (Asing) Sdn Bhd (JPMCB NA for Vanguard Total International Stock Index Fund)	12,652,477	0.89
16	HSBC Nominees (Asing) Sdn Bhd (JPMCB NA for Vanguard Emerging Markets Stock Index Fund)	11,980,664	0.84
17	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for TNTT Realty Sdn Bhd)	10,503,339	0.74
18	Goh Chin Liong	9,948,005	0.70
19	Maybank Nominees (Tempatan) Sdn Bhd (National Trust Fund (IFM Kenanga) (410196))	9,768,000	0.69
20	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (RHB Islamic))	9,662,265	0.68
21	Maybank Nominees (Tempatan) Sdn Bhd (Etiqa Life Insurance Berhad (Growth))	9,201,696	0.65
22	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (DR))	8,762,100	0.62
23	Cimsec Nominees (Asing) Sdn Bhd (CIMB for Stonecat Corporation (PB))	8,306,265	0.59
24	CIMB Group Nominees (Tempatan) Sdn Bhd (AIIAMAN Asset Management Sdn Bhd for Lembaga Tabung Haji)	7,532,992	0.53
25	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt AN for OCBC Securities Private Limited (Client A/C-R ES))	7,482,891	0.53
26	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients))	6,730,181	0.47
27	Pintaras Jaya Bhd	6,593,602	0.46
28	CIMB Islamic Nominees (Tempatan) Sdn Bhd (CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund)	5,634,700	0.40
29	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Toh Hooi Hak)	5,600,000	0.39
30	Kenanga Investment Bank Berhad (IVT Naga 8)	5,411,500	0.38

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

cont'd

(3) Substantial Shareholders as per Register of Substantial Shareholders

Name	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
Tan Sri Lim Siew Choon	105,142,753	7.42	257,220,078 ¹	18.15
Legacy Pacific Limited	-	-	257,220,078 ²	18.15
Dominion Nexus Sdn Bhd	257,220,078	18.15	-	-
AmanahRaya Trustees Berhad -Skim Amanah Saham Bumiputera	82,507,345	5.82	-	-

(B) STATEMENT OF DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 29 MARCH 2024

Directors' Interests in Ordinary Shares

Name	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
Tan Sri Lim Siew Choon	105,142,753	7.42	257,220,078 ¹	18.15
Dato' Lee Tuck Fook	-	-	-	-
Datuk Chow Ying Choon	-	-	-	-
Tan Sri Marzuki Bin Mohd Noor	-	-	-	-
Datuk Ab Wahab Bin Khalil	-	-	-	-
Dato' Ng Sooi Lin	-	-	-	-
Ng Soon Lai @ Ng Siek Chuan	-	-	-	-
Rahana Binti Abdul Rashid	-	-	-	-

Notes:

* Based on 1,417,235,529 shares (Total number of issued shares of 1,418,150,471 less treasury shares of 914,942)

¹ Deemed interested by virtue of his interest in Dominion Nexus Sdn Bhd via Legacy Pacific Limited.

² Deemed interested by virtue of its interest in Dominion Nexus Sdn Bhd

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting (“13th AGM”) of WCT Holdings Berhad (“WCT” or “the Company”) will be held virtually through live streaming from the broadcast venue at the Meeting Room, Level 3, Le Méridien Petaling Jaya, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) on Thursday, 13 June 2024 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Article 82 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (a) Y. Bhg. Datuk Chow Ying Choon Resolution 1
 - (b) Y. Bhg. Tan Sri Marzuki Bin Mohd Noor Resolution 2
 - (c) Puan Rahana Binti Abdul Rashid Resolution 3
3. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 4

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:

4. **Payment of Directors’ fees**

“THAT the Directors’ fees for the period from 14 June 2024 until the next Annual General Meeting (“AGM”) of the Company to be held in 2025, be and is hereby approved for payment.” Resolution 5
5. **Payment of Directors’ benefits**

“THAT the Directors’ benefits (excluding Directors’ fees) for the period from 14 June 2024 until the next AGM of the Company to be held in 2025, be and is hereby approved for payment.” Resolution 6
6. **Authority to Allot and Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights**

“THAT, subject always to the Companies Act 2016 (“CA 2016”), the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities (if any), the Directors of the Company be and are hereby empowered pursuant to Section 75 and 76 of the CA 2016, to allot and issue new shares in the Company, at any time, at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this approval does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT pursuant to Section 85 of the CA 2016 to be read together with Article 12 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking pari-passu in all respects with the existing ordinary shares arising from any issuance and allotment of shares pursuant to this approval.

AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.” Resolution 7

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

cont'd

7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate")**

"THAT approval be and is hereby given to the Company and its subsidiaries ("WCT Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature and with all classes of related parties as set out in Section 2, Part A of the Circular to Shareholders dated 26 April 2024 which are necessary for the Group's day-to-day operations, provided that:

- (i) the transactions are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the WCT Group and on terms not more favourable to the related parties than those generally available to the public or third parties where applicable and not to the detriment of the minority shareholders of the Company; and
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:
 - (a) the type of the recurrent related party transactions made; and
 - (b) the names of the related parties involved in the recurrent related party transactions made and their relationship with the WCT Group.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by the Proposed Renewal of RRPT Mandate."

Resolution 8

8. **Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act, 2016 (the "Act"), rules, regulations and orders made pursuant to the Act (as may be amended, modified or re-enacted from time to time), the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of any other relevant authority, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the retained profits of the Company based on its audited financial statements for the financial year ended 31 December 2023;

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

cont'd

- (iii) the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

- (iv) upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares which may be distributed as dividend to shareholders or resold on Bursa Securities or subsequently cancelled or to retain part of the Shares so purchased as treasury shares and cancel the remainder and/or to deal with the Shares in any other manner as may be allowed or prescribed by the Act or any other rules, regulations and/or orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of Shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company in relation to such purchase(s) of Shares."

Resolution 9

- 9. To transact any other business of which due notice shall have been given.

By Order of the Board

LOH CHEE MUN

(SSM PC No.: 201908002041/MAICSA 7025198)

CHONG KIAN FAH

(SSM PC No.: 201908003381/MIA 17238)

Company Secretaries

Selangor Darul Ehsan

26 April 2024

NOTES:

A. VIRTUAL ANNUAL GENERAL MEETING

1. The Company's 13th AGM will be held as a fully virtual meeting where shareholders are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657).

Please follow the procedures provided in the Administrative Details for the 13th AGM, which is available at this link <https://www.wct.com.my/13thAGM/>, in order to register, participate and vote at the 13th AGM of the Company remotely via the RPEV facilities.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

cont'd

2. Shareholders who have duly registered online to participate in the 13th AGM via the RPEV facilities would be able to exercise their rights to participate (including to pose questions to the Company) and vote at the 13th AGM of the Company remotely. Shareholders may use the query box facility to submit questions in real time during the 13th AGM or e-mail questions to enquiries@wct.my prior to the meeting.
3. The Broadcast Venue of the 13th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 (“the Act”) which requires the Chairman of the meeting to be present at the main venue. **No shareholder/proxy from the public shall be physically present at the Broadcast Venue.**

B. PROXY

1. A member entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote using RPEV facilities, on his/her behalf and such proxy may but need not be a member of the Company.
2. In the case of a member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit as to the number of proxies it may appoint.
3. If a member entitled to attend and vote at the meeting is not able to personally participate in the 13th AGM via the RPEV facilities, such member may appoint a proxy or the Chairman of the Meeting as his/her proxy to participate and vote at the fully virtual 13th AGM shall indicate his/her voting instructions in the instrument appointing a proxy.
4. Where a member appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointment shall only be valid if the proportion of shareholdings to be represented by each proxy is clearly specified in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or if the member is a corporation, shall be executed either under its common seal or under the hand of the authorised officer or of its attorney duly authorised in writing.
6. The instrument appointing a proxy must either be deposited at the Poll Administrator office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted electronically via the BoardRoom Smart Investor Portal at <https://investor.boardroomlimited.com> before 10.00 a.m. on 12 June 2024. Please refer to the procedures provided in the Administrative Details for further information on the submission of proxy form electronically.
7. All resolutions set out in this Notice will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

C. AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 340(1)(a) of the Act. Hence, this Agenda 1 is not put forward for voting.

D. EXPLANATORY NOTES

Resolutions 1, 2 and 3

The Board, on the recommendation of the Nomination and Remuneration Committee (“NRC”), supported the re-election of the retiring Directors. The Board and NRC has reviewed the performance of the retiring Directors via an annual assessment including the independence assessment of Independent Directors for the financial year ended 31 December 2023 and were satisfied with the performance and contribution of the retiring Directors that they had effectively discharged their duties and responsibilities. The retiring Directors also have met the fit and proper criteria as set out in the Company's Directors' Fit and Proper Policy.

The retiring Directors do not hold any shares in the Company and their profile are set out in the Profile of Directors of the Company's Annual Report 2023.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

cont'd

Resolutions 5 and 6

The proposed Ordinary Resolutions 5 and 6, if passed, will facilitate the payment of Directors' fees and benefits payable/provided to the Directors of the Company and its subsidiaries for the period commencing from 14 June 2024 until the next AGM of the Company to be held in 2025, in accordance with the payment schedule as set out below:

	The Company		Subsidiary Company
	Executive Director	Non-Executive Director	Director
Director's Fee (per month)	RM1,000	RM7,000	RM1,000
Board Meeting Attendance Fee (per meeting attended)	-	RM1,000	-
Board Committee Meeting Attendance Fee (per meeting attended)	-	RM2,000 (Chairman) RM1,000 (Member)	-
Special and Other Committee Meeting Attendance Fee (per meeting attended)	-	RM2,000 (Chairman) RM1,000 (Member)	-

The Directors' benefits (excluding Directors' fees) payable/provided to Non-Executive Directors of the Company comprise meeting attendance fees and benefit-in-kind such as insurance coverage pursuant to the Group's Personal Insurance & Group Hospitalization Scheme, Directors' and Officers' Liability Insurance as well as other claimable expenses incurred in the course of carrying out their duties.

The abovementioned Director's fees and benefits which are subject to the approval of the shareholders of the Company at the 13th AGM pursuant to Section 230(1) of the Act, do not include salaries, benefits and emoluments of the Executive Directors of the Company and the directors of the Company's subsidiary companies which they receive by virtue of and pursuant to their contracts of service or employment.

Payment of Directors' fees and benefits to the Directors of the Company will be made by the Company and its subsidiaries monthly in arrears and/or as and when incurred, if the proposed Resolutions 5 and 6 are passed at the 13th AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' fees and benefits on such basis, after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the current period.

The breakdown of the detailed Directors' remuneration for the financial year ended 31 December 2023 is disclosed in the Corporate Governance ("CG") Overview Statement of the Company's Annual Report 2023 and the CG Report, which are available at the website of the Company and Bursa Securities.

Resolution 7

The proposed Ordinary Resolution 7, if passed, will empower the Directors to allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being, for any possible fund raising activities, including but not limited to placement of shares, for the purposes of funding future investment projects, working capital, acquisition and/or so forth. This approval is a renewal of general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such allotment of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. As at to-date, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 15 June 2023.

The proposed Ordinary Resolution 7 is also seeking the shareholders' waiver of their pre-emptive right under Section 85 of the Act and to allow the Directors to allot and issue new shares without first offering the new shares to the existing shareholders of the company pursuant to this general mandate.

Resolution 8

The proposed Ordinary Resolution 8, if passed, will enable the WCT Group to enter into any of the recurrent related party transactions of a revenue or trading nature set out in Part A of the Circular to Shareholders of the Company dated 26 April 2024 which are necessary for the Group's day-to-day operations. This authority, unless revoked or varied by resolution passed by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, whichever is the earliest.

NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

cont'd

Resolution 9

The proposed Ordinary Resolution 9, if passed, is to give authority to the Company to purchase its own shares for up to 10% of the Company's total number of issued shares at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority as set out in Part B of the Circular to Shareholders dated 26 April 2024.

E. STATEMENT ACCOMPANYING NOTICE OF 13TH AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

- **Details of individuals who are standing for election as Directors (excluding Directors standing for a re-election)**

There are no individuals who are standing for election as Directors at the forthcoming 13th AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No. 1, 2 and 3 of the Notice of this meeting.

- **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities**

Details of the general mandate to issue securities in the Company pursuant to Section 75 and 76 of the Act are set out in Explanatory Note for Resolution 7 of the Notice of this meeting.

F. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member's eligibility to attend and vote at the 13th AGM, the Company will obtain a General Meeting Record of Depositors as at 7 June 2024 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 57(3) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxy to attend and/or vote on their behalf via RPEV facilities, at the 13th AGM of the Company.

A copy of the Annual Report 2023, Circular to Shareholders, Notice of 13th AGM, Proxy Form, Administrative Details and Request Form are available for download at this link
<https://www.wct.com.my/13thAGM/>

**WCT Holdings Berhad**

(201101002327/930464-M)
(Incorporated in Malaysia)

PROXY FORM

I/We _____ CDS Account No. _____

(Name in full)

NRIC/Company No.: _____ Mobile No.: _____

of _____

(Full address)

being a member of **WCT Holdings Berhad**, hereby appoint:

(1) _____ NRIC No. _____

(Name in full)

of _____

(Full address/Tel No./Email address)

Number of shares represented: _____

(2) _____ NRIC No. _____

(Name in full)

of _____

(Full address/Tel No./Email address)

Number of shares represented: _____

or failing him, the Chairman of the meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company will be held virtually through live streaming from the broadcast venue at the Meeting Room, Level 3, Le Méridien Petaling Jaya, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 13 June 2024 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To re-elect Y. Bhg. Datuk Chow Ying Choon as Director of the Company.		
2	To re-elect Y. Bhg. Tan Sri Marzuki Bin Mohd Noor as Director of the Company.		
3	To re-elect Puan Rahana Binti Abdul Rashid as Director of the Company.		
4	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company.		
5	To approve the payment of Directors' fees.		
6	To approve the payment of Directors' benefits.		
7	To authorise the Allotment of New Shares and Waiver of Pre-emptive Rights		
8	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions.		
9	To approve the Proposed Renewal of Share Buy-back Authority.		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2024

Signature(s)/Common Seal of member(s)

No. of Ordinary Shares Held

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Fold This Flap For Sealing

Notes:

A. VIRTUAL ANNUAL GENERAL MEETING

1. The Company's 13th AGM will be held as a fully virtual meeting where shareholders are only allowed to participate remotely via live streaming and online voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657).

Please follow the procedures provided in the Administrative Details for the 13th AGM, which is available at this link <https://www.wct.com.my/13thAGM/>, in order to register, participate and vote at the 13th AGM of the Company remotely via the RPEV facilities.

2. Shareholders who have duly registered online to participate in the 13th AGM via the RPEV facilities would be able to exercise their rights to participate (including to pose questions to the Company) and vote at the 13th AGM of the Company remotely. Shareholders may use the query box facility to submit questions in real time during the 13th AGM or e-mail questions to enquiries@wct.my prior to the meeting.
3. The Broadcast Venue of the 13th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 ("the Act") which requires the Chairman of the meeting to be present at the main venue. **No shareholder/proxy from the public shall be physically present at the Broadcast Venue.**

B. PROXY

1. A member entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote using RPEV facilities, on his/her behalf and such proxy may but need not be a member of the Company.
2. In the case of a member who is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit as to the number of proxies it may appoint.
3. If a member entitled to attend and vote at the meeting is not able to personally participate in the 13th AGM via the RPEV facilities, such member may appoint a proxy or the Chairman of the Meeting as his/her proxy to participate and vote at the fully virtual 13th AGM shall indicate his/her voting instructions in the instrument appointing a proxy.

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**AFFIX
STAMP**

The Share Registrar

BOARDROOM SHARE REGISTRARS SDN BHD
(Registration No. 199601006647 (378993-D))

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st Fold Here

4. Where a member appoints two (2) proxies or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointment shall only be valid if the proportion of shareholdings to be represented by each proxy is clearly specified in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or if the member is a corporation, shall be executed either under its common seal or under the hand of the authorised officer or of its attorney duly authorised in writing.
6. The instrument appointing a proxy must either be deposited at the Poll Administrator office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or submitted electronically via the BoardRoom Smart Investor Portal at <https://investor.boardroomlimited.com> before 10.00 a.m. on 12 June 2024. Please refer to the procedures provided in the Administrative Details for further information on the submission of proxy form electronically.
7. All resolutions set out in this Notice will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

www.wct.com.my

WCT Holdings Berhad

(201101002327/930464-M)

B-30-01, The Ascent, Paradigm,
No. 1, Jalan SS7/26A, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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Email : enquiries@wct.my