WCT Holdings Berhad
(201101002327/930464-M)

BUILDING VALUES

ANNUAL REPORT **2022**

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

CONTENTS

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

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

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

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

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

ISO 9001 : 2015
Quality Management System for WCT Properties Sdn Bhd
Certification No. QMS 03141

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 CERTIFICATION

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
KKBWCT Joint Venture Sdn Bhd
WCT TSR Sdn Bhd

OVERSEAS

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

BOARD OF DIRECTORS

Executive Chairman
Tan Sri Lim Siew Choon

Group Managing Director
Dato' Lee Tuck Fook

Deputy Managing Director
Chow Ying Choon

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
Rahana Binti Abdul Rashid

NOMINATION & REMUNERATION COMMITTEE

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

OPTIONS COMMITTEE

Ng Soon Lai @ Ng Siek Chuan
(Chairman)
Dato' Lee Tuck Fook
Chow Ying Choon

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

OVERSEAS CORPORATE OFFICES

Qatar

Al Rufaa Tower, Third Floor
Room No.3, Building No. 54
Street No. 830, Zone 17
Al Mina Street, Old Salata
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
AmBank (M) Berhad
Bangkok Bank Berhad
CIMB Bank Berhad
DBS Bank Ltd, Labuan Branch
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

SOLICITORS

Sanjay Mohan
Jeyaratnam & Chong
Christina Chia Law Chambers
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 42 years, WCT Group strongly believes in delivering product excellence and quality services in all of 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
- Specialised Buildings
- Rail-based Infrastructure Works

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. The Group has also expanded its presence to Kota Kinabalu, Sabah as well as Johor. 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 W City OUG @ Kuala Lumpur. 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 221 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 and the 5-Star luxury rebranded hotel, Le Méridien Petaling Jaya in Petaling Jaya. In 2018, WCT ventured into the development and management of commercial and aviation-related infrastructure and facilities at the Sultan Abdul Aziz Shah airport terminal in Subang, Selangor.

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. These include the International Achievement Award 2004, 2010 & 2018; Builder of the Year Award 2002 & 2018; Green Building Award 2018 from the Construction Industry Development Board of Malaysia; Asia Pacific Property Awards 2020–2021 – Winner of Residential High-Rise Development for Waltz Residences in W City OUG @ Kuala Lumpur and PropertyGuru Asia Property Awards in partnership with iProperty.com.my – People's Choice Awards (2022).

In recent years, WCT has started embarking on sustainable construction and received various green building rating awards for its projects including the LEED Silver Certification under LEED 2009 Core and Shell Development for the airport mall, gateway@klia2; Green Building Index Gold for the Ministry of International Trade & Industry (MITI) Headquarters; GBI Silver for Lot 2C5, Putrajaya (Commercial Office Building) and GBI Certified for the MyTOWN Shopping Centre.

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.

In 2022, WCT was awarded the Sustainability & CSR Malaysia Awards – Company of the Year Award under Engineering, Construction and Property Development category in recognition of the Group's community support initiatives in 2021.

As WCT continues to grow its portfolio, The Group remains committed to staying true to its core values of **W**inning, **C**ommitment, **T**eamwork, **H**umility and **R**espect.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT
cont'd

Paradigm Residence at Paradigm Johor Bahru is the latest project completed by the Group's Property Development Division in September 2022

On behalf of the Board of Directors of WCT Holdings Berhad ("WCT"), I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2022.

ECONOMIC OVERVIEW

In early 2022, after almost two years into the COVID-19 pandemic, countries around the world began transitioning to the endemic phase amidst global headwinds such as geopolitical tensions, high inflation leading to cost-of-living crisis, increasing interest rates and supply chain disruptions.

With Malaysia's adult population recording high vaccination rates including booster shots, the country entered the endemic phase in April 2022. The easing of COVID-19 containment measures and reopening of international borders led the nation to return to normalcy, driving improved domestic demand and recovery in job market.

The gross domestic product (GDP) growth of the Malaysian economy in the fourth quarter of 2022 moderated to 7.0% (3Q 2022: 14.2%) due to declining support from stimulus measures and low base effect. The key driver of growth was private-sector activity, supported by private consumption and investment. Private consumption was mainly driven by improving labour market conditions. For full year 2022, the economy expanded by 8.7% (2021: 3.1%). *(Source: BNM Quarterly Bulletin – Fourth Quarter 2022, Bank Negara Malaysia).*

Headline inflation moderated to 3.9% in 4Q 2022 (3Q 2022: 4.5%), mainly due to lapse in the base effect of lower electricity inflation, a key contributor to higher inflation in third quarter of 2021. For full year 2022, headline inflation increased to 3.3% (2021: 2.5%). *(Source: BNM Quarterly Bulletin – Fourth Quarter 2022, Bank Negara Malaysia).*

CHAIRMAN'S STATEMENT
cont'd

FINANCIAL REVIEW

In the financial year ended 31 December 2022, the Group recorded higher revenue of RM2.10 billion as compared to the RM1.70 billion registered in the preceding year ("FY2021"). The Group's profit attributable to equity holders increased to RM128.7 million as compared to the preceding year's profit of RM97.2 million.

The Group's Engineering and Construction Division registered revenue and operating profit of RM1.47 billion and RM47.7 million respectively as compared to RM1.23 billion and RM302.0 million respectively in the preceding year. The higher operating profit in the FY2021 was mainly attributable to the favourable settlement of arbitration awards.

Meanwhile, the Group's Property Development Division recorded higher revenue of RM451.5 million (FY2021:RM317.3 million) with a lower operating profit of RM17.9 million (FY2021: RM61.8 million). The higher revenue was mainly due to higher sales of properties and vacant lands, while the lower operating profit was mainly due to impairment of completed inventories and lower profits recognised from the disposal of vacant lands.

The Property Investment and Management Division recorded improved revenue of RM184.5 million (FY2021: RM152.2 million), while the division's operating profit surged to RM157.4 million (FY2021: RM66.5 million). The strong results were chiefly attributed to fair value gain on investment properties and improved performance across WCT's shopping malls and hotels, with continued robust demand from customers after the full reopening of economies and international borders.

CORPORATE AND BUSINESS DEVELOPMENTS

In 2022, the engineering and construction sector remained challenging with minimal roll-out of new large-scale construction contracts, evolving government policies, and post-pandemic operational challenges, in particular project delays due to project disruptions during the pandemic. Despite the challenging operational landscape, the Group's Engineering and Construction Division leveraged on WCT's strong outstanding order book and ramped up productivity at all project sites. The division strategically focused on areas such as efficient procurement and contract claims management to drive business performance.

The property development sector in Malaysia recorded improvement in terms of volume and value of property transactions. In August 2022, the Group's Property Development Division launched Adenia Apartments in Bandar Parklands, Klang with favourable take-up rates and successfully handed over Paradigm Residence in Johor Bahru in September 2022. While the division's property development and sales activities have resumed, the division's sales performance continued to be impacted by the industry's lack of fresh impetus after the end of the Home Ownership Campaign (HOC) in 2021, postponement of new property launches during the pandemic, as well as restricted overseas marketing and sales opportunities due to controlled borders in some countries.

On 1 December 2022, W City OUG @ Kuala Lumpur, the 63-acre development comprising residential, mixed commercial, retail, and public space components in Taman OUG, Kuala Lumpur welcomed its first commercial tenant - The Food Merchant with a standalone 30,000 sq. ft of premium grocer retail space. The W City OUG development is poised to be the next exciting, vibrant epicentre of entertainment, wellness, enrichment, specialty and F&B. In 2020, the project saw the completion of its first residential tower, The Waltz Residences.

Opening ceremony of The Food Merchant and aerial view of W City OUG @ Kuala Lumpur Sales Gallery and The Food Merchant along Jalan Awan Besar, Kuala Lumpur.

Following the decline of retail and hospitality industry's performance at the height of the pandemic in 2020 and 2021, both industries recorded encouraging recovery in 2022. The Group's Property Investment and Management Division also benefitted from the reopening of all economic sectors and international borders. WCT's retail malls saw improved business activities with healthy footfall, better occupancy rates and higher demand for retail spaces.

CHAIRMAN'S STATEMENT
cont'd

The opening ceremony of Le Méridien Petaling Jaya on 1 June 2022

In June 2022, Jelas Puri Sdn Bhd entered into a franchise agreement with Marriott International to rebrand its 5-star luxury hotel at Paradigm Petaling Jaya to Le Méridien Petaling Jaya, offering global customer service standards in tandem with Marriott International standards while driving better occupancy, improved cost efficiency and higher staff productivity.

AWARDS AND RECOGNITION

WCT Group was awarded the Company of the Year Award under the Engineering, Construction and Property Development category at the Sustainability and CSR Malaysia Awards 2022. The notable honour was in recognition of WCT's 2021 community support initiatives of RM2.8million.

The Group's Property Development Division was awarded the PropertyGuru Asia Property Awards in partnership with iProperty.com.my, 2022 People's Choice Awards category, a respected and sought-after real estate industry honours.

In advancing the Group's aim of progressing towards becoming a sustainable organisation, WCT Holdings Berhad was proud to be included as one of the constituents of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index in 2022.

PROSPECTS

The Malaysian economy is expected to expand at a more moderate pace, amid a challenging external environment in 2023. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2022, Bank Negara Malaysia).*

For 2023, the performance of the Group would depend on several factors, including the rate of global economic growth, escalation of geopolitical conflicts, labour supply and material supply chain conditions. The Group's Engineering and Construction Division will continue to focus on pursuing infrastructure and buildings related tenders locally and regionally while increasing revenue streams and embracing digitalisation of business processes. The Property Development Division will focus on new launches of affordable luxury projects in the Klang Valley & Johor and clearing of its property inventory amidst the current challenging property market landscape. The Group's retail malls and hotels are expected to register improved revenue and earnings, supported by the opening of international borders and robust tourism activities.

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 long-term growth 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
20 April 2023

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESSES AND OPERATIONS

In 2022, businesses around the world operated in the COVID-19 endemic transition phase amid market uncertainties and evolving macroeconomic conditions. WCT Group's core businesses of Engineering and Construction, Property Development, and Property Investment and Management Divisions were not spared from the lingering effects of the COVID-19 pandemic globally, which directly impacted the demand and delivery of the Group's products and services caused by local and foreign labour shortages, supply chain disruptions, and increase in cost of operations stemming from global inflation.

Nevertheless, the Group continued to proactively adopt various business strategies to adapt to the challenging business environment. For instance, the Engineering and Construction Division focused on optimising procurement sourcing strategies, embracing the use of digital solutions in its engineering and construction processes to improve work efficiency while constantly upgrading the skillset of employees through training and development. The Property Development Division launched its flagship gallery, WCT Experience Gallery in Pavilion Bukit Jalil with an immersive room. The property gallery employs innovation and technology to create an immersive home buying journey with a multi-screen walkthrough, allowing visitors to experience virtually living in a WCT home at WCT's latest mixed-use development, W City OUG Kuala Lumpur. In strengthening the Group's resilience and customer experiences, the property, shopping mall and hotel businesses leveraged on its digital tools such as the WCT Virtual Gallery and WCT Buddy - a lifestyle community loyalty app to stay connected and engaged with its customers.

In realising the Group's purpose of "Building Sustainable and Thriving Communities", the Group continued to pursue 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. In 2022, WCT Group focused on improving its Environmental and Social Supply Chain disclosures through the roll-out of the Sustainable Procurement Policy, Responsible Supply Chain Policy, Supplier Code of Conduct and Material Use Policy. The Policies serve as the basis for the selection and evaluation of suppliers, expected sustainability practices and standards that all goods and service providers must adhere to and provide a comprehensive framework to ensure robust sustainability governance of the Group's supply chains. The Group's sustainability efforts in 2022 are highlighted in the Sustainability Statement of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

In June 2022, New World Hotel Petaling Jaya at Paradigm PJ was rebranded to Le Méridien Petaling Jaya

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

GROUP FINANCIAL REVIEW

Financial Performance

For the financial year ended 31 December 2022 ("FY2022") the Group revenue rose 24% to RM2.10 billion as compared to FY2021. (FY2021:RM1.70 billion).The Group's profit attributable to equity holders increased 32% to RM128.7 million as compared to the preceding year's profit of RM97.2 million.

The Group's segmental financial results for FY2022 and FY2021 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 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%
31 December 2021				
Revenue	1,230,183	317,333	152,152	1,699,668
Revenue contributions (%)	72%	19%	9%	100%
Profit from operations	301,994	61,811	66,489	430,294
Operating profit contributions (%)	70%	14%	16%	100%

Engineering and Construction Division

The Group's Engineering and Construction Division remained the biggest revenue contributor to the Group and achieved revenue of RM1.47 billion as compared with RM1.23 billion registered in FY2021. Its operating profit reduced to RM47.7 million from RM302.0 million in FY2021. Higher operating profit in the preceding year mainly due to gain from the favourable settlement of arbitration awards in the Middle East.

Property Development Division

For current year, the Group Property Development Division has reported revenue of RM451.5 million and operating profits of RM17.9 million, compared to RM317.3 million and RM61.8 million, respectively, in the preceding year. The increase in revenue was primarily driven by higher sales of properties and vacant lands, with sales of vacant land amounting to RM214.1 million in the current year, up from RM135.2 million in the preceding year. However, the lower operating profit was mainly due to impairment of unsold completed properties and lower profits recognised from the disposal of vacant lands.

Property Investment and Management Division

The Property Investment and Management segment experienced growth in the current year, with revenue and operating profit increased by 21% and 137% to RM184.5 million and RM157.4 million, respectively. The revenue growth was attributed to a pickup in business activities following the full reopening of economies and international borders. The higher operating profit was mainly due to the pickup in business activities and fair value gain on investment properties.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

An analysis of the Group's consolidated financial position as at 31 December 2022 and 2021 is set out below: -

	2022	2021	Variance
As at 31 December	**RM'000**	**RM'000**	
Non-current assets	4,884,305	4,907,645	(0.5%)
Current assets	3,408,484	3,310,369	3%
Assets classified as held for sale	10,955	10,956	0%
Total Assets	8,303,744	8,228,970	1%
Non-current liabilities	1,715,406	1,602,963	7%
Current liabilities	2,681,828	2,864,785	(6%)
Total liabilities	4,397,234	4,467,748	(2%)
Total Equity	3,906,510	3,761,222	4%

TOTAL ASSETS

The Group's total assets increased by 1% to RM8.30 billion from RM8.23 billion, largely attributable to the fair value gain on investment properties.

TOTAL LIABILITIES

The Group's total liabilities recorded a decrease of 2% from RM4.47 billion to RM4.40 billion primarily contributed by the net repayment of borrowings and reduction in income tax payable.

Total borrowings decreased by RM40.8 million mainly due to the redemption of Sukuk Murabahah and repayment of term loans.

Analysis of the Group borrowings as at 31 December 2022:

	Within 1 year	1 - 2 years	> 2 years	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revolving credits	879,926	-	-	879,926
Sukuk Murabahah	500,000	-	510,000	1,010,000
Term loans	186,623	93,281	254,473	534,377
MTN	-	310,000	-	310,000
Trade facilities	63,295	-	-	63,295
Total	1,629,844	403,281	764,473	2,797,598
Percentage	58%	15%	27%	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 FY2022 stood at 0.66 time (FY2021: 0.68 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 increased by 4% to RM3.91 billion (FY2021: RM3.76 billion) as a result of the profit recognised during the year and higher foreign exchange reserve.

LIQUIDITY

The Group's current ratio at the end of FY2022 stood at 1.28 times (FY2021: 1.16 times), indicating the Group's liquidity adequacy to meet its short-term financial obligations.

Consolidated Cash Flow Analysis	2022	2021
	RM'000	RM'000
Net cash generated from operating activities	213,031	175,285
Net cash used in investment activities	(18,220)	(55,886)
Net cash used in financing activities	(254,392)	(347,039)
Net decrease in cash and cash equivalents	(59,581)	(227,640)
Cash and cash equivalents at end of the financial year	183,401	222,077

The Group continued to generate operating cash inflows. The Group registered a net cash outflow in its investing and financing activities primarily due to the subscription of RM26.0 million redeemable preference share in a jointly controlled entity, net redemption of RM200.0 million nominal value of Sukuk Murabahah, distribution to holders of Perpetual Sukuk and payment of interest expenses during the year.

DIVIDENDS

The Company is committed to paying annual dividends to its shareholders and after taking into consideration the financial performance of the Group, the availability of retained earnings, capital commitments and the level of available funds of the Group before and after any declaration and payment of dividends to the shareholders of the Company, the Board has recommended a final dividend of 0.5 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2022, subject to obtaining the approval of the shareholders of the Company at the forthcoming 12th Annual General Meeting of the Company.

On 15 July 2022 the Company paid cash dividend of 0.50 sen per ordinary shares totalling RM7.1 million to its shareholders.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - ENGINEERING AND CONSTRUCTION

In the fourth quarter of 2022, the construction sector maintained a double-digit growth of 10.1% (3Q 2022: 15.3%), contributed by growth in all sub-sectors, particularly in civil engineering and non-residential buildings as a result of continued progress of large infrastructure, commercial and industrial projects. *(Source: Malaysia Economic Performance Fourth Quarter 2022, Ministry of Economy, Department of Statistics Malaysia).*

As the construction sector gradually recovers from the setback of the pandemic, the Group's Engineering and Construction Division strategically reorganised its work plans, procurement strategies and project teams to overcome the on-going labour and supply chain related operational volatilities to catch up on key project milestones. For instance, the Pan Borneo Highway project team successfully overcame the prolonged shortage of raw materials issue in Sarawak through supply chain resilience and resourcefulness by procuring from alternative sources. Amid the operational challenges in 2022, the team completed a total of eight bridges spanning approximately 1km, with six bridges in the Bintulu section and two bridges in the Tatau section.

In October 2022, the division concluded the heavy lifting and installation works of steel beams on the north and south build-up sections of 118 Mall, signifying works completed up to the final level of the 8-storey shopping mall located on the lower floors of the iconic Merdeka 118 Tower. The key milestone also unveiled the curved formation of the mall's iconic 88m-diameter dome structure, The Dome.

Following the practical completion of the MRT2 Package V204 and S204 of the Putrajaya Line in 2021, WCT's rail related jobs continue at the LRT3 Package GS02 & GS03 project. The division successfully completed the launching of approximately 0.44km of viaducts over the New Klang Valley Expressway (NKVE) at two challenging long spans location, namely Long Span 04 - crossing from Suria Damansara Condominium to Subang Interchange Island and Long Span 05 - crossing from Kelana Square to Persada PLUS. As the launching works for these long spans involved the crossing of the high-traffic NKVE expressway, stringent safety procedures were implemented to ensure the safety of the road users and passers-by. As of 1 March 2023, LRT3 GS02 & GS03 achieved 1.96 million Safe Man-Hours without Lost Time Injury (LTI).

As at end 2022, the division's outstanding orderbook stood at RM3.53 billion.

Aerial view of the long span viaduct construction over the New Klang Valley Expressway (NKVE) from Suria Damansara Condominium to Subang Interchange Island

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - PROPERTY DEVELOPMENT

In the first half of 2022 ("H1 2022"), the country's property market recorded over 188,000 transactions (H1 2021: 139,754), totalling RM 84.4 billion (H1 2021: RM62.01 billion), where the transaction activities and value increased across all property subsectors, including residential, commercial, industrial, agricultural, and development land. The residential subsector registered 116,178 transactions totalling RM45.62 billion – an increase of 26.3% in volume and 32.2% in value year on year. *(Source: National Property Information Centre via the Property Market Activity Report H1 2022, 14 September 2022)*.

The property market also saw improvement on the overall property overhang situation, with a total of 34,092 unsold completed units worth RM21.73 billion recorded, showing a decrease of 7.5% and 4.6% respectively in number and value compared to the second half of 2021. *(Source: National Property Information Centre via the Property Market Activity Report H1 2022, 14 September 2022)*.

Amid the uncertain property market conditions, the Group's Property Development Division recorded a sales performance of RM421.0 million, where the sales of completed units contributed 32.1% of the total sales performance. On top of WCT's aggressive participation in roadshows, exhibitions and intensive online marketing strategies, the sales were also supported by attractive and easy entry sales packages as well as convenient financing schemes. In August 2022, the division launched Adenia Apartments with an encouraging take-up rate of 58%. The remaining unsold units are mainly Bumiputra-reserved units.

As at 31 December 2022, the Group's Rumah Selangorku affordable housing projects namely, Trifolis and Azaria Apartments in Klang achieved a 100% take-up rate, while four other projects namely, The Azure Residences, Waltz Residences, Maple Residences (Tower A) and Asteria Apartments achieved more than 90% take-up rate.

In 2022, the division successfully delivered 263 units of Paradigm Residence, Johor Bahru. The service residence is located above Paradigm Mall Johor Bahru and next to a proposed 204-room hotel to be known as the Hyatt Place Johor Bahru. This residence features four layouts with unit sizes ranging from 530 to 1,123 sq. ft. and boast a variety of recreational facilities including the Multi-Function Rooms, Multi-Function Hall, Children's Playground, Games Room, Childcare Room, Reading Room, 25m Infinity Pool, Wading Pool, Poolside Open Lounge, Gazebo and Gymnasium.

Paradigm Residence, Johor Bahru

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

On-going Projects

The Maple Residences is the second residential development located within the 63-acre W City OUG @ Kuala Lumpur and comprises three towers with a combined Gross Development Value ("GDV") of RM940 million. Tower A, with 303 units achieved more than 93% take-up rate as at 31 December 2022. It features six layouts with unit sizes ranging from 808 to 1,163 sq. ft. Tower B comprises 295 unit featuring five layouts with unit sizes ranging from 808 to 1,152 sq. ft., while Tower C with larger unit sizes of 1,163 sq. ft. and 1,378 sq. ft., was launched in October 2022 and caters to multigenerational households.


The Maple Residences, W City OUG @ Kuala Lumpur

Adenia is a low-density apartment comprising 181 units in a single 22-floor tower that is developed within the established integrated township of Bandar Parklands. Adenia offers premium amenities to homebuyers at an affordable price of RM 375,000 per unit. The development offers a variety of amenities which include a 25m-length pool, children's pool, sun deck, pool deck, children's playground, garden, surau, multipurpose hall with badminton court, and gymnasium. Adenia units are designed with a built-up of 915 sq. ft. with 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 comforts, consisting of a 24-hour security patrol, Vehicle Access Control and CCTV at the Guardhouse


Adenia Apartments, Bandar Parklands, Klang

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

REVIEW OF OPERATING ACTIVITIES - PROPERTY INVESTMENT AND MANAGEMENT

In the fourth quarter of 2022, the country's private consumption expanded by 7.4% (3Q 2022: 15.1%). This is mainly supported by improving labour market conditions and policy measures, where steady household spending was driven by consumption of necessities, particularly for transport as well as housing and utilities, recreational services, and culture. *(Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2022).*

Currently, the Group's Property Investment and Management Division owns a portfolio of five shopping malls, two hotels and an aviation related infrastructure and facilities. The Group's malls management arm, 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. Meanwhile, the Group's hospitality portfolio includes Première Hotel in Klang and the newly rebranded Le Méridien Petaling Jaya in Paradigm Petaling Jaya with 550 rooms in total.

Shopping Malls

In 2022, the lifting of the pandemic restriction measures and reopening of international borders led to the resumption of normal consumer lifestyles and a rebound in country's economic activities. WCT Malls leveraged on the consumers' pent-up demand and the two back-to-back festivities of Chinese New Year and Hari Raya in early 2022 to drive footfall and retail sales through on-ground activities and promotions. As a result, the sales performance of WCT Malls reported encouraging growth in the second quarter of 2022, as compared to the corresponding quarter in 2021 and exceeded the industry's average growth rate of 62.5%. With businesses, educational institutions, and large-scale events such as concerts resumed in full swing by the second half of 2022, WCT Malls continued to receive local shoppers and international tourists as well as improved demand for retail spaces.

As shopper experiences are crucial to engage shoppers and further drive sales to tenants, WCT Malls launched attractive festive campaigns, thematic and sales-driven events such as the *Anime Fest, Malaysia Veg Fest, Juniors Achievement Malaysia, Gundam Gunpla Builders World Cup, Pokémon Scarlet and Violet Launch, Ultraman Ultra Heroes Tour, Selangor International Travel Photo Exhibition, International Cat Show, Tunku Abdul Rahman Pop-Up Memoriam and PJ Collectors Market*. In addition, WCT Malls continued to reward its shoppers with value-added benefits through the WCT Buddy mobile app. Overall, all WCT Malls recorded rise in footfall and improved tenant occupancy rates.

Anime Fest and Gundam Gunpla Builders World Cup events held in Paradigm Mall Petaling Jaya

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, 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 2022.

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

gateway@klia2, the Group's third retail project and a LEED Silver Certified airport mall, was opened in May 2014. The airport mall is an integrated complex that not only provides a one-stop convenience to shoppers and travellers, it also houses the transportation hub connecting KLIA2 to the Kuala Lumpur City Centre via buses, taxis, and the Express Rail Link. Boasting a 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. During the quiet times resulted from the pandemic movement restrictions, gateway@klia2 took the opportunity to enhance the amenities and facilities of the airport mall, including revamping the tenant mix and upgrading the transportation hub, lightings and signages to provide a new, exciting and safer experience to both local and international travellers who travel through gateway@klia2. As at 31 December 2022, the mall recorded commendable occupancy rate of 80% and welcomed several new reputable food and beverage brands.

Paradigm Mall Johor Bahru was launched in November 2017 and is the Group's largest retail mall with over 500 tenants across its 1.3 million sq. ft. of retail space. The mall registered an occupancy rate of 90% as at 31 December 2022. Paradigm Mall Johor Bahru is also part of the 13-acre integrated development with a freehold service residence, Paradigm Residence Johor Bahru and an upcoming hotel. Following the resumption of the Singapore cross-border bus and taxi services to Malaysia in May 2022, the mall recorded improved footfall and sales performance.

Situated in the Sultan Abdul Aziz Shah Airport, Subang, SkyPark Terminal serves as a hub to domestic commercial turbo-prop operations for Firefly and Malindo Air flights. It is the preferred city airport terminal situated 30 minutes away from the Kuala Lumpur City Centre that caters to the commercial airline passengers from the surrounding vicinity. The airport mall registered an occupancy rate of 76% as at 31 December 2022 with dining, shopping and services choices, providing greater convenience for both business and leisure travellers alike. The airport mall aims to add more F&B tenants to the tenant mix in 2023.

Hotels

The services sector expanded by 8.9% (3Q 2022: 16.7%) in the fourth quarter of 2022, supported by consumer-related subsectors amid better labour market conditions and the continued recovery in tourism activities. The country's private sector activity remained the key driver of growth, supported by private consumption and investment. *(Source: Bank Negara Malaysia via the BNM Quarterly Bulletin – Fourth Quarter 2022)*.

The Group owns two hotels, namely Première Hotel in Klang and Le Méridien Petaling Jaya (previously known as New World Hotel) in Paradigm Petaling Jaya. 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.

With the country entering the endemic phase coupled with the full opening of all economic sectors, both hotels saw commendable business recovery beginning second quarter of 2022. Specifically for Première Hotel, despite facing aggressive price competitiveness with other hotels in the vicinity and an absence of tourists, the hotel's performance in 2022 show an improvement as compared to 2021, with occupancy rate being almost on par with pre-pandemic level.

Meanwhile, the Group's hotel at Paradigm Petaling Jaya was rebranded to the 5-star Le Méridien Petaling Jaya on 1 June 2022 under a franchise agreement with Marriott International. The rebranding exercise has expanded the business opportunity of the hotel, with its distribution network widened via the hotel's database and strong loyalty program. This also allowed the hotel to strengthen its corporate guests' segment and secured new corporate accounts, leading to a business recovery of close to 98% of its pre-pandemic's revenue. Moreover, the hotel's positive performance also led to an increase of more than 60% operating profit as compared to the pre-pandemic year, which could be attributed to concerted efforts in cost efficiencies and focus on preserving profit margins.

Rooms at Le Méridien Petaling Jaya are decked out with elegant furnishings

MANAGEMENT DISCUSSION & ANALYSIS
cont'd

Business Aviation

The Group's SkyPark Aviation 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.

In 2022, the business saw a continuous year-on-year growth with another record growth as compared to its preceding year of 2021. In particular, Skypark Regional Aviation Centre ("RAC") registered a 30% growth in revenue and 20% profit improvement in comparison with year 2021, while the Fixed-Based Operation ("FBO") registered more than 80% growth for both revenue and profitability.

The demand for the Group's aviation services continues to be strong following the building of SkyPark's branding over the years and the expansion of its presence that is beyond the SkyPark Terminal airport. On another hand, the Group's SkyPark Aviation's facility, the hangars are at 90% occupancy rate while the hangar's offices are fully leased out.

In the third quarter of 2022, the SkyPark RAC once again hosted the 2022 Selangor Aviation Show, this time twice the scale of that held in 2021 which increased the participation of international event participants. Almost 11,000 local and international visitors turned up for the 3-day event with good reviews, exposure and mileage.

The Group's SkyPark Aviation business will continue to focus on building new business pillars and improving profit margins.

The display at the 2022 Selangor Aviation Show at SkyPark RAC

GROUP OUTLOOK

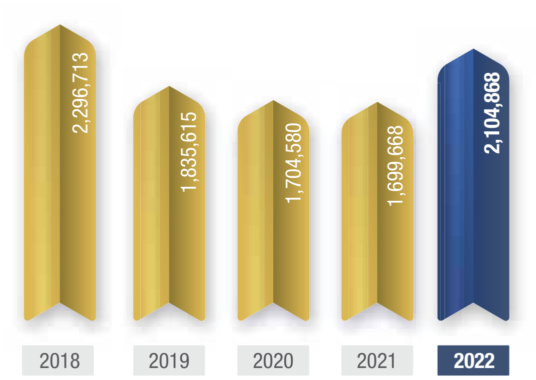
According to Bank Negara Malaysia, the Malaysian economy is expected to expand at a more moderate pace in 2023, amid a challenging external environment. The nation's growth will be driven by domestic demand, supported by continued recovery in labour market and realisation of multi-year investment projects. Additionally, the services and manufacturing sectors will continue to drive the economy, while the slowdown in exports following weaker global demand will be partially cushioned by higher tourism activity. Malaysia's headline and core inflation for 2023 are expected to moderate but remain at elevated levels amid lingering demand and cost pressures. *(Source: BNM Quarterly Bulletin – Fourth Quarter 2022, Bank Negara Malaysia).*

Looking ahead, WCT Group is cautiously optimistic of its prospects for financial year 2023. The continuous recovery of the domestic economy as well as improving consumer and business sentiments will augur well for the Group's businesses.

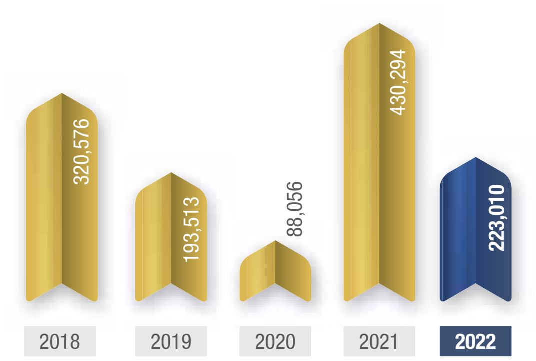
The Group will remain focused on project execution, whilst pursuing new opportunities for engineering and construction jobs to replenish its outstanding order book of RM3.53 billion. The Property Development Division will focus on new launches of affordable luxury projects in the Klang Valley and Johor while expediting the sales of its property inventory amidst the current challenging property landscape. The Group's hotels will remain optimistic in tackling issues on the shortage of manpower and food cost escalation as well as the aggressive price competitiveness in the hospitality industry. With the current robust tourism and business activities, the Group's retail malls and hotels will continue to introduce exclusive customer experiences, attractive promotions, and unique F&B offerings.

FINANCIAL HIGHLIGHTS

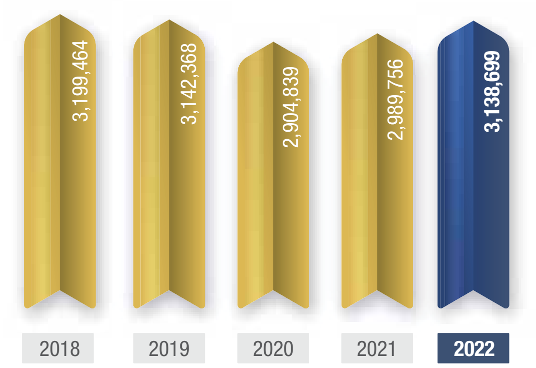
REVENUE
RM'000



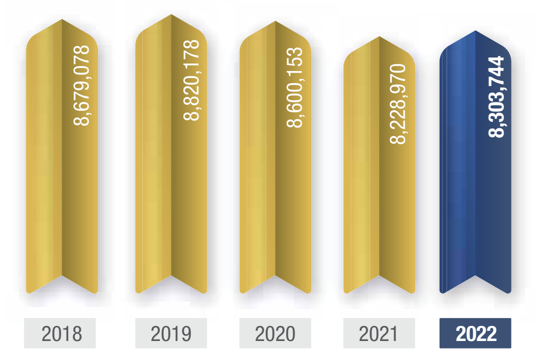
PROFIT FROM OPERATIONS
RM'000



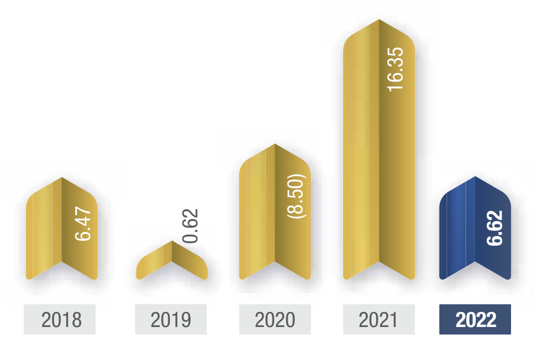
SHAREHOLDERS' FUND
RM'000



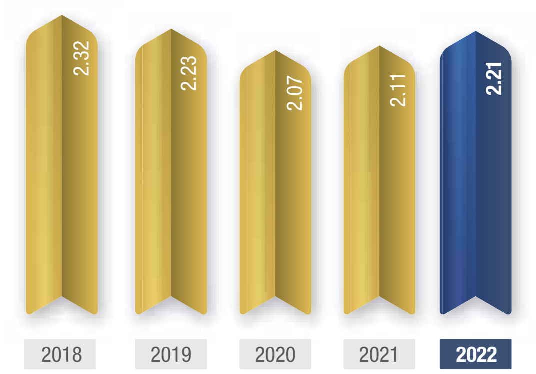
TOTAL ASSETS
RM'000



PROFITABILITY RATIO
%



NET ASSETS PER SHARE
RM



FINANCIAL HIGHLIGHTS
cont'd

FINANCIAL YEAR ENDED 31 DECEMBER		2022	2021	2020	2019	2018
Revenue						
Engineering and Construction	RM' 000	1,468,861	1,230,183	1,252,980	1,285,644	1,845,587
Property development	RM' 000	451,509	317,333	278,921	346,501	254,928
Property investment & management	RM' 000	184,498	152,152	172,679	203,470	196,198
Total revenue	RM' 000	2,104,868	1,699,668	1,704,580	1,835,615	2,296,713
Profit from operations						
Engineering and Construction	RM' 000	47,656	301,994	44,555	(17,661)	136,746
Property development	RM' 000	17,938	61,811	48,016	95,004	42,176
Property investment & management	RM' 000	157,416	66,489	(4,515)	116,170	141,654
Total profit from operations	RM' 000	223,010	430,294	88,056	193,513	320,576
Profit/(Loss) attributable to equity holders of the Company	RM' 000	128,675	97,245	(213,573)	(27,321)	106,021
Issued share capital	RM' 000	3,212,796	3,212,796	3,212,796	3,212,796	3,210,984
Shareholders' fund	RM' 000	3,138,699	2,989,756	2,904,839	3,142,368	3,199,464
Total assets	RM' 000	8,303,744	8,228,970	8,600,153	8,820,178	8,679,078
Earnings/(Loss)per share	Sen	9.08	6.90	(15.24)	(1.95)	7.59
Net assets per share	RM	2.21	2.11	2.07	2.23	2.32
Return on total assets	%	2.08	1.70	(2.09)	(0.39)	0.51
Net gearing ratio	times	0.66	0.68	0.66	0.66	1.01
Price Performance						
Ordinary Share						
High	RM	0.610	0.710	0.875	1.190	1.830
Low	RM	0.340	0.435	0.245	0.667	0.670
Close	RM	0.400	0.510	0.530	0.870	0.675
Warrant 2015/2020 (WCT-WE)[1]						
High	RM	-	-	0.040	0.180	0.310
Low	RM	-	-	0.005	0.035	0.045
Close	RM	-	-	0.005	0.040	0.055

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: 63

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 40 years of management experience in property development, construction, retail design, retail development as well as corporate management. He is currently a director of WCT Berhad, the Non-Independent Non-Executive Chairman of Malton Berhad and the Chairman and Non-Independent Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust. Both Malton Berhad and Pavilion Real Estate Investment Trust are listed on the Main Market of Bursa Malaysia Securities Berhad.

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: 69

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 Paremba-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.

Dato' Lee chairs the Management Committee and is a member of the Options Committee of the Company.

PROFILE OF DIRECTORS
cont'd

CHOW YING CHOON
Deputy Managing Director
Malaysian/Male/Age: 68

Mr 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.

Mr 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, Mr 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, Mr Chow was appointed Chief Operating Officer, Group Business and Corporate Banking until his retirement in February 2014. During his banking career, Mr Chow 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, Mr Chow was the Managing Director of Global Oriental Berhad, a company with its principal activities in property development and construction.

Mr Chow currently sits on the board of directors of WCT Berhad and is a member of the Management Committee and Options Committee of the Company.

TAN SRI MARZUKI BIN MOHD NOOR
Independent Non-Executive Director
Malaysian/Male/Age: 75

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.

PROFILE OF DIRECTORS
cont'd

DATUK AB WAHAB BIN KHALIL
Independent Non-Executive Director
Malaysian/Male/Age: 74

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: 68

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: 69

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.

Mr Ng is the chairman of the Options Committee and serves as a member of the Audit Committee of the Company.

RAHANA BINTI ABDUL RASHID
Independent Non-Executive Director
Malaysian/Female/Age: 62

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 in March 2017.

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 and the related party transactions as disclosed in Section 4 & 5 under Other Disclosures of this Annual Report, 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 with the Company.
(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. DR. TONY CHAN TUCK LEONG
Chief Executive Officer - Engineering and Construction
Malaysian/Male/Age: 48

Ir. Dr. Tony Chan joined WCT Group as the Chief Executive Office, Engineering and Construction Division, on 3 October 2022. 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), UK, an Honorary Fellow of Chartered Management Institute, UK (FCMI), as well as Member of ASEAN Federation of Engineering Organisation (MAFEO).

Ir. Dr. Tony has over twenty-five years' experience in technical advisory and execution of multi-disciplinary infrastructure developments both locally and internationally. He was previously the Managing Director of Opus Consultants, an Engineering Consultancy and Infrastructure Asset Management Company under UEM Edgenta Berhad. He was instrumental in leading the company's business development initiatives and had overall P&L accountability. He helmed Opus Consultants through challenging times, starting with the soft construction market in 2018, over the unprecedented COVID-19 pandemic and successfully steered the company by securing new business ventures in East Malaysia, reducing operation costs, while increasing revenue to sustain the business to meet bottom-line expectations.

With his solid international consultancy experience and strong business acumen, Ir. Dr. Tony had spearheaded several leadership roles in Atkins, Mott MacDonald and World Bank, managing a diverse range of engineering consultancy projects before returning home in 2015 under the Returning Expert Programme of TalentCorp Malaysia. Upon his return, Ir. Dr. Tony joined MMC Corporation Berhad Group of Companies as Group General Manager, Engineering & Technical, where he advised and led multi-disciplinary engineering businesses encompassing ports and logistics, energy and power, water infrastructure and mass rail transit projects.

Ir. Dr. Tony is a Director of WCT Berhad as well as 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.

NG ENG KEAT
Director of Construction
Malaysian/Male/Age: 58

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. Mr Ng primarily oversees the Group's Engineering and Construction Division.

SELENA CHUA KAH NOI
Chief Executive Officer –Malls Management
Singaporean/Female/Age: 53

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.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

CHONG WAH HING
Chief Operating Officer – Property Development
Malaysian/Male/Age: 50

Mr Chong joined WCT Group as Assistant Development Manager in April 2004 and was subsequently promoted to Chief Operating Officer of Property Division 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.

CHONG KIAN FAH
Director of Finance and Accounts / Company Secretary
Malaysian/Male/Age: 54

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: 54

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 practicing 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.

PROFILE OF KEY SENIOR MANAGEMENT
cont'd

LAI CHENG YEE
Director (Executive Chairman's Office)
Malaysian/Female/Age: 49

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 over 20 years of professional experience 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's key areas of responsibility in WCT Group include the performance of the hospitality and aviation divisions, development of new businesses, undertaking special projects as well as supporting the Executive Chairman in performance management and improvement.

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 with the Company.
(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 2022

MARCH 2022

Paradigm Mall Johor Bahru Recognised and Awarded as the First-ever Premier Festive Mall in Johor

On 31 March 2022, Paradigm Mall Johor Bahru was recognised and awarded as the first-ever Premier Festive Mall by the Johor State Government for its efforts in driving tourists to the mall and being one of the favourite travel destinations that integrates cultural heritage and modern retail.

MAY 2022

WCT Land Partnered with Huawei Malaysia to Explore and Develop Digital Transformation Solutions

WCT Land Sdn Bhd ("WCT Land") and Huawei Technologies (Malaysia) Sdn Bhd ("Huawei Malaysia") entered into a Memorandum of Understanding (MoU) on 10 May 2022 to explore and develop digital transformation solutions as well as artificial intelligence enabled business models with commercialisation opportunities for implementation in WCT's real estate development.

JUNE 2022

Le Méridien Petaling Jaya, Officially Opened its Doors on 1 June 2022

The 5-Star luxury hotel in Paradigm PJ, New World Petaling Jaya Hotel was rebranded to Le Méridien Petaling Jaya, a Distinctive Premium Brand under Marriott International. The hotel officially opened its doors to receive guests on 1 June 2022.

Première Hotel appointed as One of the Tourism Ambassadors for Klang

Première Hotel, Klang was appointed as one of the Tourism Ambassadors for Klang by the Klang Municipal Council on 14 June 2022. The appointment saw the hotel collaborating with Tourism Selangor to promote Klang as an attractive spot for various forms of tourism.

CORPORATE DIARY 2022
cont'd

JUNE 2022 *cont'd*

Eleventh Annual General Meeting (11th AGM)

WCT's 11th AGM was held virtually and broadcasted live to the shareholders and proxies from Le Méridien Petaling Jaya on 15 June 2022. All the resolutions tabled at the 11th AGM were duly approved by the Company's shareholders and proxies.

Recognition Awards for Première Hotel, Klang

Première Hotel, Klang, was awarded the second time the BeSS – Bersih, Selamat dan Sihat (Clean, Safe and Healthy) certification from Kementerian Kesihatan Malaysia on 22 July 2022 for three of its outlets – The Buzz, Royal Gourment and Ichi Poolbar. The hotel was also chosen as one of the recipients for the 2022 Tripadvisor Travellers' Choice Award.

JULY 2022

WCTB Achieved Outstanding Milestones for its MRT2 Putrajaya Line Project

WCT Berhad ("WCTB") successfully achieved 640,000 Safe Man-Hours without Lost Time Injury (LTI) for its MRT Putrajaya Line Project (Package V204) and 410,000 Safe Man-Hours without Lost Time Injury (LTI) for the MRT Putrajaya Line Project (Package S204) as of 25 May 2022.

WCT Malls Partnered with Tourism Malaysia and Visa Malaysia

WCT Malls entered into a tripartite partnership with Tourism Malaysia and Visa Malaysia on 13 July 2022 to promote Malaysia and increase tourism spending through its series of Shopping EXTRAVAGANZA campaign!. The campaign offered attractive rewards to entice tourists to spend across WCT Malls.

Soft Launch of WCT Experience Gallery in Pavilion Bukit Jalil

WCT Experience Gallery, the property development division's flagship gallery in Pavilion Bukit Jalil opened its door to the public in July 2022. The 5,220 sq. ft. gallery employs innovation and technology to create an immersive home buying journey, allowing visitors to experience virtually what it is like to live in a WCT home.

CORPORATE DIARY 2022
cont'd

AUGUST 2022

Launch of Adenia Apartments in Q3 2022

The low-density Adenia Apartments in Bandar Parklands, Klang was officially launched on 2 August 2022. Priced at an affordable RM375,000.00, residents of Adenia would enjoy premium amenities and experience a modern lifestyle of convenience and connectivity, with urban facilities surrounded by beautiful greenery and landscaping.

WCT Group Received Company of the Year Award

On 18 August 2022, WCT Group was awarded the Company of the Year Award under the Engineering, Construction and Property Development Category at the Sustainability and CSR Malaysia Awards 2022. The notable award was in recognition of WCT's community support initiatives of RM2.8 million throughout the financial year 2021.

SEPTEMBER 2022

SkyPark Regional Aviation Centre (RAC) Hosted the Selangor Aviation Show 2022

The SkyPark Regional Aviation Centre (RAC), Subang was once again made the official venue for the Selangor Aviation Show 2022 from 8 to 10 September 2022. This event garnered overwhelming response from trade and public visitors to network, dialogue and share knowledge to revitalise the aviation industry.

OCTOBER 2022

Key Milestone Achieved in the Construction of 118 Mall, Kuala Lumpur

In October 2022, WCT Group's Engineering and Construction division reached a key milestone in the construction of 118 Mall. The team completed heavy lifting works of steel beams which surround the north and south build-up sections of 118 Mall. The works signified the completion of up to the final level of the 8-storey shopping mall and unveiled of the curved formation of The Dome - the biggest shopping mall dome in Malaysia.

WCT Group Launched New Proposition 'WCTGives' and Kickstarted 'Feed the Needy' Initiative

On 25 October 2022, WCT Group launched its new CSR & Sustainability Proposition, 'WCTGives' to streamline its CSR efforts across the business divisions. To mark the launch of the proposition, WCT held its first Group initiative – 'Feed the Needy' in conjunction with Deepavali celebration by reaching out to 50 B40 families in PPR Bukit Jalil, Kuala Lumpur.

CORPORATE DIARY 2022
cont'd

NOVEMBER 2022

WCT Land is the People's Choice

On 29 November 2022, WCT Land was awarded the People's Choice Awards at the PropertyGuru Asia Property Awards Malaysia in partnership with iProperty.com.my, a respected and sought-after real estate industry honours.

DECEMBER 2022

WCT Machinery is ISO 14001:2015 Certified

On 1 December 2022, WCT Machinery Sdn Bhd, a subsidiary of WCT's Engineering and Construction division received the ISO 14001: 2015 Environmental Management System certification under the scope of Provision of Storage, Rental, Operation and Maintenance of Construction Hardware, Equipment and Machineries.

W City OUG @ Kuala Lumpur Comes to Live with the Opening of The Food Merchant

W City OUG @ Kuala Lumpur, the 63-acre development comprising residential, mixed commercial, retail and public space components in Taman OUG, Kuala Lumpur welcomed its first commercial tenant - The Food Merchant with 30,000 sq. ft. of supermarket retail space on 1 December 2022. The development is poised to be the next exciting, vibrant epicenter of entertainment, wellness, enrichment, specialty and F&B. In 2020, the project saw the completion of its first residential tower, The Waltz Residences.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

WCT Holdings Berhad ("WCT" or the "Group") presents its Sustainability Statement 2022 ("SS2022") for the financial year ended 31 December 2022 ("FY2022").

SS2022 provides a comprehensive account of WCT's ongoing sustainability journey, for our stakeholders – detailing the Group's continued progress in improving its sustainability performance.

Disclosures provided in the SS2022 encompass economic, environmental 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. In combination, the information will adequately address environmental, economic and governance ("ESG") data needed by stakeholders wanting to make investment or lending decisions on WCT based on its ability to create short, medium and long-term value.

WCT's SS2022 aims to also provide readers with information on our contribution to the achievement of United Nations Sustainable Development Goals ("UN SDGs") below:

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

MANAGING RISKS, CREATING OPPORTUNITIES IN SUSTAINABILITY

The focus on sustainability is also driven by the continued emergence of various sustainability risks and opportunities e.g., stricter regulations on greenhouse gas (GHG) emissions, heightened customer expectations for more responsible developments, supply chain disruptions, worker rights. Hence, WCT's ongoing sustainability efforts are also aimed at reducing and mitigating these risks that are prevalent based on the Group's business operations comprising engineering and construction, property development, and property investment and management.

Through a committed and strategic focus on material sustainability topics, WCT aims to enable effective mitigation and prevention against risks and to strengthen the business model towards ensuring resilience against emerging issues such as climate change, supply chain disruptions and others.

For a more comprehensive perspective of WCT's business performance and value creation strategies, readers are advised to read SS2022 together with the WCT Annual Report 2022 ("AR2022"), notably the Management Discussion and Analysis, which provides Management's account of the financial year of the Group's business, operational and financial performance.

REPORTING FRAMEWORKS AND GUIDELINES REFERENCED

Information contained in SS2022 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 SS2022)
- Bursa Malaysia's Sustainability Reporting Guide Third Edition
- FTSE4Good Bursa Malaysia Index ("FTSE4Good")
- United Nations Sustainability Development Goals ("UN SDGs")
- Taskforce on Climate Change Financial Disclosures ("TCFD") Recommendations

SUSTAINABILITY STATEMENT
cont'd

REPORTING SCOPE AND BOUNDARY

The scope of this statement covers the reporting period from 1 January 2022 to 31 December 2022, with most statistics presented based on a three-year timeframe. WCT reports its sustainability performance on an annual basis. The previous statement published was for FY2021 (SS2021).

WCT's disclosure in SS2022 is based on the disclosure requirements of the frameworks mentioned above, with disclosures covering the Group's operations in Malaysia for the following business divisions:
- Engineering and Construction
- Property Development
- Property Investment and Management

All subsidiaries that WCT has management control of is included in FY2022's reporting. The full list of projects and offices are provided as follows:

List of Projects and Offices	Division	Type
Mass Rapid Transit 2 ("MRT2 V204 & S204"), Kuala Lumpur	Engineering and Construction	Project Site
118 Mall, Kuala Lumpur	Engineering and Construction	Project Site
Pan Borneo Highway, Sarawak	Engineering and Construction	Project Site
Tun Razak Exchange ("TRX C2"), Kuala Lumpur	Engineering and Construction	Project Site
The Exchange TRX Retail ("TRX Retail"), Kuala Lumpur	Engineering and Construction	Project Site
The Exchange TRX Hotel and Office ("TRX Hotel and Office"), Kuala Lumpur	Engineering and Construction	Project Site
West Coast Expressway ("WCE"), Selangor	Engineering and Construction	Project Site
Light Rail Transit Line 3 ("LRT3 GS02 & GS03"), Selangor	Engineering and Construction	Project Site
Pavilion Damansara Heights, Kuala Lumpur	Engineering and Construction	Project Site
Elevated Highway Project, Sprint Highway, Kuala Lumpur	Engineering and Construction	Project Site
Sapangar Bay Jetty Expansion ("Jetty Extension"), Sabah	Engineering and Construction	Project Site
Sapangar Bay Container Port Expansion ("Container Port"), Sabah	Engineering and Construction	Project Site
Sultan Ismail Petra Airport, Kelantan	Engineering and Construction	Project Site
WCT Machinery, Selangor	Engineering and Construction	Business Operations
The Ascent, Selangor	WCT Headquarters	Office
One Medini Sdn Bhd ("OMSB"), Selangor	Property Development	Office
Gemilang Waras Sdn Bhd ("GWSB"), Selangor	Property Development	Office
WCT OUG Development Sdn Bhd ("WCT OUG"), Kuala Lumpur	Property Development	Office
Labur Bina Sdn Bhd ("LBSB"), Selangor	Property Development	Office
W City JGCC, Johor	Property Development	Project Site
W City OUG, Kuala Lumpur	Property Development	Project Site
Aronia Apartment, Selangor	Property Development	Project Site
Adenia Apartments, Selangor	Property Development	Project Site
Paradigm Johor Bahru Hotel and Residences ("Paradigm Hotel and Residence"), Johor	Property Development	Project Site
Pavilion Mont Kiara, Kuala Lumpur	Property Development	Project Site
Parklands Gravity Sewerage, Selangor	Property Development	Project Site
Paradigm Mall Petaling Jaya, Selangor	Shopping Mall	Business Operations
Paradigm Mall Johor Bahru, Johor	Shopping Mall	Business Operations
gateway@klia2, Selangor	Shopping Mall	Business Operations
SkyPark Terminal, Selangor	Shopping Mall	Business Operations
Le Méridien Petaling Jaya, Selangor	Hotel	Business Operations
Première Hotel, Selangor	Hotel	Business Operations
SkyPark Aviation, Selangor	Business Aviation	Business Operations

SUSTAINABILITY STATEMENT
cont'd

Data and information provided in SS2022 has been internally sourced and collected from official Group records and documents. Collected data and results are based on recognised metrics and industry standards such as the Greenhouse Gas ("GHG") Protocol and others.

We also ensure the GRI Reporting Principles has been applied in making our disclosures.

EXCLUSIONS AND LIMITATIONS

Outsourced operations and associate companies of which the Group does not have management control of are excluded unless otherwise mentioned.

WCT is cognisant that despite its best efforts, data for certain disclosures may be unavailable. Among the gaps identified are disclosures on the environmental and social performance of the Group's supply chain. The Group is progressively strengthening its ongoing data collection, which includes supply chain information.

Towards this end, in FY2022, WCT has developed the necessary framework for effective supply chain engagement and data collection such as its Responsible Supply Chain Policy, Sustainable Procurement Policy, Supplier Code of Conduct, and WCT Material Use Policy. These efforts are expected to pave the way for a more systematic and effective supplier assessment regarding social and environmental issues in FY2023, as well as data collection from the supply chain going forward. Such information will subsequently be disclosed in future sustainability reporting.

MEMBERSHIP IN ASSOCIATIONS

WCT is a member of the following industry associations, organised based on our various business segments. Regarding our 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
- Suruhanjaya Perkhidmatan Air Negara (SPAN)
- Permit IPA Jenis C1 (Bekalan Air) – WCTB
- Permit IPA Jenis C1 (Pembetungan) – WCTB
- Pusat Pendaftaran Kontraktor Kerja, Bekalan Dan Perkhidmatan Negeri Sabah - Kementerian Kewangan Sabah (PUKONSA) – WCTC
- Sabah Trading License - WCTB, WCTC, WCT Machinery
- 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)

Shopping Malls

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

Business Aviation Authorities

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

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

ASSURANCE

WCT has undertaken independent auditing and assurance for financial data presented in this statement where the figures can be cross-referenced to the Financial Report of the AR2022. The Group will look to undertake an internal assurance exercise of sustainability-related data for FY2023.

SUSTAINABILITY STATEMENT
cont'd

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements such as targets, prospects, future plans and reasonable assumptions that were set in regard to 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.

REPORT AVAILABILITY AND FEEDBACK

SS2022 is prepared as part of WCT's Annual Report 2022, 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

2017

- Commenced sustainability reporting guided by Bursa Malaysia & GRI standards
- Conducted first materiality assessment
- Developed year-on-year data reporting format

2018

- Enhanced year-on-year data accuracy and disclosure
- Refinement of material matters
- Sustainability awareness briefing to Board and employees

2019

- Established Board Risk and Sustainability Committee (BRSC)
- Strengthened data integrity and expanded scope of data tracking
- UNSDGs alignment based on global standards of sustainability frameworks

2020

- Established COVID-19 response and disclosure
- Refinement of reporting for investors and analysts
- Developed ABAC Policy & SOP

2021

- A refresh of materiality assessment
- Developing sustainability goals & strategies
- Formalised group-wide Stakeholder Engagement Policy

2022

- Developed sustainability framework
- Established sustainability targets and initiatives
- Developed Responsible Supply Chain Policy, Sustainable Procurement Policy, Supplier Code of Conduct, and WCT Material Use Policy
- Established the Group Integrity Unit

2023

- Capacity building for suppliers on the established policies through briefing and sharing of best practices
- Commencement on assessment of sustainable procurement practices by suppliers

SUSTAINABILITY STATEMENT
cont'd

NOTABLE SUSTAINABILITY-RELATED DEVELOPMENTS

WCT is committed to participating in valuable projects and has therefore integrated sustainable practices into its operations. By doing so, WCT is equipped to deliver sustainable outcomes in all its endeavours, including nation-building projects that contribute to job creation, enhance community accessibility, drive growth in surrounding neighbourhoods, and improve public transportation infrastructure. Additionally, WCT recognises the pressing need for affordable housing and has taken proactive steps to address this issue. Overall, WCT's dedication to sustainability underscores its role as a responsible corporate citizen and its commitment to promoting sustainable development in Malaysia.

2021

WCT has achieved practical completion of the 4.13km Bandar Malaysia South Portal to Kampung Muhibbah alignment of the nation's MRT2 Putrajaya Line Project, together with road works, landscaping, and two MRT stations, namely the Kuchai and Taman Naga Emas stations. OHS at the workplace is of paramount importance and WCT's safety practices has led to the achievement of the highest 5-Star Rating in the Safety and Health Assessment System in Construction (SHASSIC) Achiever award by CIDB Malaysia in 2019 with a score of 91%, 640,000 Safe-Man Hours without Lost Time Injury (LTI) for the alignment, and 410,000 Safe Man-Hours without Lost Time Injury (LTI) for the construction of the stations. In addition, the construction works at the alignment has created about 2,000 job opportunities.

The construction of the alignment and MRT stations by WCT is expected to play a significant role in enhancing accessibility and driving growth in the surrounding neighbourhoods, while also bringing substantial improvements to public transportation infrastructure.

2022

The Adenia Apartments have been introduced as an affordable residential option in Klang, offering premium amenities at an affordable price. This 23-storey tower in the well-established Bandar Parklands township comprises 181 units with a built-up area of 915 sqft and features three bedrooms and two bathrooms. The development has been specifically designed to address the present lack of affordable homes within the community, which goes towards meeting the housing needs of a large segment of the population.

SUSTAINABILITY STATEMENT
cont'd

ALIGNING WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

WCT's sustainability efforts are consistent with global aspirations, notably the UN SDGs. WCT has continued to align its ongoing efforts with the UN SDGs and the following are the Group's sustainability highlights and achievements. The Group has also established a clear objective and is fully committed to making sustained efforts towards achieving its stated sustainability targets. While there have been instances where certain targets have not been met within the stipulated timeframe, including the annual targets and the ultimate goal of zero target, WCT remains steadfast in its commitment to continue its efforts towards achieving these objectives. Moreover, the Group has already taken proactive measures to drive progress towards its targets, as detailed in the relevant sections of this report.

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
1 NO POVERTY Corresponding Material Topic: Economic Contribution to Stakeholders Employee Welfare	**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.	• WCT disbursed financial aid of RM702,003.10 to communities affected by the flood at the end of 2021 and early 2022. • WCT provided food aid worth RM18,385.82 to the needy during the festive seasons.	1. Invest 0.2% of the preceding year's revenue in CSR. (Target for 2022: RM 3.39 million)	● Invested RM3.36 million in CSR programmes for 2022.
3 GOOD HEALTH AND WELL-BEING Corresponding Material Topic: Occupational Health & Safety (OHS) Pollution Product Quality & Safety Local Community Wellbeing	**Target 3.9:** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	• 1,141 employees attended OHS training in FY2022. • WCT organised 16 blood donation drives at its shopping malls in support of replenishing the nation's blood bank. • Paradigm Mall Petaling Jaya was a designated Pusat Pemberian Vaksin (PPV) for booster shots. A total of 90,000 vaccines were offered to the communities from December 2021 to October 2022. • WCT sponsored approximately RM 220,000.00 on local community health and wellbeing programmes/ initiatives.	1. Zero fatality for employees and contractors.* 2. Zero accidents which resulted in permanent disability for employees and contractors.* * *Contractors working on locations/sites under WCT control*	● 2 work-related fatalities involving local workers of a sub-contractor were recorded. ● 4 accidents were recorded without resulting in permanent disability.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
4 QUALITY EDUCATION Corresponding Material Topic: Learning & Growth	**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.	• 22% of the workforce is below 30 years old. • WCT contributed RM2,192,277.27 in several educational institutions. • In 2022, WCT invested over RM2 million in the Protégé RTW Programme to train unemployed youths. • 113 interns trained throughout WCT's business divisions.	1. Conduct average training hours of 3 hours in 2022 (Baseline: 2020/2021 and average of 9.2 hours were conducted per employee).	● 10.2 average training hours per employee.
5 GENDER EQUALITY Corresponding Material Topic: Diversity, Equality & Inclusion	**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.	• 27% of workforce comprising women.	1. 30% of the Board of Directors to be women by 2026. 2. Increase the percentage of women in managerial roles by 5% by 2026 (Baseline: 2021 – 4.14%).	● 12.5% of the Board of Directors comprises women. ● 3% of women employed in managerial roles.
6 CLEAN WATER AND SANITATION Corresponding Material Topic: Pollution Water	**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.	• Zero incidents of serious effluent discharge/water pollution. • Zero fines for effluent discharge. • Invested 47,749 gallons of rainwater harvesting tanks across all business divisions to reduce consumption of potable water.	1. To reduce the Group-wide average water intensity as measured against total square feet ("sqft") by 10% by 2030. (Baseline: 2019 – 0.013 m^3/sqft)	● Group-wide average water intensity in FY2022: 0.041 m^3/sqft.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
7 AFFORDABLE AND CLEAN ENERGY Corresponding Material Topic: Energy	**Target 7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix. **Target 7.3:** By 2030, double the global rate of improvement in energy efficiency.	• Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru subscribed 4,838,000 kWh of electricity per month generated from renewable energy sources under the Green Electricity Tariff Programme (GET) by Tenaga Nasional Berhad.	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)	• Group-wide average electricity intensity in FY2022: 1.15 kWh/sqft.
8 DECENT WORK AND ECONOMIC GROWTH Corresponding Material Topic: Respect for Human Rights Occupational Health & Safety (OHS)	**Target 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. **Target 8.8:** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers.	• WCT employed a total of 2,091 people in 2022 (370 new employees). • 86.5% local employment in FY2022. • 22% of employees aged 30 years old and below.	1. Zero violation cases of human rights (child labour and forced labour). 2. Zero fatality for employees and contractors.* 3. Zero accidents resulting in permanent disability for employees and contractors.* * *Contractors working on locations/ sites under WCT control*	• No cases of human rights violation recorded in FY2022. • 2 work-related fatalities involving sub-contractors were recorded. • 4 accidents were recorded without resulting in permanent disability.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Corresponding Material Topic: Product Quality & Safety Economic Contribution to Stakeholders	**Target 9.1:** 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. **Target 9.2:** Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries. **Target 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities.	• 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 4-star rating under the Public Toilets Grading System by the Sepang Municipal Council. • Première Hotel received the BeSS (Bersih, Selamat dan Sihat) certification (2022 – 2025) from the Ministry of Health for its restaurants.	1. Achieve more than 85% score on customer satisfaction surveys by 2023 (Baseline: 2019-81%). 2. Maintain zero significant instances of legal non-compliance on environmental pollution leading to fines or non-monetary action from authorities.	• Average 82% score on customer satisfaction survey. • Zero significant instances of legal non-compliance on environmental pollution recorded in FY2022.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
10 REDUCED INEQUALITIES Corresponding Material Topic: Diversity, Equality & Inclusion Employee Welfare	**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 10.3:** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. **Target 10.4:** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	• 27% of workforce comprising women. • Since 2021, WCT has trained 162 fresh graduates under the WCT Protégé RTW Programme and absorbed 28 talents as contract staff. • WCT donated over RM24,489.35 to non-governmental organisations (NGOs).	1. 30% of BOD members to be women by 2026. 2. Increase the percentage of women in managerial roles by 5% by 2026 (Baseline: 2021 – 4.14%).	• 12.5% of the Board of Directors comprises women. • 3% of women are in managerial roles.
11 SUSTAINABLE CITIES AND COMMUNITIES Corresponding Material Topic: Local Community & Wellbeing Product Quality & Safety	**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.	• High retention of green landscapes, notably for property development projects.	1. Zero official substantiated complaints related to environmental pollution from neighbouring communities at WCT locations by 2030. *Note: Official substantiated complaints refers 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.*	• Zero official substantiated complaints related to environmental pollution recorded in FY2022.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Corresponding Material Topic: Materials Pollution Waste	**Target 12.2:** By 2030, achieve the sustainable management and efficient use of natural resources. **Target 12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	• WCT's Landfill Waste Reduction Programme at offices diverted 7.88 tonnes of waste from landfill. • 115 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.	1. Reduce waste sent to landfill by 10% by 2026, and 20% by 2030 (Baseline: 2019 – 43%). 2. 100% of locally sourced materials purchased by the Group. 3. Procure materials in accordance with WCT Material Use Policy. 4. Maintain zero significant instances of legal non-compliance on environmental pollution leading to fines or non-monetary action from authorities. 5. Zero official substantiated complaints related to environmental pollution from neighbouring communities at WCT locations by 2030. *Note: Official substantiated complaints refers 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.*	• 9.2% of waste sent to landfill in FY2022. • 99.63% of materials are sourced locally. • Procurement practices are in accordance with WCT Material Use Policy. • Zero significant instances of legal non-compliance on environmental pollution recorded in FY2022. • Zero official substantiated complaints related to environmental pollution recorded in FY2022.
13 CLIMATE ACTION Corresponding Material Topic: GHG Emissions & Climate Change	**Target 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. **Target 13.2:** Integrate climate change measures into national policies, strategies and planning.	• 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.	1. Reduce 10% of CO_2 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 CO_2e/sqft)	• Group-wide average carbon emissions intensity in FY2022: 0.9432 CO_2e/sqft.

SUSTAINABILITY STATEMENT
cont'd

SDG	SDG Targets	Highlights and Achievements	Commitments, Targets and Pledges	Commitments, Target Realisation
15 LIFE ON LAND Corresponding Material Topic: Biodiversity Loss	**Target 15.5:** 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.	• Compliance with all Environmental Impact Assessments carried out by clients for Engineering and Construction projects ("EIA").	1. Replant 30% of felled trees or 500 trees per year (whichever lower).	● No tree planted in FY2022 due to no land clearing activity that necessitated replanting of felled trees.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS Corresponding Material Topic: Ethical Business Conduct	**Target 16.5:** Substantially reduce corruption and bribery in all their forms. **Target 16.6:** Develop effective, accountable and transparent institutions at all levels. **Target 16.7:** Ensure responsive, inclusive, participatory, and representative decision-making at all levels.	• Formation of the Group Integrity Unit. • 75% of Board of Directors received ABAC training. • Conducted 48 Anti-Bribery and Anti-Corruption (ABAC) training for employees.	1. Zero public legal cases regarding corruption brought against WCT or its employees.	● Zero incident of corruption case brought to the court in FY2022.

Legend: Progress tracking
- Meeting target
- In the progress
- Falling short of target

As a mark of quality and continued compliance to best practice industry standards, all Engineering and Construction and Property Development projects sites are ISO 45001 certified and all Engineering and Construction project sites are ISO 14001 certified.

In addition, WCT and its subsidiary companies have attained third party certifications 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
- **ISO 9001:2015**
  Quality Management Systems for WCT Properties Sdn Bhd
  Certification No. QMS 03141

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

SUSTAINABILITY STATEMENT
cont'd

MESSAGE FROM THE CHAIRMAN OF WCT BOARD RISK AND SUSTAINABILITY COMMITTEE

As the nation enters the endemic phase of the COVID-19 pandemic and the world works towards recovering from its impacts, we at WCT remain optimistic about the potential for a robust economic recovery and the resolution of various social issues. However, despite the reopening of global markets, the construction and property development industries remain volatile due to supply chain disruptions, labour shortages, higher fuel prices, and inflation. As such, we recognise the importance of building resilience in the face of global economic, climate, and social disruptions.

At WCT, we strive to build a sustainable future with sustainability integral to our business strategy. While we have made significant progress and achievement, including our recent inclusion as FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index constituents, the current urgency of climate change demands greater actions. In FY2022, we developed a sustainability framework with targets and initiatives, actively reduced our carbon footprint, committed to better labour practices, and developed policies relating to sustainable supply chain, procurement practices, and material use. We remain committed to managing the EES risks & opportunities and improving our ESG performance in the coming years.

Our sustainability strategy is reinforced by our purpose of Building Sustainable and Thriving Communities and our goals of Empowering People, Protecting the Environment, Enhancing Livelihood and Embracing Responsible and Fair Business Practices. These, alongside the adoption of relevant UN SDGs, serve as a guiding framework for our material sustainability topics in FY2022.

In line with Bursa Malaysia's climate change disclosure requirements, we are enhancing our related disclosures, including governance with respect to climate change risks and opportunities, metrics and targets aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations. Additionally, we have disclosed our Scope 3 emissions related to business travel in this SS2022.

To reinforce our efforts to sustain and improve our supply chain and procurement practices, we have developed sustainable procurement policies addressing environmental and social issues. As companies' supply chain generates the majority of environmental and social impacts, we recognise the importance of assessing our supply chain and will continue to prioritise this focus as part of our sustainability efforts.

From an environmental standpoint, we continue to invest in waste management, with a landfill reduction program, recycling of used cooking oil from our shopping malls and hotels businesses, and other 3R (Reduce, Reuse, and Recycle) practices in all construction sites. These waste minimisation steps have led to significant reduction in both hazardous and landfilled waste while most of the recycled wastes were sent for repurposing.

In line with our commitment to adopting circular economy principles, the Group's Engineering and Construction as well as Property Development Division adopts six approaches to drive sustainability in the building and construction industry. One key approach is to promote and maximise the usage of green building materials in our projects by adopting a list of green building materials.

Our Property Development Division will adopt green design features during the design phase to promote the construction of green buildings, to meet the Government's call for sustainable building practices, while the Engineering and Construction Division will actively participate in securing projects that deliver stronger sustainability impacts to the environment and society.

Additionally, we recognise the value of advanced digital solutions, such as Building Information Modelling ("BIM") and Virtual Design and Construction ("VDC"), which can play a critical role in evaluating the environmental impact of a building or project throughout its lifecycle and improve resource efficiency during operation. In FY2023, the Engineering and Construction Division will collaborate with Technology Depository Agency Berhad to set-up BIM training labs at the University Malaysia Sabah and the Engineering Department of Malaysia Airports Holdings Berhad.

As a reflection of our commitment to sustainability, we remain focused on our established measurable targets and tangible action plans. Leveraging our progress on our sustainability journey, we are determined to turn our ambition into action to reach our goals and progressively drive WCT's digital transformation, especially for key construction and operation processes, towards a more sustainable future.

We are committed to advancing our positive environmental and social impact, enhancing corporate governance, and driving future-forward development for our organisation and the broader community. Building on the foundation of our growing sustainability strength, we aim to create a brighter tomorrow for all. With your support, we are confident that we can continue to achieve new heights and build a sustainable and prosperous future together.

Dato' Ng Sooi Lin
Independent Non-Executive Director and Chairman of WCT Board Risk and Sustainability Committee

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDER ENGAGEMENT

As in previous financial years, FY2022 continued to see WCT engage its diverse stakeholder base through a wide range of communication platforms and channels.

Beyond assessment and prioritisation of material sustainability topics, 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/policy.aspx?c=stakeholder_engagement_policy**.

Engaging stakeholders support the Board and Management in determining material sustainability topics 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. The outcomes from undertaking stakeholders' engagement initiatives could result in stronger economies, higher living standards, and more opportunities for individuals and groups, given its advantages for resource allocation and economic health.

WCT views stakeholders as individuals, groups of people or organisations who have the potential to influence or be impacted by WCT Group's activities, products or services and associated performance. Individuals or groups who are, or may be potentially impacted by the Group's presence or business operations are also regarded as stakeholders.

STAKEHOLDER ENGAGEMENT TABLE

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Topic	Outcomes/ Values Created
1	Customers (including property developers, home buyers, shopping mall tenants and visitors, hotel guests and visitors, aircraft operators, airlines, business aviation and general aviation customers).	• Satisfaction surveys • Suggestion boxes • Social media • Newsletters • Campaigns • Exhibitions • Mobile and email communications • Company website • Customer service concierge counters • Virtual Property Gallery	• Compliance with product specifications and other deliverables • Quality products and services • Fair product pricing • Products that meet customer's needs e.g., GBI, 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	• Product Quality & Safety • Ethical Business Conduct • Pollution • Personal Data Protection • Local Community Wellbeing • Diversity, Equality & Inclusion • Occupational Health & Safety	• Enhanced customer satisfaction by delivering improved customer service levels and response times. • Organised attractive customer campaigns and promotions.
2	Employees	• Internal communications • Virtual/Face-to-face meetings • Performance reviews • Code of Conduct & Ethics • Interviews • Community development programmes • Conferences, seminars and workshops • Whistleblowing channel • Employee Handbook	• 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	• Employee Welfare • Learning & Growth • Occupational Health & Safety • Diversity, Equality & Inclusion • Respect for Human Rights • Economic Contribution to Stakeholders • Ethical Business Conduct	• A safe and comfortable workplace. • Enhanced employees' competency.

SUSTAINABILITY STATEMENT
cont'd

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Topic	Outcomes/ Values Created
3	Regulators & Local Authorities e.g., Department of Safety and Health, Ministry of Health, Construction Industry Development Board, Department of Environment, Malaysian Highway Authority	• Virtual/Face-to-face meetings • Regular engagement for knowledge sharing • Media releases • Conferences • Surveys • Attending seminars and training sessions • Site visit • Machinery inspections (for plant and machinery operation approval purposes)	• Demonstration of compliance with respective authorities' requirements • Supporting government policies and objectives • Timely and responsive communication and actions • Information sharing	• Ethical Business Conduct • Employee Welfare • Local Community and Wellbeing • Occupational Health & Safety • Personal Data Protection • Pollution • Economic Contribution to Stakeholders • GHG Emissions & Climate Change	• Displayed continued compliance with authorities' requirements.
4	External Goods and Service Providers e.g., contractors, sub-contractors, vendors, suppliers, consultants	• Virtual/Face-to-face meetings • Annual supplier re-assessments • Performance surveys	• 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	• Local Sourcing • Ethical Business Conduct • Economic Contribution to Stakeholders • Respect for Human Rights • Diversity, Equality & Inclusion	• Cost-effective and reliable delivery of goods and services.
5	Investors, Analysts, & Fund Managers	• Quarterly briefings • Virtual/Face-to-face meetings • Conferences • Media releases and interviews • Annual reports and sustainability statement • Company website	• 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	• Economic Contribution to Stakeholders • Ethical Business Conduct • GHG Emissions & Climate Change • Respect for Human Rights	• Regular engagement and meetings to deliver credible and consistent corporate messaging.

SUSTAINABILITY STATEMENT
cont'd

No	Stakeholder	Engagement Channels	Needs And Expectations	Relevant Material Topic	Outcomes/ Values Created
6	Local Communities e.g., resident associations, neighbouring communities, NGOs	• Town-hall meetings • Community development programmes • Media releases • Social Media • Sponsorships • Complimentary event spaces • Food Bank	• 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	• Local Community Wellbeing • Economic Contribution to Stakeholders • Pollution • Waste • Respect for Human Rights • GHG Emissions & Climate Change • Biodiversity Loss • Water • Specific to NGO	• Engagement with the local communities/ NGOs in need through community programmes.
7	Financial Institutions e.g., lenders, insurers	• Virtual/Face-to-face meetings	• Manage risks to ensure financial soundness (physical and reputational risks) • Honouring borrowing terms and conditions • Timely and responsive communication and actions	• Economic Contribution to Stakeholders • Ethical Business Conduct • Product Safety & Quality • GHG Emissions & Climate Change • Respect for Human Rights	• Improved corporate credibility.
8	Industrial Affiliates e.g., Real Estate & Housing Developers' Association, Malaysia Shopping Malls Association, Malaysian Association of Hotel Owners	• Surveys • Conferences • Interviews • Virtual/Face-to-face meetings	• Demonstration of compliance obligations • Knowledge sharing • Adherence to affiliates' charter/code • Timely and responsive communication and actions • Active participation in affiliates' initiatives	• Specific to industrial affiliate	• Displayed continued compliance, obligations, and commitment as an industry player.
9	Media	• Community development programmes • Media releases • Advertising • Media conferences	• Timely and accurate communication • Responsive to queries	• Ethical Business Conduct • Specific to communicated information	• Positive and continued media coverage and reporting.
10	JV & Business Partners	• Virtual/Face-to-face meetings	• Honouring terms and conditions • Continued business opportunities	• Economic Contribution to Stakeholders • Ethical Business Conduct	• Displayed strong compliance and obligations as a business partner.

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDER ENGAGEMENT HIGHLIGHTS

With the Marketplace

WCT's Property Development Division launched the WCT Experience Gallery at Pavilion Bukit Jalil. The 5,220 sqft. flagship gallery features innovative and cutting-edge technology to create an immersive home buying experience that enables buyers or visitors to virtually place themselves within a WCT home, instead of travelling physically to a show house.

With External Goods and Services Supplier

SkyPark Aviation signed a Memorandum of Understanding (MoU) with Petronas Dagangan Berhad to voluntarily promote the usage of sustainable aviation fuel (SAF) among business aviation and general aviation companies.

The Property Development and Property Investment and Management Division inked a strategic partnership with Huawei Technologies (Malaysia) Sdn Bhd (Huawei Malaysia) to explore and develop digital transformation solutions as well as artificial intelligence (AI) enabled business models with commercialisation opportunities for implementation in WCT's real estate development which include residential, lifestyle and retail as well as hospitality projects. This collaboration is in line with the divisions' vision of offering affordable luxury homes with emphasis on stakeholders' safety, connectivity, community living and lifestyle convenience.

With Local Communities (Schools)

The W City OUG project team regularly engages and maintain open communication with its stakeholder, Sekolah Kebangsaan Seri Indah, OUG KL to identify the needs of the school especially during crucial periods such as examination period. The project team works around the school schedule to ensure disruptive construction activities are planned around such these events.

SUSTAINABILITY STATEMENT
cont'd

With Media, Business Partners and Local Authorities

As the country moved into the endemic phase of COVID-19, a media event was held on 13 July 2022 to announce WCT Malls' tripartite collaboration with Tourism Malaysia and Visa to promote Malaysia as a desirable tourist destination, particularly among inbound travellers. As one of the key retail mall owners in Malaysia, WCT Malls is proud to play its role in supporting the nation in boosting the national economy through a series of campaigns under the theme #SHOPPINGEXTRAVAGANZA.

In an effort to better understand the Sultan Ismail Petra Airport project status, the Unit Penyelarasan Pelaksanaan - Jabatan Perdana Menteri and Ministry of Transport Malaysia, Unit Teknikal Projek Udara & Darat Bahagian Pembangunan visited the WCT project site in May 2022. WCT shared its project challenges and has sought for the necessary support from the authorities to deliver on its project milestones.

SIRIM auditors visited the WCT LRT3 GS02 & GS03 in March 2022 as part of the SIRIM Recertification Audit for the Provision of Construction Services for Building and Civil Engineering Works including Turnkey project. The audit exercise allowed independent assurance against WCT's operational control and compliance to requirements of the relevant standards.

With Employees and Contractors

In January 2022, 23 employees and seven contractors from the Property Development Division attended the Basic Occupational First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) Training. The training was delivered by an external training provider specialising in the safety field to boost the safety and health awareness among employees and contractors.

MATERIAL TOPICS

WCT conducted a materiality assessment exercise ("MAE") in FY2021 to identify and prioritise the Group's material sustainability topics. These are topics that would impact value creation as well as topics that may have a bearing on stakeholders.

In terms of methodology and process, the MAE was conducted over two phases. The first phase was to identify material topics based on WCT's significant environmental, economic and social impacts. The second phase involved stakeholder engagement to obtain their views on the material topics which were then assessed and analysed based on an internally developed weightage system.

For FY2022, we reviewed the validity of the identified material topics. We confirm that these topics, especially topics pertaining to employee welfare, employee learning and growth, ethical business conduct, product safety, local sourcing, personal data protection, pollution as well as health and safety deemed material and shall continue to receive strategic focus until the next review.

The materiality matrix was approved by the Senior Management in the Group Sustainability Committee and the Board of Directors ("the Board") in the Board Risk and Sustainability Committee. Management's views were reviewed and where fitting, were incorporated into the overall MAE results.

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 topics.

SUSTAINABILITY STATEMENT
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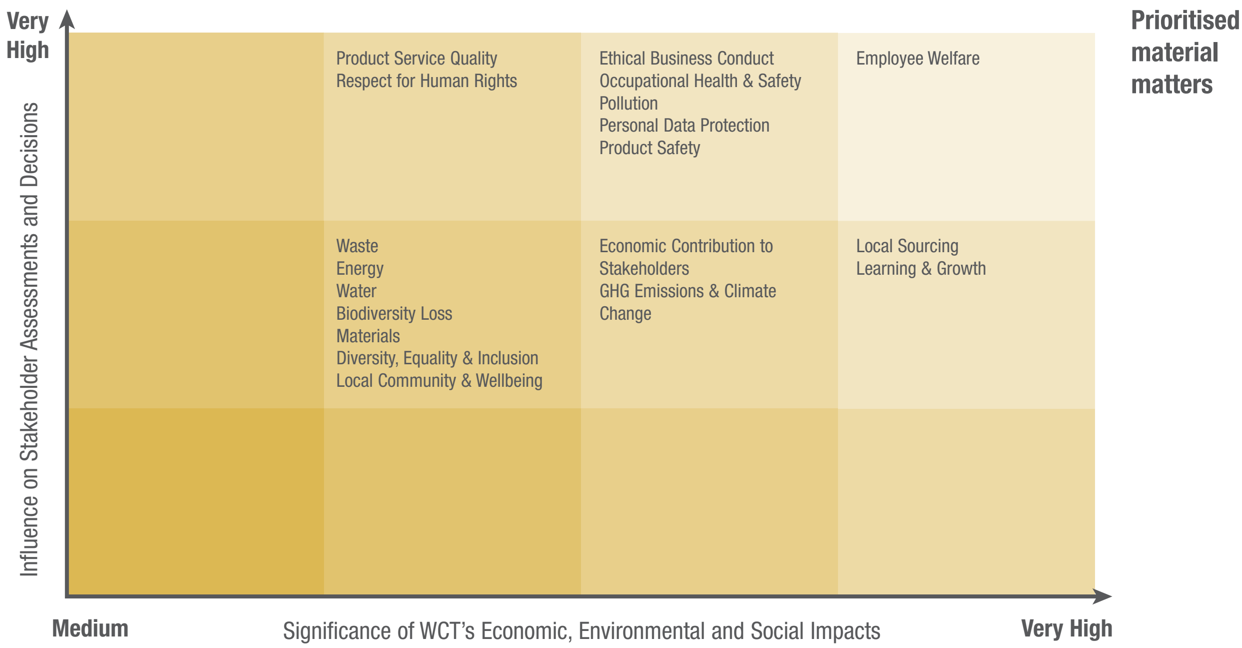
MATERIALITY MATRIX

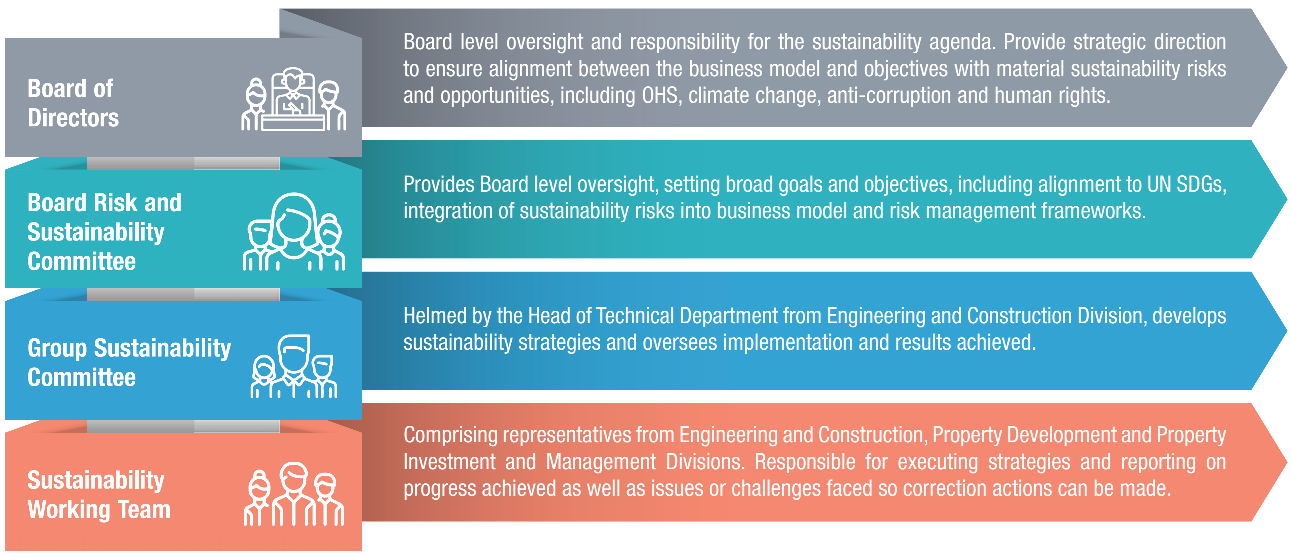


GOVERNANCE OF SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

Sound governance is key to drive WCT's sustainability strategy. With the introduction of climate-related disclosures by Bursa Malaysia, aligned with the TCFD Recommendations for all listed issuers, strategic planning and decision-making on sustainability and climate-related matters have become more crucial.

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 material topics to be progressively integrated into strategic decision-making as sustainability concerns can now be given due consideration at the organisation's highest decision-making levels based on sound analysis of WCT's ESG data.



SUSTAINABILITY STATEMENT
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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/policy.aspx?c=corporate_governance.

While the full Board has ultimate responsibility for WCT's sustainability performance, specifically, the Board Risk and Sustainability Committee ("BRSC") plays a leading role in championing the sustainability agenda. The committee meets quarterly and is tasked with reviewing ESG data to evaluate the Group's sustainability performance in relation to key performance indicators (KPIs) and macro targets.

Board Risk and Sustainability Committee, comprising four Independent Non-Executive Directors is responsible to oversee sustainability-related risks and ensure that sustainability considerations are incorporated in the Group's businesses and strategies so as to create value for its businesses and stakeholders in the longer terms 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 AND BOARD PERFORMANCE

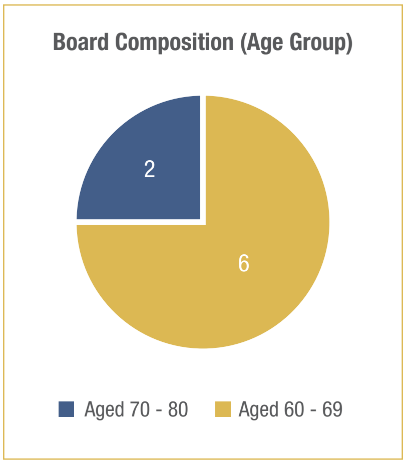
The Board is currently exploring ways to strengthen its performance evaluation by incorporating relevant criteria, including the attainment of significant sustainability-related targets. This concept is presently under study to evaluate its impact on other policies, including the Remuneration Policy.

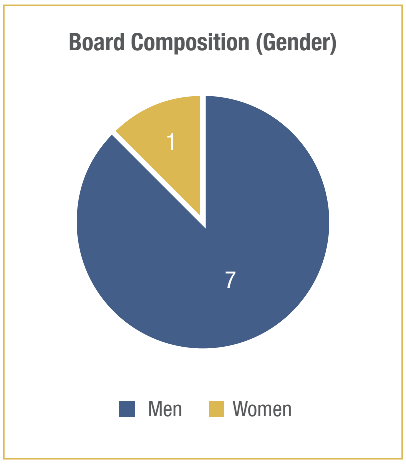
BOARD DIVERSITY

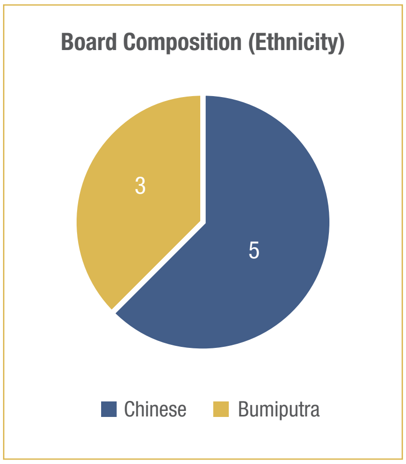
WCT aims to ensure diversity in its Board by selecting individuals from various professional backgrounds, experiences, and competencies. This diversity of skills, talents, and capabilities helps to foster broader perspectives and insights, leading to better decision-making.

WCT supports the Malaysian government's aspiration as well as the MCCG 2021, to achieve at least 30% women directors on the Board of public listed companies. Therefore, the 30% target will be strongly taken into account when selecting new members to the Board.

As of FY2022, women directors constitute 12.5% of the Board:







SUSTAINABILITY STATEMENT
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UPHOLDING ETHICAL BUSINESS CONDUCT AND CORPORATE INTEGRITY

The Code of Conduct and Ethics established by WCT delineates the expectations for all employees to adhere to while performing their duties. In essence, the Code stipulates what constitutes unacceptable behaviour or practices that no one in the Group should emulate.

In addition, the company's directors are expected to uphold this Code based on principles of sincerity, integrity, responsibility, and corporate social responsibility. The Code is designed to enhance the standard of corporate governance and behaviour, with the aim of promoting ethical behaviour for directors that is based on trustworthiness and values that are universally accepted.

Furthermore, the Code seeks to uphold the spirit of responsibility and social responsibility in accordance with applicable legislation, regulations, and guidelines governing corporate administration. The Code is published in English and is available online. WCT has plans to translate the Code and the WCT Employee Handbook into other languages going forward.

WCT EMPLOYEE HANDBOOK

In order to promote a comprehensive understanding of WCT's Code and policies, all staff members are furnished with an Employee Handbook. This handbook is readily available for download through the Company's intranet portal, which ensures that employees have easy access to the information they need. The purpose of the handbook 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.

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.

WCT Corporate Policies

For the Board and Management	For Our Employees	For Intermediaries
Code of Ethics for Company Directors	Code of Conduct and Ethics for Employees	Responsible Supply Chain Policy
Board and Senior Management Diversity Policy		Sustainable Procurement Policy
Auditors Assessment Policy		Supplier Code of Conduct
Remuneration Policy		WCT Material Use Policy
Directors' Fit and Proper Policy		

Anti-Bribery and Anti-Corruption Policy I Statement on Risk Management & Internal Control
Whistleblowing Policy I Stakeholder Engagement Policy

In addition to employees, all relevant external stakeholders such as suppliers and contractors are required to adhere to these 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/**.

ZERO TOLERANCE APPROACH TO CORRUPTION

Since FY2020, the Group has implemented its Anti-Bribery and Anti-Corruption ("ABAC") Policy throughout the organisation in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act (Amendment) 2018.

The ABAC Policy is overseen by the Board of Directors and must be reviewed every three years 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**.

SUSTAINABILITY STATEMENT
cont'd

The ABAC Policy provides a precise definition of corrupt acts and strictly prohibits their occurrence in any form. It also outlines the consequences that will be imposed on employees and other stakeholders who engage in corrupt activities. Additionally, the Policy establishes that commercial organisations will be held accountable for any bribery or other corrupt activities, with liability extending to individuals and groups within the Group, such as directors, employees, and service providers, including consultants, advisors, suppliers, and agents.

The Policy covers a broad spectrum of behaviours that constitute bribery and corruption, including commissions, incentives, unofficial payments, gifts and entertainment, political contributions and donations, charitable support, and other specified activities. Nonetheless, the Policy allows exceptional circumstances in which certain types of festive non-monetary gifts, such as perishable items, festive and wedding monetary gifts packets, staff welfare flash donation and hajj/pilgrimage travel fund which may be permissible, if given in a transparent manner.

To ensure widespread understanding of the ABAC Policy, it has been translated into Bahasa Melayu and Mandarin and made available on the employee intranet portal, corporate website, and our supply chain's vendor reference. The Policy has been communicated to all Board members and employees via email, and they have acknowledged that they have read and understood the Policy.

Moreover, suppliers who wish to bid for contracts must acknowledge the Policy and express their willingness to adhere to it. WCT have also taken measures to strengthen Group-wide internal controls and procedures to minimise and mitigate corruption risks, including the establishment of a comprehensive anti-bribery management system that aligns with the ABAC Policy.

FORMATION OF THE GROUP INTEGRITY UNIT

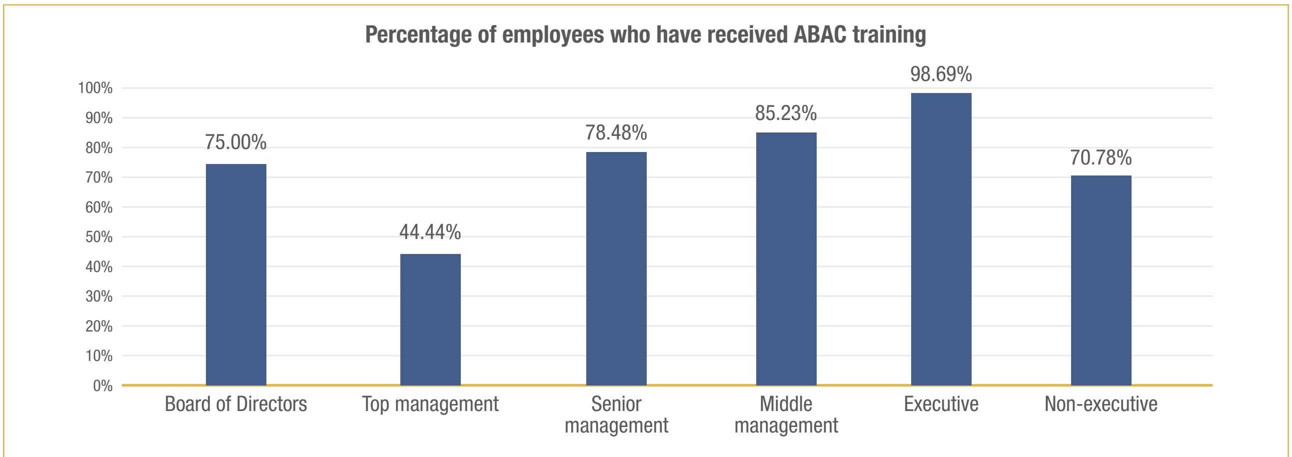
WCT is committed to continuously enhancing its corporate integrity management. In September 2022, the Group Integrity Unit ("IU") was formed to oversee four core activities, namely Governance, Complaint Management, Detection and Verification and Integrity Enhancement.

The IU monitors and tracks the number of reported corruption incidents and the number of anti-corruption training conducted for employees and the Board. The IU is guided by an Integrity Management Framework ("IMF"), which is developed based on the following:
i. Guide adherence to the mandatory elements of the Guidelines on Adequate Procedures issued by Prime Minister's Department (pursuant to subsection (5) of Section 17A).
ii. Provide a standard for performing an integrity management activity.
iii. Establish the basis for the evaluation of integrity management performance.
iv. Foster improved organisational awareness and adherence to bribery and corruption laws and regulations.

The WCT 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.

ANTI-CORRUPTION TRAINING

During FY2022, the company conducted a total of 48 Anti-Bribery and Anti-Corruption (ABAC) training sessions for all employees across the group. Furthermore, new employees are given a comprehensive introduction to the Group's Anti-Bribery Management Systems ("ABMS"), including the Group's Whistleblowing system.



SUSTAINABILITY STATEMENT
cont'd

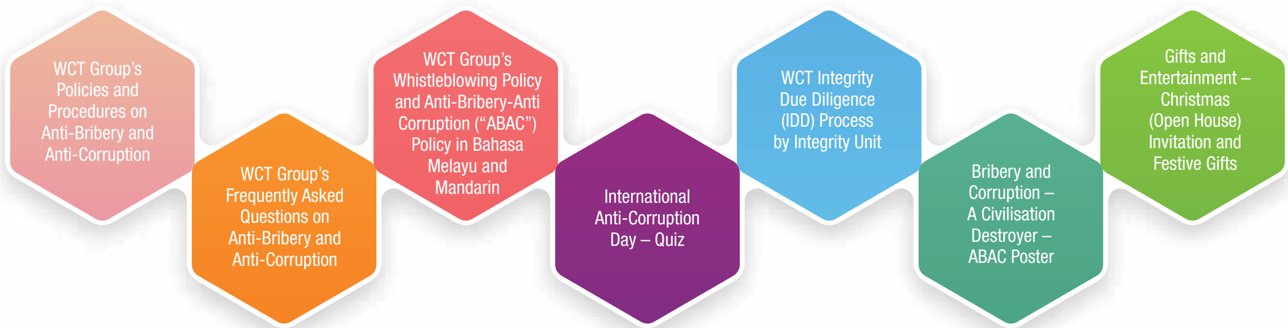
A total of 1,393 anti-corruption training hours were recorded for all WCT employees. The Group aims to increase the level of training and to cascade anti-corruption training to all employees eventually.

ABAC training sessions at the respective offices

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 22 locations. These locations include management offices, sales galleries as well as project sites.

In addition, anti-corruption matters have been effectively communicated to office employees via email, with the following content:



IDENTIFICATION OF OPERATIONS WITH POSSIBLE HIGHER RISK FOR CORRUPTION

A comprehensive bribery and corruption risk assessment was conducted Group-wide and 100% of operations were assessed for risks related to corruption. The assessment identified 131 giving and 136 receiving bribery risks scenarios. Among them, 152 significant risks related to corruption have been identified through the risk assessment. Among the additional prevention measures undertaken to increased stronger vigilance include:

- Conducting internal corruption risk assessments for respective departments and their personnel, including management
- Provision of additional anti-corruption training for all personnel, including Heads of Department.
- To incorporate ABAC clauses into all contracts.

In FY2022, the Group recorded one case of corruption that involved the Group or its employee. Immediate actions were taken to deal with the confirmed incident in the company before any adverse consequences to the business or its stakeholders. In short, 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.

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

SUSTAINABILITY STATEMENT
cont'd

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 found to be violating WCT's ABAC Policy or engaged in acts of bribery and corruption will face strict disciplinary action, including employment suspension or termination.

In addition, legal action may also be taken against offenders, which could involve reporting them to relevant authorities such as Polis Diraja Malaysia ("PDRM"), the Malaysian Anti-Corruption Commission ("MACC"), and other relevant bodies.

WHISTLEBLOWING MECHANISM

To encourage employees and stakeholders to report any misconduct, wrongdoings, corruption, fraud, or abuse of power, WCT has established 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 has set a target to 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.

In FY2022, WCT has maintained a high level of regulatory compliance. However, there were several minor incidents of non-compliance within the Group's operational sites. These were mostly due to water ponding on sites (due to a sudden deluge of heavy rain) that led to aedes larvae detected on sites. Consequently, the Engineering and Construction as well as Property Investment and Management Divisions were liable for fines and penalties amounting to a total of RM22,000.00.

All sites have been cleared of water ponding and continued efforts to ensure there are zero aedes larvae breeding grounds remains a priority. Specific actions taken include ensuring proper drainage on sites, patching up of potholes, educating workers on site to practice proper hygiene and implementing regular mosquito fogging and larvaciding activities.

In addition, the responsible main contractors or consultants engaged by the Property Development Division found to have violated regulations governing permitted working hours for night work have been warned that a reoccurrence would lead to punitive action taken by the Group. The division received three notices of such non-compliance, with another three notices of Aedes breeding incidents at sites. In these cases, the contractors or consultants were held liable for the fines, rather than the division itself. With regards to Occupational Health and Safety (OHS) matter, there were two cases of regulatory non-compliance. Further explanation and details regarding these cases can be found in the OHS section of this report.

SUSTAINABILITY STATEMENT
cont'd

POLITICAL CONTRIBUTIONS

WCT is a non-partisan organisation and did not provide any financial assistance to political parties in FY2022. 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.

However, in supporting charitable causes or initiatives and programmes that benefit the community, WCT may participate in government-led or sponsored events. For instance, in early 2022, WCT actively supported the Selangor government's efforts to raise funds to support the flood relief efforts and help ease the burden of the flood victims.

ECONOMIC VALUE CREATED

ECONOMIC PERFORMANCE

WCT intends to serve as a catalyst for socioeconomic development where it operates to achieve our goal of Enhancing Livelihoods. This is achieved through the creation of financial values for stakeholders as well as other socioeconomic multiplier effects.

The same applies to reducing environmental impacts as well as climate change issues. For example, replacing and installing conventional lighting with LED lightbulbs for energy saving that would require upfront investment costs but could provide tangible returns. Improved financial performance enables a greater distribution of wealth to stakeholders, including shareholders and investors, employees, charitable organisations, NGOs, and others.

Below is an overview of WCT's economic performance in FY2022:

INDICATOR	FY2020	FY2021	FY2022
Group revenue (RM'000)	1,704,580	1,699,688	2,104,868
Group profit before tax (RM'000)	(144,880)	277,875	139,343
Group profit after tax and minority interests (RM'000)	(213,573)	97,245	128,675
Shareholders' funds(RM'000)	2,904,839	2,989,756	3,138,699
Total assets (RM'000)	8,600,153	8,228,970	8,303,744
Cash and bank balances (RM'000)	526,495	283,691	233,796
(Loss)/Earnings per share (sen)	(15.24)	6.90	9.08
Market capitalisation (RM'000)	743,701	722,790	566,894
Dividends (sen)	*	0.50	0.50

* *Share dividend by way of distribution of treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company*

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 this annual report.

ECONOMIC VALUE CREATED AND DISTRIBUTED FOR STAKEHOLDERS

By means of its business model, WCT generates and distributes a wide range of economic value to its stakeholders. In FY2022, the Group's consistent financial growth led to improved value distribution of wealth to relevant stakeholders.

SUSTAINABILITY STATEMENT
cont'd

ECONOMIC VALUE CREATED FOR STAKEHOLDERS

INDICATOR	FY2020 RM ('000)	FY2021 RM ('000)	FY2022 RM ('000)
Payments to Directors, Employees and Workers (Salaries, Wages and Emoluments)	152,506	149,329	140,391
Changes in Payables	34,011	341,983	(67,586)
Government (Income tax)	26,629	42,800	70,197
Returns to Shareholders (Dividends)	4,955	7,086	7,086*
Repayment to Financiers	639,884	552,376	1,224,840
Monies Distributed for Community Development (CSR, infrastructure development and societal contributions, etc.)	5,369	3,529	3,355

** Subject to shareholders' approval*

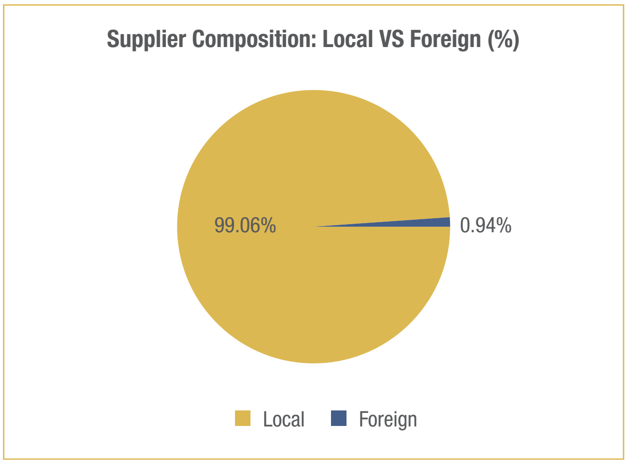
SUPPORTING LOCAL PROCUREMENT AND SUPPLY CHAINS

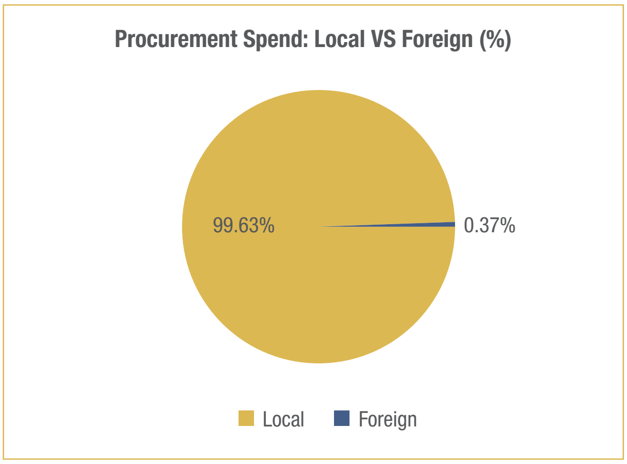
WCT is dedicated to sustainable procurement and supply chains, with a focus on using local suppliers and developing local supply chains as much as possible. This approach not only supports WCT's value creation strategy but also enhances efficiency and productivity. Local is defined as in local to where WCT operates.

By engaging in local procurement, WCT generates business activity within the local supply chain. Additionally, sourcing goods, resources, and services from local suppliers reduces environmental impact by reducing transportation distances and consumption of resources such as fuel and electricity.

WCT's management approach to procurement is reinforced by its 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/**.

The policy 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.





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

SUSTAINABILITY STATEMENT
cont'd

ENVIRONMENTAL AND SOCIAL PERFORMANCE ACROSS THE SUPPLY CHAIN

WCT is committed to promoting sustainability across its supply chains by encouraging an ethical base of 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 contractors to collaborate with the Group towards increasing adoption of its principles. The Group's Sustainable Procurement Policy addresses the following aspects but are not limited to environmental issues and social issues such as climate change, energy consumption, water consumption, biodiversity, waste management, materials used, child labour, force labour, non-discrimination, freedom of association and collective bargaining.

WCT will assess its supply chain with increased scope and frequency going forward. For FY2023, WCT will engage suppliers to create awareness on the Policies and Code of Conduct and carry out the supplier assessment. Following are the conduct, business practices and general principles by which suppliers must abide in order to be eligible to bid for WCT contracts:

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) and child labour.
- 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.

SUSTAINABILITY STATEMENT
cont'd

COMMUNITY INFRASTRUCTURE AND SERVICES SUPPORTED

WCT remains committed to supporting community services and infrastructure through various initiatives, including the development of public amenities at its own cost.

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.

PRODUCT SERVICE QUALITY AND CUSTOMER SATISFACTION

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.

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.

WCT's hotels comply with the Manual Procedure for Halal Certification (MPPHM). In addition, Le Meridièn 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.

Apart from introducing exclusive customer experiences, attractive promotions, and unique retail offerings at our shopping malls, WCT strives to maintain satisfactory customer service and safety levels, malls cleanliness and good facility management.

In FY2022, gateway@klia2 was awarded a 4-star rating under the Public Toilets Grading System by the Majlis Perbandaran Sepang, while 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.

SUSTAINABILITY STATEMENT
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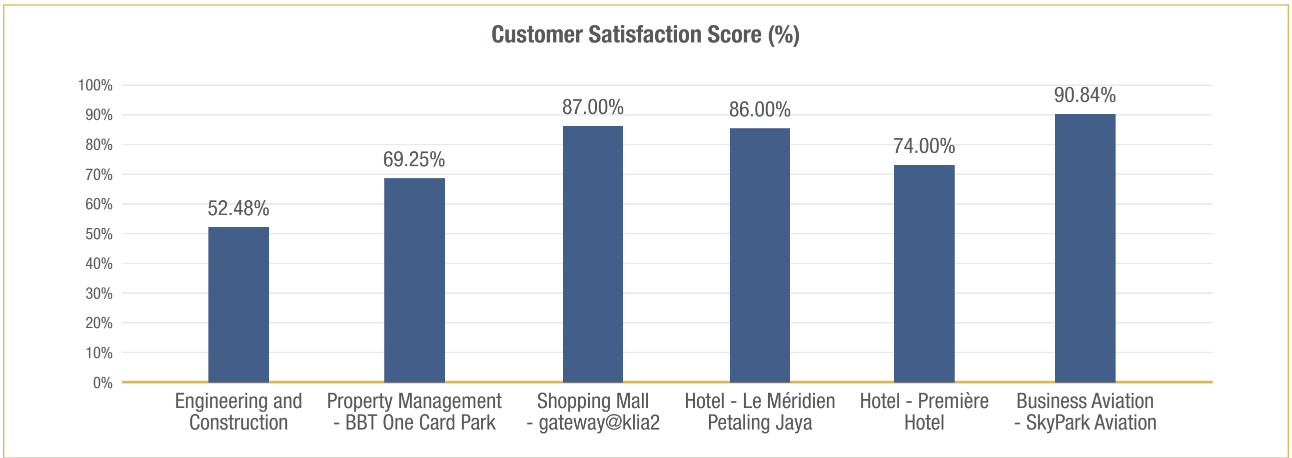
Across all business divisions, WCT consistently receives high scores for product quality and customer satisfaction. The company remains committed in engaging with customers and other relevant stakeholders to gather feedback that fuels the ongoing refinement of its products and services.



DATA PRIVACY

Given WCT's business model, the Group manages large amounts of data from customers and other stakeholders. In managing such data, WCT adheres to the Personal Data Protection Act ("PDPA 2010"). All personal data, such as demographics, income level, and contract details, are treated with the strictest confidentiality and are only collected with the full consent of the data owner.

All collected data is safeguarded by robust security systems and is only accessible for internal use by the intended party for specific purposes. Data is not shared with third parties except by law enforcement agencies. There have been zero cases of data breach throughout WCT's operations.

ENVIRONMENTAL PERFORMANCE

WCT endeavours to manage and reduce environmental impacts based on good operating practices and adherence to relevant international and local standards. These include ISO standards, as well as specific regulatory standards for energy, water, waste, and resource management set in place by the relevant regulatory authorities, such as the Department of Environment (DOE), CAAM, or other industry bodies. The specific standards are provided in the relevant sections of this report.

However, beyond mere compliance with regulations, WCT aims to leverage on sustainability to create and sustain both the financial and non-financial values of stakeholders.

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.

CLIMATE CHANGE AND EMISSIONS

WCT maintains that climate change is a priority regarding its potential and actual impacts, not only on the Group's operations but also on stakeholders. The Group's principal business operations are considered large consumers of fossil fuels for energy and electricity consumption.

Therefore, the Group is always 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 has set the target to reduce 10% of CO_2 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 CO_2e/sqft).

SUSTAINABILITY STATEMENT
cont'd

The Enterprise Risk Management Department has also been involved together with Board Risk and Sustainability Committee and Group Sustainability Committee in overseeing and managing climate change risks, with the execution of an Economic, Environmental, and Social ("EES") risk assessment with recommendations on climate change initiatives and mitigation strategies to be carried out by the Group's sustainability governance structure across WCT and its business divisions.

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

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 the recommendations by Bursa Malaysia.

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

Governance

WCT's Board of Directors and BRSC oversee this segment, assisted by the Group Sustainability Committee comprising Senior Management of respective business divisions. Their other functions include:
- 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.
- Conducting quarterly review on sustainability performance and implementation.

Strategy

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.

These risks encompass physical risks, such as extreme weather which may affect infrastructure projects; transitional risks, which arise from the transition to a low-carbon economy and the impacts it may have on the company's business model and operations; liability risks, which involve impacts linked to climate change and the associated risks to WCT's reputation; and financial risks, which is related to the financial impacts of climate change, such as physical damage to assets, loss of revenue, or reduced market value.

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 FY2022, all sustainability material topics, including climate change, were identified in the EES Risk Register via stakeholder engagements with the respective business divisions.

Metrics & Targets

The Group monitors energy consumption as one of the primary metrics to determine the impact of business operations on climate change.

Scope 1, 2 and 3 emissions are continuously tracked from the source of diesel consumption (Scope 1), liquefied petroleum gas (LPG) (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).

The Group has set the target to reduce 10% of CO_2 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 CO_2e/sqft).

SUSTAINABILITY STATEMENT
cont'd

CLIMATE CHANGE: RISKS AND OPPORTUNITIES

The operations of the Group can be substantially affected by climate change. The following overview illustrates the potential impact of climate change and its associated effects on WCT's business operations:

ENGINEERING AND CONSTRUCTION

Opportunities
- Technology, especially digitalisation enables new design solutions to emerge the fore.
- Greater buy-in from project owners to adopt more environmentally friendly measures.
- Increased financial support for green building development.
- Support for greater R&D by all stakeholders, including financiers.
- Procurement of low-impact construction materials.
- Reduce waste generation and increase the use of more recyclable materials.
- Opportunities to explore diesel alternatives.

Risks
- Physical risks such as extreme weather may affect instructure projects such as roads, rail lines and others. The design must now consider the warmer and harder physical conditions, which may result in additional costs.
- Greater requirement to incorporate climate change scenario planning in the lifecycle analysis of projects.
- Emissions from diesel-powered heavy construction equipment.

PROPERTY DEVELOPMENT

Opportunities
- Increased potential to seek government and regulatory support for incentives and other benefits for more environmentally friendly practices.
- Greater acceptance for use of environmentally friendly design, materials and features within property development.
- Promote environmental awareness and concerted action across the value chain for greater cumulative impact.
- Implementation of water recycling, waste management and segregation systems in buildings.
- Implementation of low and clean energy consumption features in buildings.

Risks
- Impacts on availability of suitable land for development due to changing weather patterns, and lack of water sources.
- Increased temperatures may necessitate changes to planning and design, resulting in higher development costs.
- Increased operational costs due to increased expenditure required to address climate change impacts.

PROPERTY INVESTMENT AND MANAGEMENT (SHOPPING MALLS AND HOTELS)

Opportunities
- Conduct energy audits to improve energy efficiency and reduce unnecessary energy wastage
- Increase the use of renewable energy to power assets
- Constantly monitor and improve energy management and automation systems
- Incorporating more green spaces within the building to reduce carbon emissions
- Implement water recycling, waste management and segregation systems in buildings.

Risks
- Increasing temperatures necessitates higher operating cost and reducing the number of visiting shopping malls and hotels guests.
- Frequent disruptions to water supply may impact shopping malls and hotels and affect guests' experience.
- Greater exposure to physical risks such as flash floods, which can lead to operational shutdown or total loss of assets.
- Increased investment or operating cost to repair damaged assets/improve building resilience due to climate change impacts
- Regular food waste leads to increased carbon emission or water consumption.

BUSINESS AVIATION

Opportunities
- Increased opportunity to seek government support to introduce new green measures.
- Promulgation of sustainability practices across the business and general aviation sectors.
- Reduce aviation emissions by encouraging higher adoption of sustainable aviation fuel.
- Adoption of rainwater harvesting system for aircraft cleaning.
- Implementation of waste management and segregation systems.

Risks
- Torrential rain may disrupt flight operations and flash floods may render airports inoperative.
- Inclement weather can disrupt the hangar business as it could cause airlines to relocate aircraft to other cities or countries.
- Climate change related disasters can damage aircraft and assets, including customer's assets.
- Additional cost incurred for flood mitigation and adaptation.
- Increased insurance premiums.

Nonetheless, climate change can also create fresh opportunities for the Group by hastening the ongoing shift toward a low-carbon economy. A heightened environmental consciousness among consumers and the supply chain promotes greater openness to integrating environmentally friendly elements into business processes and finished goods. Examples include the adoption of sustainable or green building materials, energy-efficient lighting, and water-saving faucets. As a result, new prospects and business expansion arise.

WCT is further exploring the prospect of extending its emphasis on climate change to its supplier, contractor, and vendor value chain. This approach aims to generate beneficial impacts beyond the immediate scope of the Group's operations.

SUSTAINABILITY STATEMENT
cont'd

CLIMATE CHANGE SCENARIO PLANNING

The Paris Agreement has indirectly influenced business strategy by creating increased awareness and prioritisation of climate change issues within the business strategy. Several of WCT's business divisions have developed mitigation plans concerning climate change impacts, i.e., impacts associated with changes in temperatures and adverse weather conditions.

The various divisions have incorporated climate change scenario planning into their Business Continuity Plans and EES Risk Registers. This has also enabled them to prepare for target setting by prioritising the establishment of dependable baselines and initiating the carbon monitoring for data collection and analysis.

SUSTAINABLE MOBILITY

As WCT continues to deliver nation-building projects via its Engineering and Construction Division, the Group is keen to actively participate in projects that align with its intention to deliver beneficial sustainability impacts to the environment and society. One such project is the construction of sustainable urban public transportation systems, such as the Light Rapid Transit ("LRT3") project which enhances accessibility and drives growth in the surrounding neighbourhoods, while also contributes to reduction in emissions.

Elevated view of the LRT3 project route

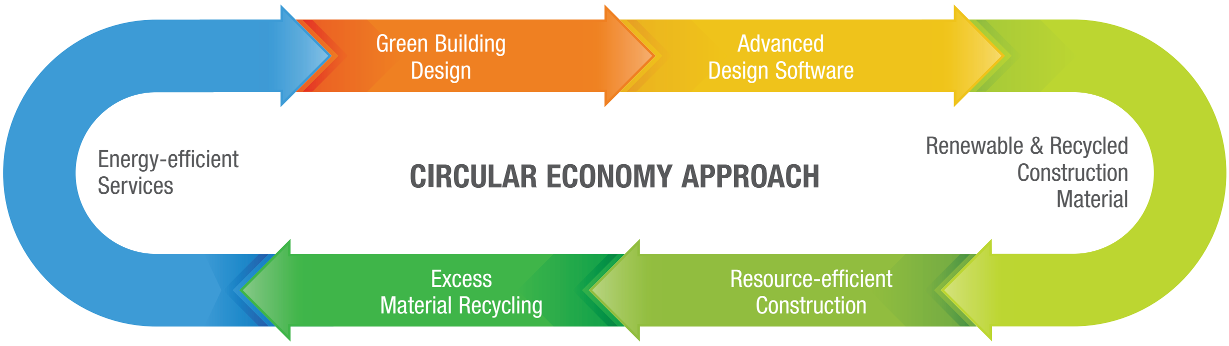
USING CIRCULAR ECONOMY PRINCIPLES AND DIGITAL SOLUTIONS

WCT has already embraced and continues to adopt the principles of a circular economy for the building and construction industry, with the aim of managing its environmental impacts. The need to transition to more sustainable construction methods is primarily due to the resource-intensive nature of the industry.

By adhering to circular economy principles, WCT endeavours to achieve sustainable sourcing of raw materials and energy sources, thereby promoting resource efficiency and minimising waste creation throughout the entire product lifecycle. This approach allows for the inclusion of all stakeholders along the value chain in the sustainability journey. Clients, architects, town planners, raw material suppliers, equipment manufacturers, engineers, and contractors can collaborate to deliver more significant environmental and social performance improvements.

WCT Group's Engineering and Construction as well as Property Development Division approach is largely based on six circular economy approaches. These approaches are spread throughout the construction and development value chain with the aim to drive sustainable development and growth in the industry.

SUSTAINABILITY STATEMENT
cont'd



The approach begins with planning, where advanced software is used to optimise the design of a project. 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 resource efficient 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.

BIM and VDC enable real-time collaboration among various project stakeholders, including the client's design and project management teams, nominated sub-contractor teams, internal technical and planning department, as well as the construction operation department.

Leveraging these innovative solutions also ensures seamless sharing of data and information, allowing for efficient implementation of design changes. The feedback and input received from multiple parties facilitate better resource planning and support overall improved 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.

The strategic advantages of digital solutions have supported the delivery of the Group's project such as MRT2 V204 & S204 as well as the ongoing TRX Retail, TRX Hotel and Office and 118 Mall projects. Meanwhile, WCT's Property Development Division has recently adopted the use of BIM for the Pavilion Mont Kiara project.

SUSTAINABILITY STATEMENT
cont'd

COMMITMENT TO GREEN BUILDINGS

WCT's quest to create and build more environmentally friendly structures is a logical progression of its sustainable design and circular economy strategy. In pursuit of this objective, WCT is constantly enhancing its capabilities and expertise to satisfy the growing demand for green buildings in Malaysia.

Following is the list of green buildings and ratings currently being constructed by WCT for its clients:

PROJECT	STATUS	CERTIFICATION	AWARD
TRX Retail	Ongoing	• LEED • GBI	Gold Gold
TRX Hotel and Office	Ongoing	• LEED	Gold
Pavilion Damansara Heights	Ongoing	• Green Mark (Office Tower) • Green Mark (Podium and Residential)	Gold Certified
118 Mall	Ongoing	• LEED 2009 for Core and Shell • GBI • GreenRE	Gold Silver Gold

The Group's Property Development Division design brief adopts green design features such as building orientation and natural ventilation which reduces the energy consumption for the properties. In addition, the division has established the following goals to be implemented in 2023 for the design brief of future selected projects:
- Introduce at least five energy reduction design elements for example, introduce solar panels (30% roof coverage) to general energy supply of common areas.
- Introduce at least two elements of water conservation practice.
- Introduce good design practices i.e., include more design focus on pedestrianising integrated developments and better linkages within integrated developments.

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, unauthorised use and maintenance workflow to maximise efficiency and productivity. By accurately tracking machine location, fuel status 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.

To address this issue, the Group has set a target to reduce its group-wide electricity consumption intensity as per measured against total square feet ("sqft") by 10% by 2030, relative to the 2019 baseline year of 1.25 kWh/sqft. In pursuit of this target, WCT will adopt energy-efficient measures, including the installation of LED lighting, the monitoring and maintenance of equipment, and the use of electricity generated from solar renewable energy sources.

The collective approach is evident throughout the Engineering and Construction and Property Development Divisions and in 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 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.
- Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru subscribed to the Green Energy Tariff (GET) Programme with Tenaga National Berhad (TNB).
- gateway@klia2 has efficiently utilised chilled water for the air-conditioning cooling system.

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.

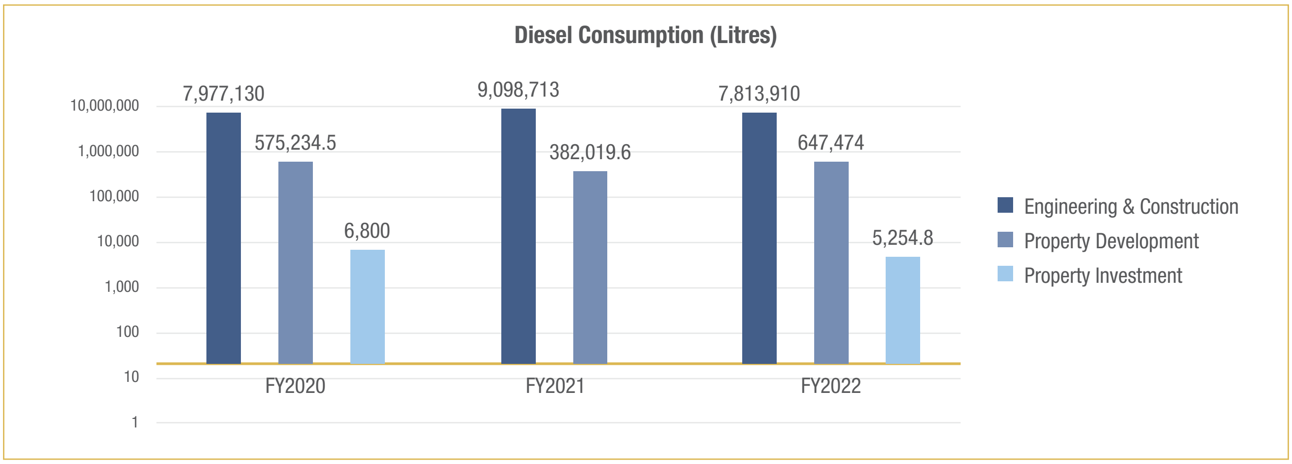
Business Aviation
- Usage of LED lightings.
- Conducted energy conservation awareness campaigns for clients/tenants.

Energy Management on Property Portfolio

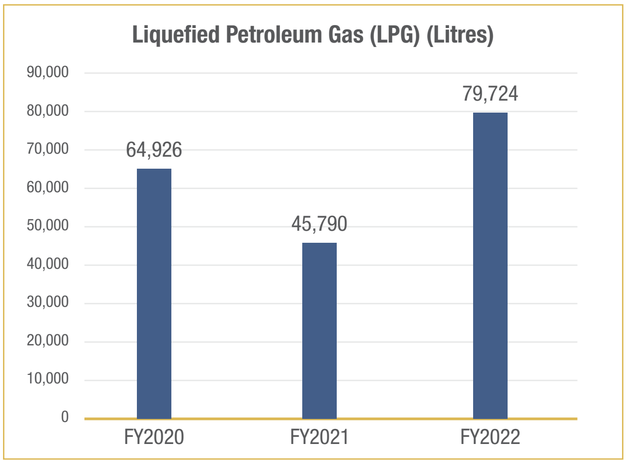
The Ascent, an office tower at Paradigm Petaling Jaya managed by WCT Group, appointed an energy manager to ensure the efficient use of energy in compliance with local laws and regulations, guided by the Efficient Electrical Energy Management Policy. The Ascent routinely tracks and monitors energy consumptions and uses the data to identify energy-saving opportunities periodically. 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
cont'd

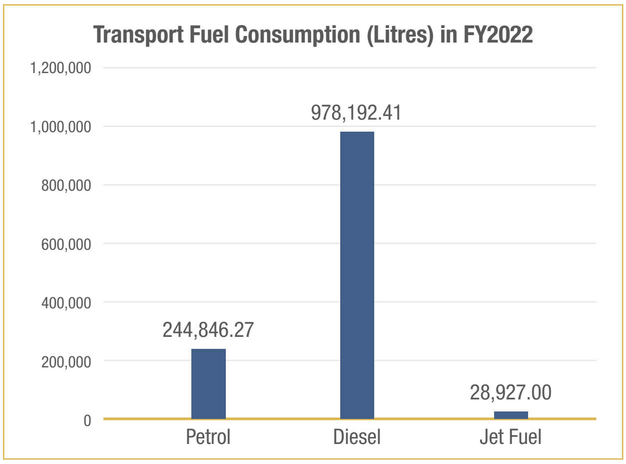
ENERGY PERFORMANCE DATA



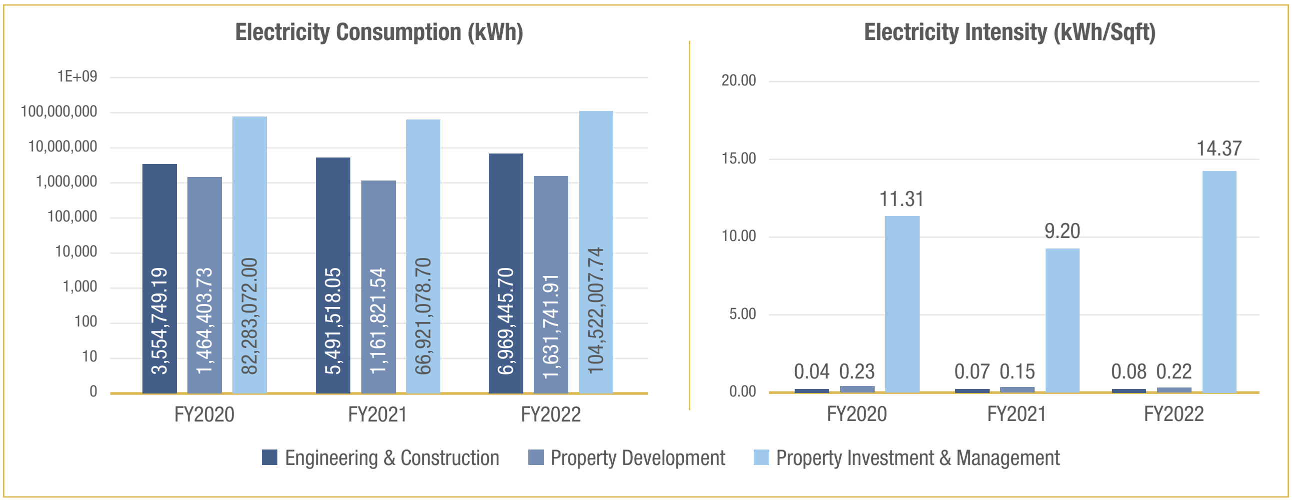
Note: Property Investment and Management Division only made significant purchases for diesel in 2020 and 2022 and none in 2021 where the diesel is used to power generators for shopping malls.



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 sold by business aviation which is not directly under WCT's control.

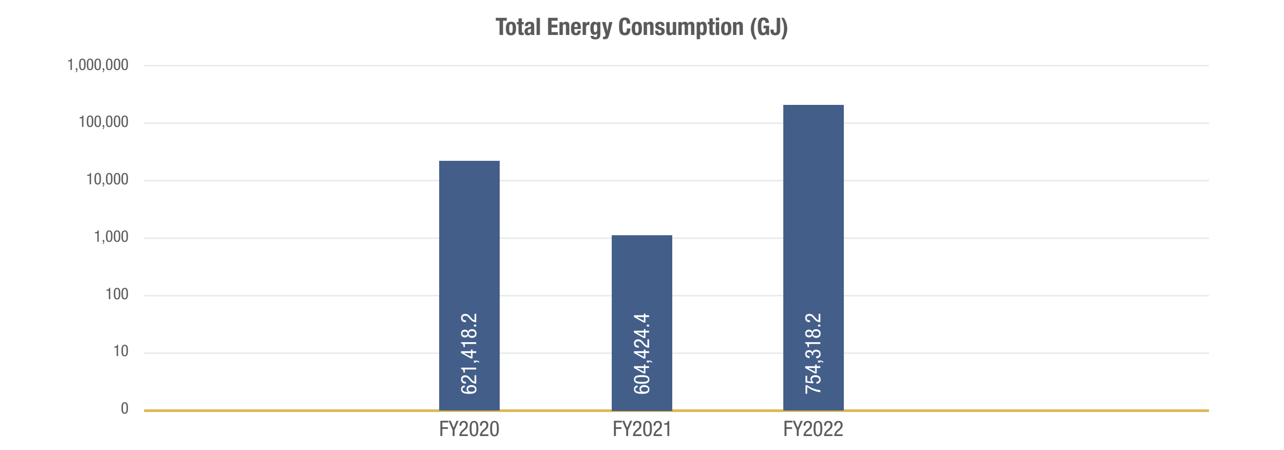


Note: Electricity intensity is measured based on total electricity consumed by the respective business division against total sqft of directly managed operations of each division. In FY2022, the coverage area (sqft) for all business divisions is available and has been updated across all three years data which provide actual and accurate record of intensity ratio.

SUSTAINABILITY STATEMENT
cont'd

Total Energy Consumption

The total energy consumption of the organisation 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.

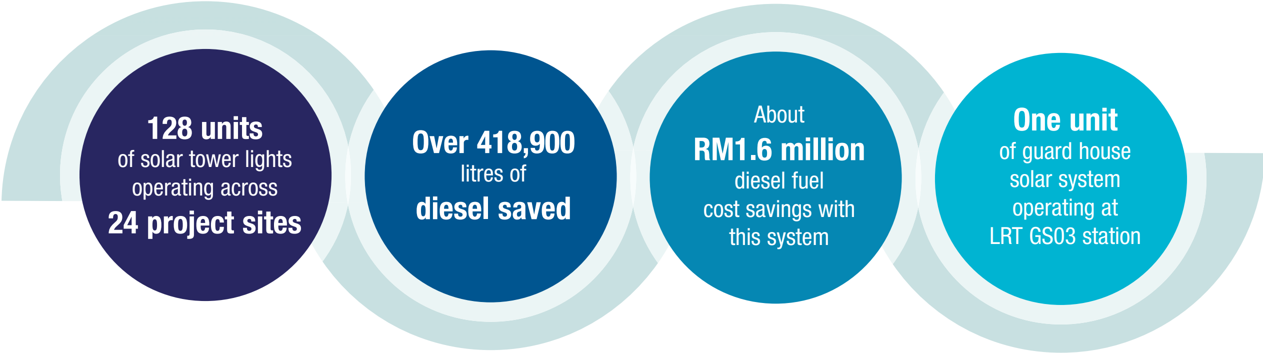


LEVERAGING RENEWABLE ENERGY

The Group have continued to explore renewable energy usage. In FY2022, Paradigm Mall Petaling Jaya and Paradigm Mall Johor Bahru were the Group's first business operations to subscribe to the Green Energy Tariff Programme with TNB, where the shopping malls subscribed to low carbon electricity supply from TNB. This has allowed them to support the growth of the renewable energy industry while reducing their carbon footprint resulting from electricity consumption.

Besides that, WCT Machinery 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 418,900 litres of diesel in 2022, amounting to around RM1.6 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 carbon-reducing fixtures.

WCT Machinery 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.



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") Fifth Assessment Report, 2014 (AR5) based on a 100-year timeframe.

The calculation methodologies are aligned with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and Malaysian Green Technology and Climate Change Corporation ("MGTC"), the lead agency of the government in green technology.

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 construction sites from the Engineering and Construction and Property Development Division, as well as hotel 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 and hotels, as well as petrol and diesel to power the company's vehicle fleet. The GHG types associated with Scope 1 emissions include CO_2, CH_4, and N_2O which arise 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 CO_2e based on the GWP emission factors listed by the GHG Protocol and the IPCC AR5.

Total GHG Emissions by Category (Scope 1) (CO_2e tonnes)

	FY2020	FY2021	FY2022
Diesel			
CO_2	22,908.54	25,375.11	22,660.89
CH_4	86.56	95.88	85.63
N_2O	49.16	54.45	48.62
Total GHG Emissions	**23,044.26**	**25,525.44**	**22,795.14**
LPG			
CO_2	104.64	73.80	128.49
CH_4	0.2322	0.1637	0.2851
N_2O	0.0439	0.031	0.054
Total GHG Emissions	**104.92**	**73.99**	**128.83**
Company Vehicles			
CO_2	N/A	N/A	3,174.14
CH_4	N/A	N/A	0.68
N_2O	N/A	N/A	4.59
Total GHG Emissions	**N/A**	**N/A**	**3,179.41**

SUSTAINABILITY STATEMENT
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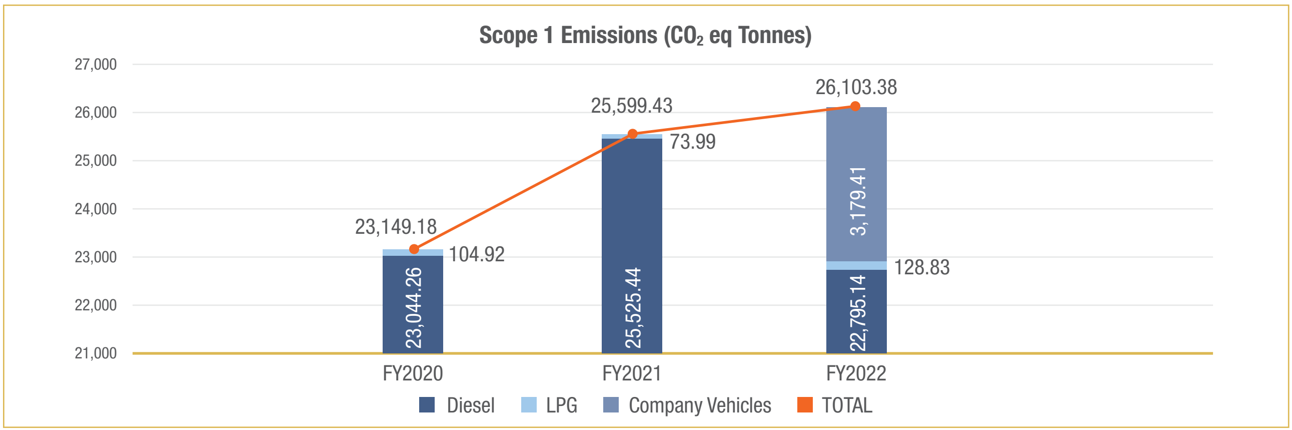
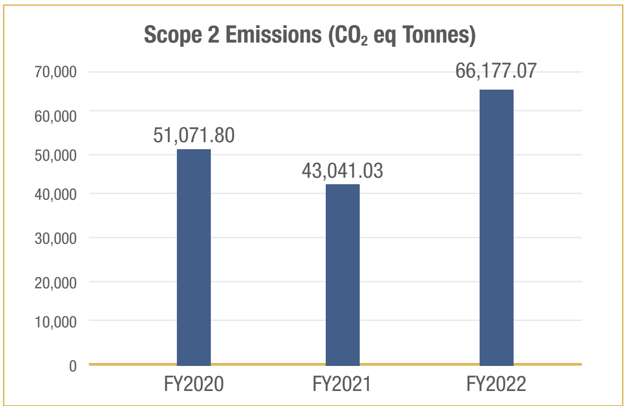
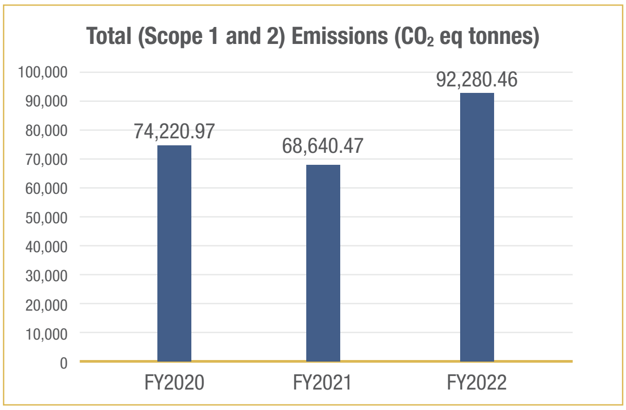


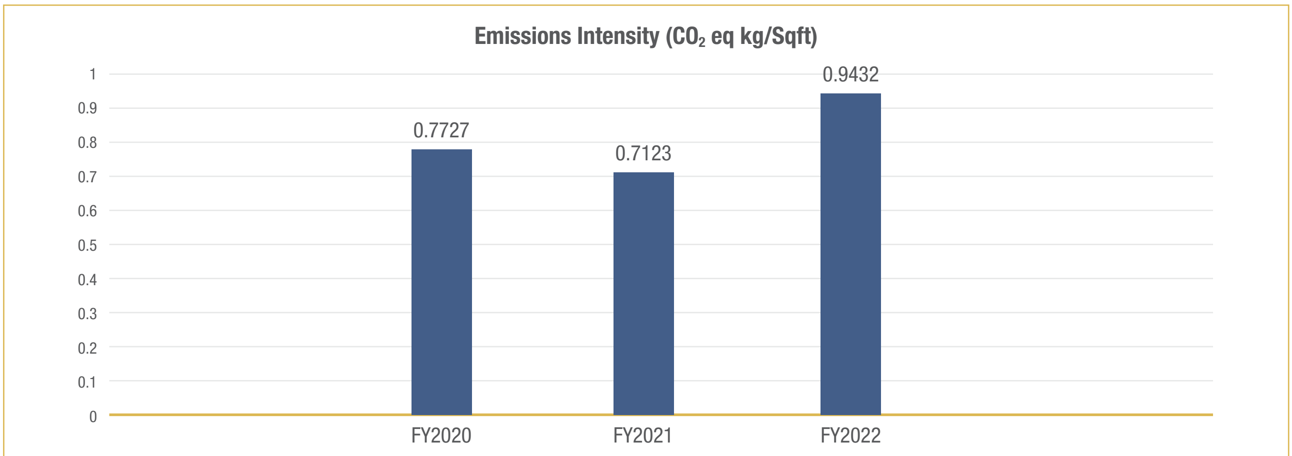
Note: The methodology for calculating GHG emissions have been adjusted to reflect a more accurate Scope 1 emissions. It has restated its previously reported emissions and has resulted in lower emissions than previously reported.

WCT recorded the fuel consumption of its company vehicle fleet in FY2022 and included it in its Scope 1 emissions. Although the consumption of diesel and LPG was reduced, the inclusion of vehicle emissions resulted in a higher overall value of emissions for the company.





Note: The methodology for calculating GHG emissions have been adjusted to reflect a more accurate Scope 1 emissions. It has restated its previously reported emissions and has resulted in lower emissions than previously reported.



Note:

i. Emissions intensity is measured based on total Scope 1 and Scope 2 emissions produced by the respective business division against total sqft of directly managed operations of each division.

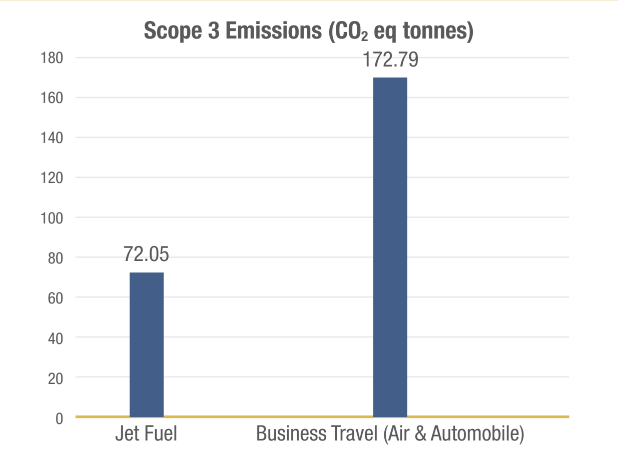
ii. In FY2022, the coverage area (sqft) for all business divisions is available and has been updated across all 3 years data which provide actual and accurate record of intensity ratio.

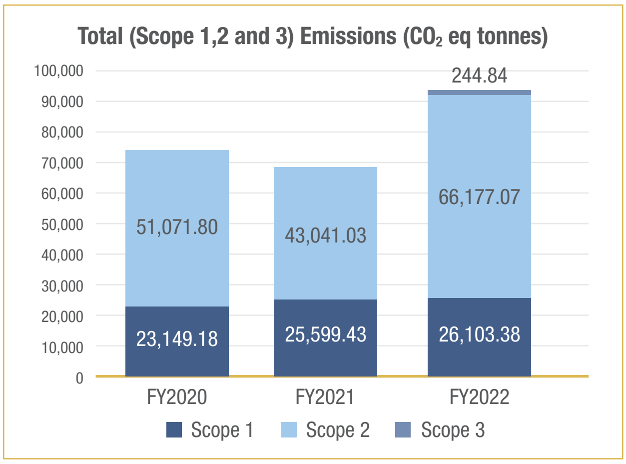
iii. Gases included in the calculation include CO_2, CH_4 and N_2O.

SUSTAINABILITY STATEMENT
cont'd

Scope 3 GHG Emissions

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 3 (Fuel-And-Energy-Related Activities Not Included in Scope 1 or Scope 2) and category 6 (Business Travel).





Scope 3 emissions are those that originate outside of the organisation, either upstream or downstream in the supply chain. In WCT, business travel emissions, which include air travel and automobile travel, as well as jet fuel emissions sold by business aviation, are recorded from FY2022 onwards and it has amounted to 244.84 CO_2eq in total. .

RESOURCE CONSUMPTION

WCT continually strives to increase utilisation of sustainable materials and products. The divisions most involved in utilising these are Engineering and Construction as well as Property Development, as their activities typically consume large quantities of various natural resources.

The Group has established a Material Use Policy to ensure the use of sustainable materials which also supports UN SDG 12 Responsible Consumption and Production. This is centred on the responsible sourcing, use and disposal of materials that cause minimal harm to the environment and society at large.

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.

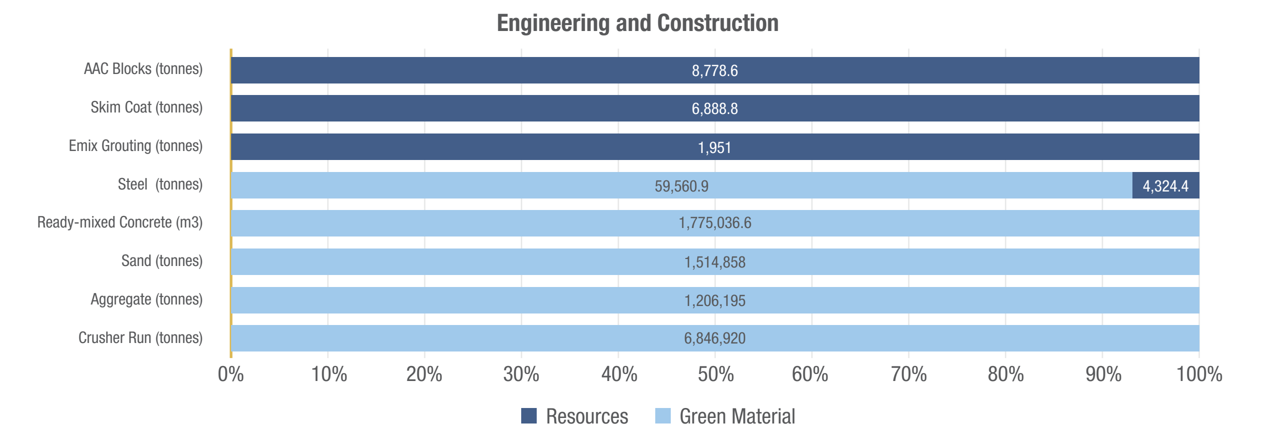
RESOURCE CONSUMPTION DATA

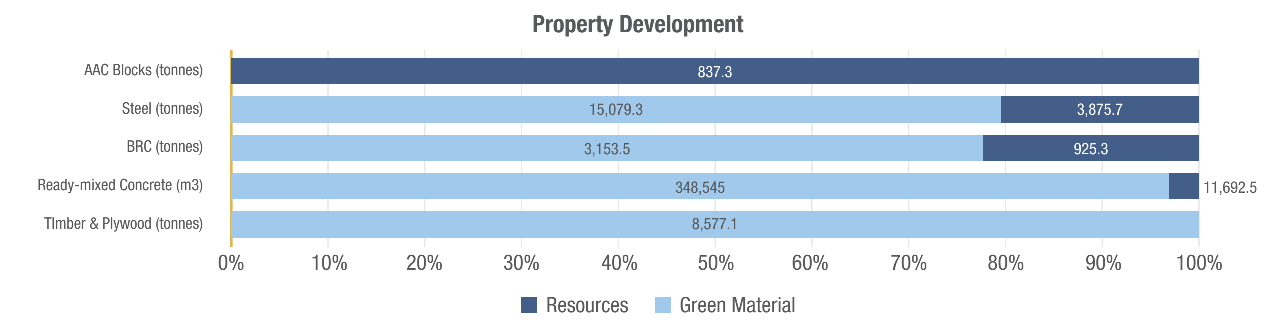
Following are the top materials used by WCT in its business processes in FY2022.

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 also incorporates certified "Green" products into its projects that are designed to meet green building standards.

SUSTAINABILITY STATEMENT
cont'd

In FY2022, more than 21,000 tonnes of green materials were purchased at eight project sites under the Engineering and Construction Division. In contrast, around 5,600 tonnes of green materials with 11,700 m^3 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, E-Mix grouting, AAC blocks, skim coat, and ready-mixed concrete.





Engineering and Construction

- TRX C2
- WCE
- Pan Borneo Highway
- LRT3 GS02 & GS03
- TRX Retail
- Pavilion Damansara Heights
- TRX Hotel and Office
- Sultan Ismail Petra Airport

AAC Blocks
Skim Cost
E-mix Grouting
Steel Bar

Property Development

- Paradigm Hotel and Residence
- W City OUG
- Pavilion Mont Kiara
- Parklands Gravity Sewerage
- Adenia Apartments

Ready-mixed Concrete
Steel Bar
AAC Blocks
BRC Mesh Wire

On a separate note, SkyPark Aviation's fixed-based operation services have signed a Memorandum of Understanding (MoU) with Petronas Dagangan Berhad to introduce Sustainable Aviation Fuel (SAF) as a sustainable initiative for the business aviation and general aviation operators. SAF is produced from a variety of renewable resources such as recycled cooking oil and can help reduce CO_2 emissions.

SUSTAINABILITY STATEMENT
cont'd

MINI VEGETABLE GARDEN PROJECT

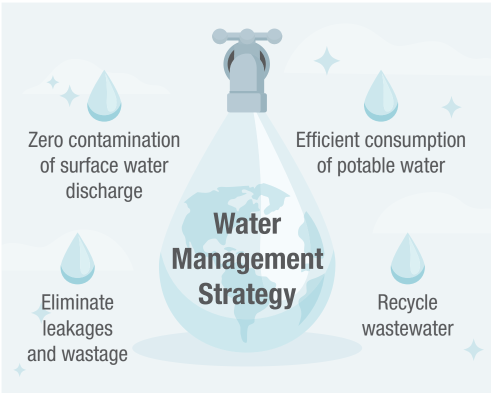
Première Hotel started its mini vegetable garden project in October 2022. The project aims to provide a Farm-To-Table experience for their patrons. While the staff will consume the current batch for quality control, future crops planted will be used by the hotel's chef in meal preparation for guests to provide guests with pesticide-free vegetables.

WATER CONSUMPTION AND MANAGEMENT

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

Hence, the Group readily supports UN SDG 6 Clean Water and Sanitisation 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.

The large amounts of water consumed during the Group's business operations are primarily sourced from municipal sources. However, some business units like shopping malls and hotels have begun using harvested rainwater as an alternative water source.



SUSTAINABILITY STATEMENT
cont'd

WASTEWATER OF CONSTRUCTION ACTIVITIES

To prevent surface runoff and sediments into water bodies, WCT employs best management practices incorporating erosion and sediment controls including installing silt fences, silt traps and sedimentation ponds as well as using wastewater treatment units to effectively manage surface runoff at all construction sites.

In order to mitigate potential disruptions and nuisance to communities in the vicinity of our operations, we closely monitor the quality of water discharged, particularly Total Suspended Solids (TSS) parameter at predetermined final discharge points.

To ensure compliance with relevant regulations, TSS monitoring at defined intervals is conducted regularly. Immediate corrective actions are taken if TSS levels exceed the permissible limit set by the DOE.

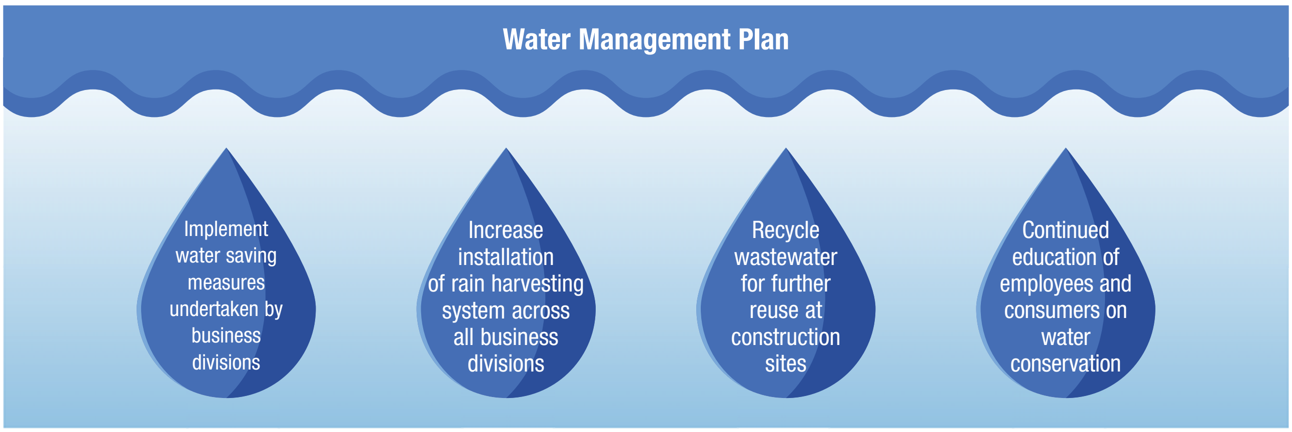
The Group also implements preventative measures such as regular maintenance of the erosion and sediment controls and redesigning silt traps where necessary to prevent the recurrence of any incidents. In FY2022, there were no incidents of non-compliance against water quality standards or any other applicable regulations.

PURSUING WATER EFFICIENCY

WCT is focused on reducing water consumption across its shopping mall and hotel operations as well as internal staff and workers through education initiatives and reminders. The same education efforts have also been extended to WCT homebuyers. Moreover, all business divisions have utilised rainwater harvesting systems as an alternative water resource for daily operations. This collected water is used in toilets, wash troughs, landscape irrigation systems, and building maintenance.

The Group also constantly monitors water usage, with the building maintenance and operations team operating under Property Investment and Management Division responsible for overseeing and implementing appropriate water conservation measures.

Effective water management 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 0.013m^3/sqft.



Currently, the management has approved all upcoming water-saving initiatives. Therefore, future reports shall include a progress update from each business division against set targets and initiatives.

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

- Rainwater harvesting systems across townships and 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

Rainwater Harvesting

WCT has initiated efforts to reduce water usage by implementing rainwater harvesting systems across all business divisions, including project sites, shopping malls, and hotels. Specifically, this sustainable initiative has been applied to projects and buildings such as W City JGCC, gateway@klia2, Première Hotel and Le Meridièn Petaling Jaya. The harvested rainwater are mainly used for landscaping, general washing, toilet flushing, and water browsing during construction.

W City JGCC

- A rainwater harvesting tank with a capacity of 2,594.4 gallons was installed at the project site for the purpose of collecting rainwater.
- The harvested rainwater was used to supply water for the toilet at the worker's camp.

gateway@klia2

- There are two rainwater harvesting drums of 19,000 gallons each on the east and west wings of the mall with the water collected being used for landscaping purposes.

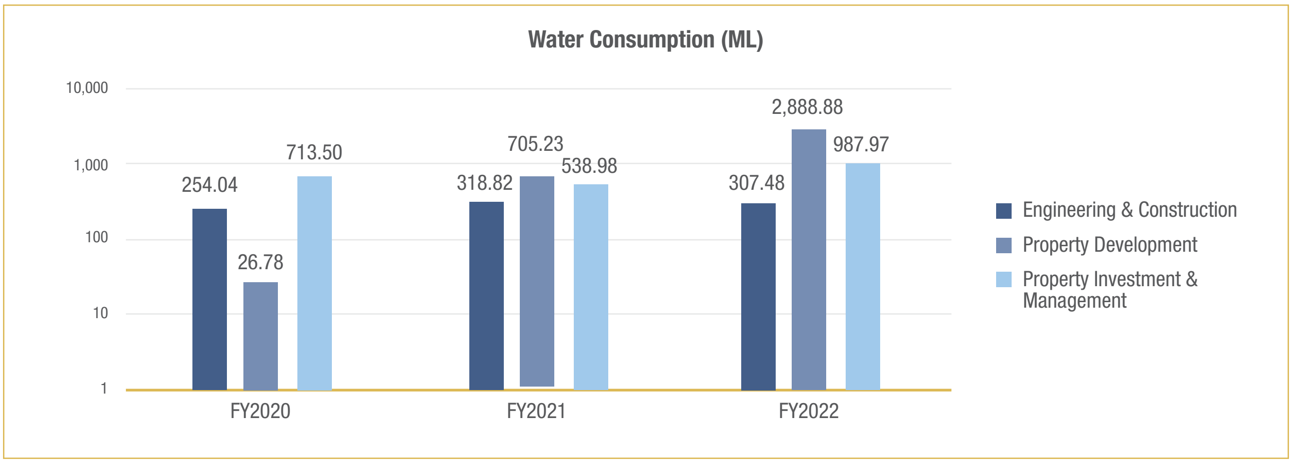
Première Hotel

- The rainwater harvested from the monsoon drain is stored into four rainwater harvesting 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 Meridièn Petaling Jaya

- The hotel's 4,755-gallon rainwater harvesting tank provides sufficient supply of water for watering plants, toilet flushing and washing of waste bins. Daily usage is presently at 1,122 gallons.
- In FY2022, a total of 409,466 gallons of rainwater were used for its daily operations.

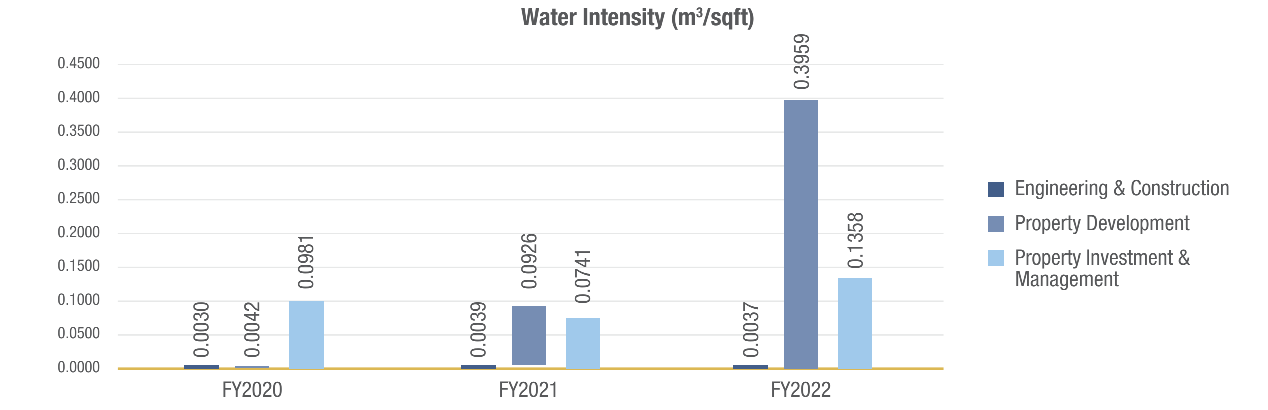
WATER CONSUMPTION DATA



SUSTAINABILITY STATEMENT
cont'd

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.

	Total Water Consumption (ML)		
Division/Year	**2020**	**2021**	**2022**
Engineering & Construction	254.04	318.82	307.48
Property Development	26.78	705.23	2,888.88
Offices	3.39	4.69	23.42
Project Sites	23.39	700.54	2,865.46
Property Investment and Management	713.50	538.98	987.97
Shopping Malls	655.94	474.98	885.63
Hotels	55.53	61.19	98.53
Business Aviation	2.03	2.81	3.81
Total	**994.32**	**1,563.03**	**4,184.33**



Note: Water intensity is measured based on total water consumed by the respective business division including construction activities as well as the water usage from shopping malls and hotel operations against total sqft of directly managed operations of each division. In FY2022, the coverage area (sqft) for all business divisions is available and has been updated across all three years data which provide actual and accurate record of intensity ratio.

The water intensity is exhibiting an upward trend compared to 2021, particularly at the Property Development Division project site. This can be primarily attributed to the initiation of a new project, Pavilion Mont Kiara, in FY2022, which necessitates a higher volume of water usage during the initial phase of construction involving excavation and foundation work, concrete mixing, dust control, and other activities. Nevertheless, WCT is committed to pursuing water conservation measures at its construction sites.

Some of WCT's operational sites, especially those in the state of Kelantan, are located in areas deemed to be water-stressed with low treated water reserve margin as mentioned in the Water and Sewerage Fact Book 2021 released by Suruhanjaya Perkhidmatan Air Negara (SPAN). Presently, the Group's operations in Kelantan have not been affected by disruptions in water supply. If required, going forward, WCT will initiate measures to mitigate any potential or actual impacts arising from operating in a water-stressed location. Meanwhile, WCT continues to practice water saving measures at the project site to reduce potable water consumption, where possible.

SUSTAINABILITY STATEMENT
cont'd

WASTE MANAGEMENT

In addition to managing waste in accordance with DOE and other relevant regulators' stringent requirements, WCT is committed to reducing and recovering 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.

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 the use on sites to reduce the total amount of waste requiring disposal to landfills or incinerators.

The Engineering and Construction Division has its own Quality, Safety and Health, and Environmental Policy 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 Environmental Management System 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 adopting measures to reduce waste produced from all operational sites. The primary approach is based on a 3R approach of reduce, reuse and recycle.

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

i. Determine the operational sites and types of materials used at the operational sites.
ii. At the initial stages of the project, determine the types of unsuitable materials available and how they can be reused or recycled. The reusable waste for each project will be reviewed and carefully planned for implementation, within three months of project award.
iii. Determine the feasibility and need for the construction or reproduction of temporary structure at the operational sites. If yes, to undergo the 3R exercise accordingly. If no, to transfer the waste materials to other WCT's operational sites for 3R exercise or to segregate the wastes accordingly to be sent for recycling.

The operational sites have adopted a wide range of 3R methodologies towards reducing the amount of waste sent to landfills. All construction sites have established a recycling system to enable the recovery of various materials. These include paper, glass, aluminium, and plastic. The used cooking oil generated from WCT's shopping malls and hotels is collected by an external partner for repurposing it into alternative energy sources. SkyPark Aviation continues to advise all aircraft owners and operators to segregate domestic waste from inflight aircraft catering for recycling purposes.

WASTE MINIMISATION EFFORT

Première Hotel, Klang introduced plastic-free toiletries made from biodegradable materials and bath sets packaged in recycled plastics for hotel guests, in an effort to minimise plastic waste

SUSTAINABILITY STATEMENT
cont'd

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.

Surplus ready-mix concrete and concrete are used to repair road surfaces, build temporary road access, and fabricate concrete road barriers.

Surplus concrete blocks are reused as bunds to prevent and minimise water seepage into storage and construction areas.

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

Used plywood is repurposed and used as coverings for penetration or void holes.

SUSTAINABILITY STATEMENT
cont'd

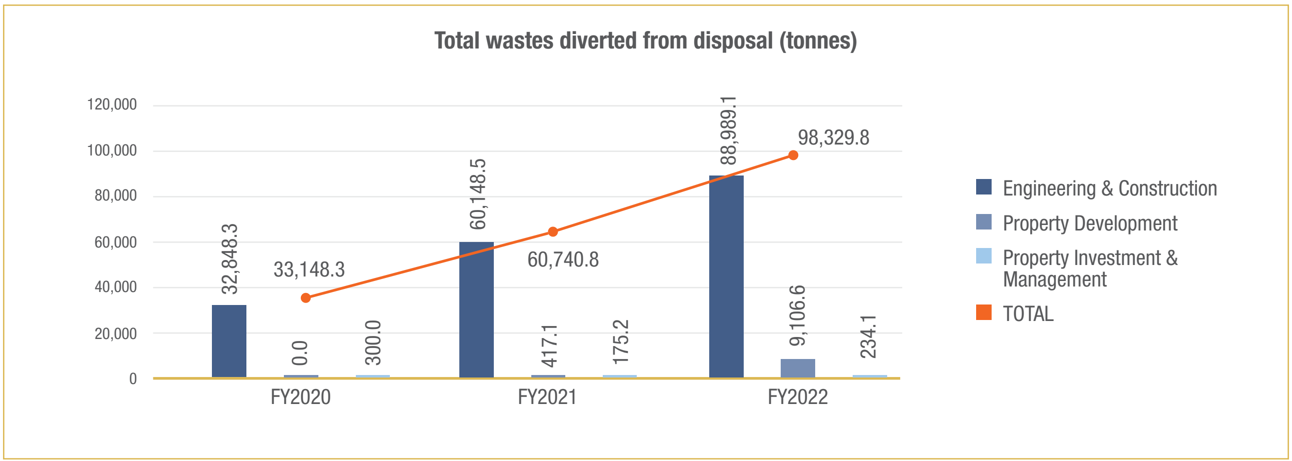
WASTE MANAGEMENT DATA

Engineering & Construction	2020	2021	2022
No of Sites Tracked	12	11	15
Landfilled (tonnes)	4,848.67	5,514.63	5,086.36
Preparation for reuse (tonnes)	23,162.12	23,540.00	66,851.00
Reycled (tonnes)	9,686.17	36,608.54	22,138.08
Total (Non-hazardous waste)	**37,696.96**	**65,663.17**	**94,075.44**
Scheduled waste (tonnes)	56.11	47.40	21.45
Total amount of construction waste	**37,753.07**	**65,710.57**	**94,096.89**

Property Development	2020	2021	2022
No of Sites Tracked	5	6	7
Landfilled (tonnes)	1,511.00	917.93	433.12
Preparation for reuse (tonnes)	N/A	348.00	5,451.82
Recycled (tonnes)	N/A	123.09	3,654.79
Total (Non-hazardous waste)	**1,511.00**	**1,389.02**	**9,539.73**
Scheduled waste (tonnes)	N/A	0.01	7.06
Total amount of construction waste	**1,511.00**	**1,389.03**	**9,546.79**

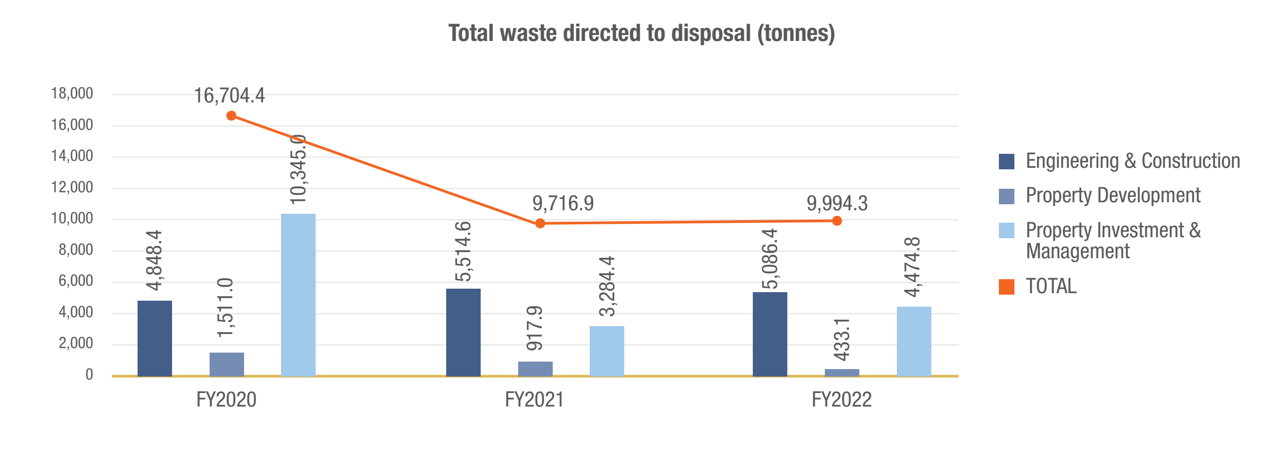
Property Investment & Management	2020	2021	2022
No of Sites Tracked	5	5	6
Landfilled (tonnes)	10,345.00	3,284.44	4,474.76
Preparation for reuse (tonnes)	N/A	N/A	0.01
Reycled (tonnes)	300.00	175.17	234.06
Total (Non-hazardous waste)	**10,645.00**	**3,459.61**	**4,708.83**
Scheduled waste (tonnes)	N/A	N/A	N/A
Total amount of construction waste	**10,645.00**	**3,459.61**	**4,708.83**

All waste-related data is collected from respective business divisions quarterly and the Group Sustainability Committee and Board Risk and Sustainability Committee oversee the waste management performance to deliberate on 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.

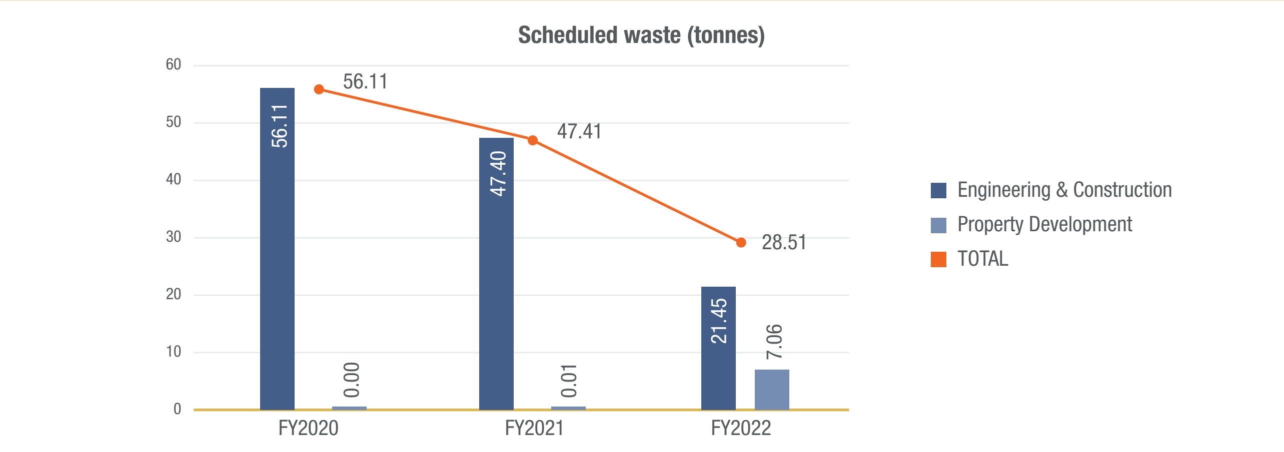


Note: The total waste diverted from disposal consists of both recycled and prepared-for-reuse waste.

SUSTAINABILITY STATEMENT
cont'd



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



According to the graph, there has been a significant decline in the amount of total waste directed to landfill and recorded hazardous waste each year. This positive trend is a result of WCT's 3R approach and efforts to implement a landfill waste reduction programme, demonstrating the company's commitment to reducing its environmental impact.

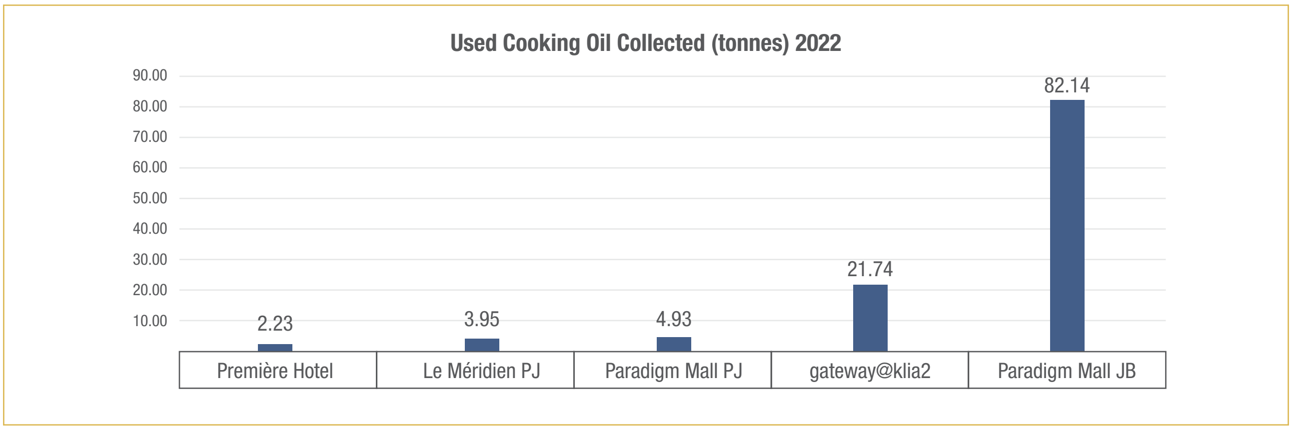
RECYCLING USED COOKING OIL

WCT's Property Investment and Management Division collected 115 tonnes of used cooking oil in FY2022. This accomplishment was made possible through a partnership with a used cooking oil collection company, which facilitated the collection of used cooking oil from various locations such as Le Meridièn 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 308.19 CO_2 tonnes from being released into the atmosphere. This is part of its continued and concerted efforts to avoid waste products being sent to landfills.

SUSTAINABILITY STATEMENT
cont'd

Moving forward, the Group intends to promote greater utilisation of used cooking oil collection services amongst tenants at Paradigm Mall Petaling Jaya and gateway@klia2 for the purpose of recycling used cooking oil. Furthermore, the Group 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.



LANDFILL WASTE REDUCTION PROGRAMME

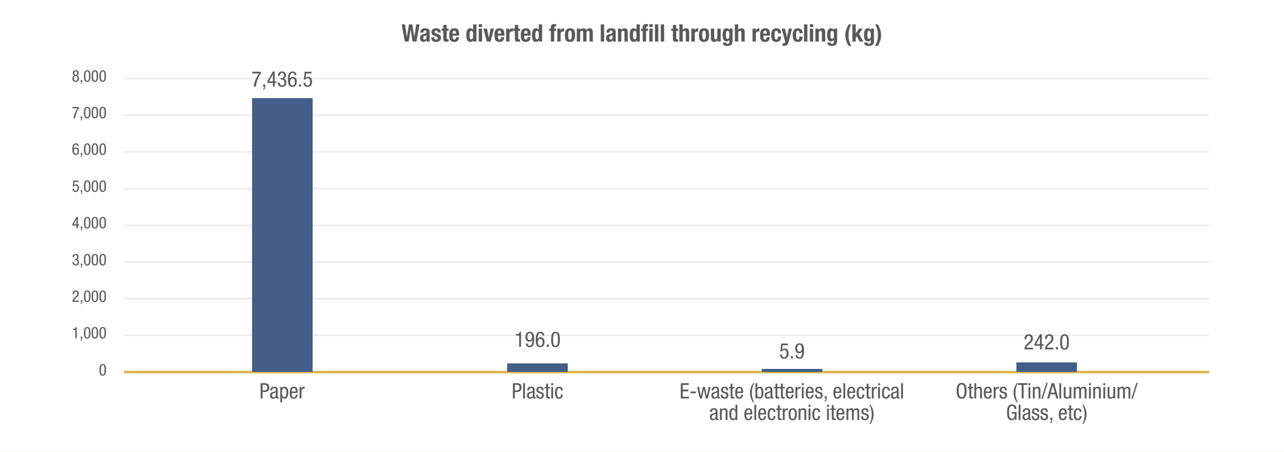
WCT's Landfill Waste Reduction Programme at the Group's offices and project site offices continued to expand in FY2022. The programme saw the placement of recycling stations at all locations to collect recyclable wastes such as plastics, glass, paper and steel to encourage waste segregation.

In FY2022, Recycling Days were organised every two months, with a total of 7,880.4 kg or 7.88 tonnes of waste diverted from landfills.

Recycled waste collection on bi-monthly Recycling Days at WCT offices and project site offices

SUSTAINABILITY STATEMENT
cont'd

The chart below shows the amount of recycled waste by category diverted from landfills as part of the programme. Through this programme, WCT has been able to divert 7,436.5kg or 7.44 tonnes of paper from landfills, potentially saving 126 trees. This is based on a study by the University of Southern Indiana which found that recycling 1 tonne of paper saves 17 mature trees.



RECYCLING AWARENESS WORKSHOP

In conjunction with World Clean Up Day 2022, the Group collaborated with Tzu Chi Foundation Malaysia to organise a Waste Segregation and Recycling Awareness Workshop to enhance awareness among employees.

A total of 18 internal employees participated in the workshop at Tzu Chi Kota Kemuning Recycling Education Centre. It was a fun and fruitful workshop where our employees were reminded of the role that they can play in protecting nature by practising the 5Rs – Refuse, Reduce, Reuse, Repurpose and Recycle. During the hands-on session, participants were also exposed to the different types of recyclables and the proper ways to recycle.

As a gesture of appreciation and support to Tzu Chi Malaysia's environmental protection and charity mission, WCT Holdings Berhad donated the proceeds of RM5,000.00 from the Group's Landfill Waste Reduction Programme, which commenced in 2020.

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.

The Group has set a target of replanting 500 trees per year or 30% of trees felled in the preceding year.

In FY2022, tree planting progress remains the same, which concludes the percentage of green space area for the project and development sites as below:

Project	Trifolis Apartments, Bandar Bukit Tinggi 2	Aronia Apartments	Adenia Apartments	W City JGCC 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

The Group continues to explore avenues to play a meaningful role in conserving biodiversity. WCT supports and adopts sustainability related certifications when procuring materials, such as 12 mm plywood, which complies with chain of custody requirements set by the Programme for the Endorsement of Forest Certification ("PEFC").

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 aware that its numerous construction works may potentially act as sources of pollution. Environmental monitoring is conducted periodically at all work sites before commencing work in compliance with DOE requirements. Any violation of environmental standards and guidelines found during environmental monitoring inspections is reported for immediate remedial action from relevant parties.

SUSTAINABILITY STATEMENT
cont'd

All construction sites engage certified environmental consultants or accredited laboratories to conduct environmental monitoring, sampling and data reporting. SIRIM QAS conducts certification audits of WCT's Environmental Management System where implemented, annually to ensure continued conformance to the ISO 14001 standard.

The Group is concerned about the serious consequences of environmental pollution and has therefore begun to put in place adequate environmental protection measures at all project sites. These include:

1. Using wastewater treatment units at Sultan Ismail Petra Airport, Kota Bahru and 118 Mall project sites. 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.

Wastewater treatment units at Sultan Ismail Petra Airport

2. Installation of 'Silt Traps' as a sediment control measure at most project sites including Sultan Ismail Petra Airport, Pan Borneo Highway and Container Port project sites.

Silt trap at Sultan Ismail Petra Airport

SUSTAINABILITY STATEMENT
cont'd

3. Installation of 'Silt Fence' using geotextile as an erosion control measure at WCT's Engineering and Construction project sites

Silt fence at Container Port

Silt fence on the Pan Borneo Highway

4. At the Pavilion Mont Kiara and W City OUG project sites, purpose-built sediment ponds have been installed to filter and treat surface run-off containing silt or effluents before it is released into the watercourse.

Pavilion Mont Kiara

W City OUG

On top of these environmental protection efforts, WCT implements an Erosion and Sediment Control Plan ("ESCP") at all construction sites, whenever applicable. The Property Development Division also leverages on the natural topography of development sites and minimises its cut-and-fill approach to reduce soil erosion during construction.

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	WCT complies with New **Malaysian Ambient Air Quality Standards (2020)** by DOE. 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.	Project sites have to comply with the recommended limits / target as stipulated by the Authorities / Client based on **Malaysian Ambient Air Quality Standard (2020)**.	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**. 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.	We have Environmental personnel and / or an Environmental representative at all our project sites to monitor the related environmental matters / issues.
Water	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. 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). 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. 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.	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**.	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**. 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.	

SUSTAINABILITY STATEMENT
cont'd

Pollution Type	Pollution Monitoring and Control Guidelines	Pollution Control KPIs	General Pollution Incidents/ Causes	Environmental Monitoring PIC
Noise	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. 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. 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.	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**.	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**. 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.	

WCT has set environmental compliance targets to drive better performance. These targets are as follows:
1. 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.
2. Zero official substantiated complaints related to environmental pollution from neighbouring communities at WCT locations by 2030.

Note: Official substantiated complaints refers 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.

Periodic water quality monitoring is conducted to ensure compliance with relevant water quality standards for effluent discharge. On some occasions, exceedances were observed as listed in the tables below. These were addressed and rectified at the point of detection.

SUSTAINABILITY STATEMENT
cont'd

ENGINEERING AND CONSTRUCTION DIVISION:

Project Site	Year		
	2020	2021	2022
TRX C2	0	2	0
WCE	0	0	0
Pan Borneo Highway	10	12	12
LRT3 GS02 & GS03	4	9	12
Elevated Highway Project	5	0	6
TRX Retail	0	0	0
Pavilion Damansara Heights	0	0	0
118 Mall	N/A	N/A	0
Container Port	N/A	9	7
Sultan Ismail Petra Airport	N/A	3	4
Jetty Extension	N/A	N/A	12

PROPERTY DEVELOPMENT DIVISION:

Project Site	Year		
	2020	2021	2022
W City JGCC	0	0	0
W City OUG	0	7	14
Adenia Apartments	N/A	N/A	0
Paradigm Hotel and Residence	4	8	0
Parklands Gravity Sewerage	N/A	2	1
Pavilion Mont Kiara	N/A	2	4

In FY2022, WCT was not fined or censured for any incident of environmental non-compliance. However, the Property Development Division received a complaint from an adjacent community on air pollution, which was alleged to be caused by ongoing earthworks at one of the project sites. Upon receiving the notice of the complaint through a relevant local authority, the project team immediately investigated and monitored air quality. The result of the air quality monitoring showed that the site has complied with the recommended limits based on the Malaysian Ambient Air Quality Standard (2020). The project team continues to conduct regular monitoring to ensure compliance. The complainant was subsequently informed, through the local authority of the actions taken by the project team.

INDUSTRIAL COLLABORATION PROGRAMME/RESEARCH PARTNERSHIPS

WCT collaborates with research institutes and education institutions to furnish our operations with the latest industry insights. Findings through such collaboration serve as a bridge between 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 will collaborate with Universiti Malaysia Sabah to fund a three-year prototype research project on harvesting solar energy to produce hydrogen from seawater through the Container Port project industrial collaboration programme.

SUSTAINABILITY STATEMENT
cont'd

The research, which will be fully funded by WCT, is intended to explore the feasibility of harvesting solar energy for the electrolysis process and hydrogen storage. The project is forecasted to begin in mid-2023. This research partnership and industrial collaboration programme 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 addition, WCT's collaboration with Technology Depository Agency Berhad to set up BIM training labs at the University Malaysia Sabah and the Engineering Department of Malaysia Airports Holdings Berhad aims to equip university students and airport operators with BIM-related knowledge.

The BIM training lab at University Malaysia Sabah was set-up in March 2023

Research – Use of Asphalt Milling Material in Construction of the Roadway

WCT's sustainable material use initiatives include facilitating research and development endeavours through a two-year collaboration with Monash University funded by WCT Berhad. The Group's Engineering and Construction Division subsidiary participated in this research program, which focused on studying asphalt milling materials as eco-friendly construction materials that could replace virgin aggregates in the roadbase layer for a temporary diversion road at the Pan Borneo Highway project.

The partnership resulted in the publication of a research paper in January 2022, which explored the application of asphalt milling materials in the roadbase of a temporary diversion road. Multiple tests were conducted to determine the material characteristic of asphalt milling materials that were milled from the existing road. The laboratory test results indicated that the asphalt milling materials could be used as a subgrade for a permanent road, subbase and roadbase for temporary construction access, and roadbase for a temporary diversion road.

To evaluate the true performance of asphalt milling material, a 200-meter trial section of temporary road diversion was constructed and the results showed that it remained in excellent condition to date, even after it was opened to road users.

SUSTAINABILITY STATEMENT
cont'd

SOCIAL PERFORMANCE

WCT's approach towards its social performance focuses on the following stakeholders: employees of the Group, local communities and workers not under direct employment of the Group, but whose work conditions and work sites come under the Group's purview. The material topics related to our social performance are addressed through talent management, community investments, OHS, labour welfare, and human rights strategies.

The Group has not received any censure or fine for non-compliance with social regulations in FY2022, and there have been no cases brought through dispute resolution mechanisms.

TALENT MANAGEMENT

WCT's talent management strategy centres on four core components: **recruitment, retention, reward,** and **professional development and training**. WCT places a strong emphasis on meritocracy, providing equal opportunities for all positions across the Group.

Adherence to the Malaysian Employment (Amendment) Act 2022 and all other relevant 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 Group is pleased to report that in FY2022, it has not incurred any fines, censures, or regulatory action related to any violation of the rights of individuals, and has not engaged in any instances of forced or compulsory labour.

WORKER RIGHTS

WCT 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.

The Group is also committed to labour practices as outlined in the principles of the United Nations Global Compact Principles:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

In view of this commitment, WCT has started working on a policy to address Human Rights and Labour Practices covering the aforementioned principles. This policy aims to be ready by 2023 and prohibits the use of child labour and worker exploitation regarding excessive working hours and discrimination.

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

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. Two of these cases have been closed, with one awaiting further action. In FY2022, however, there were zero complaints received. 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.

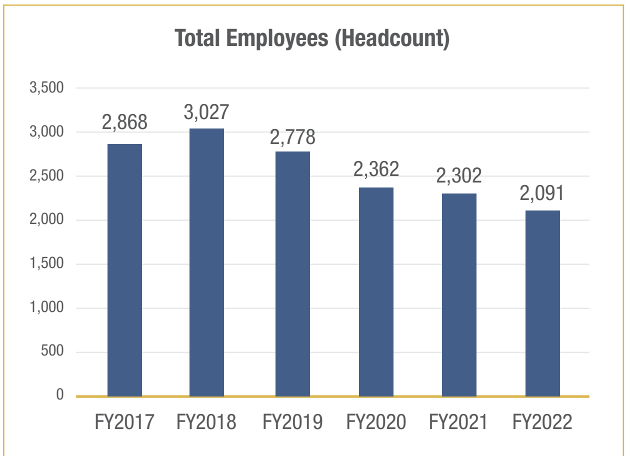
SUSTAINABILITY STATEMENT
cont'd

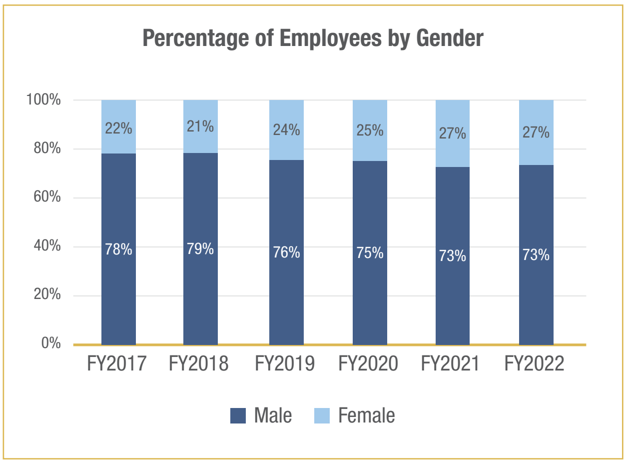
EQUAL OPPORTUNITY AND DIVERSE WORKPLACE

WCT recognises the value of workforce diversity in offering a range of perspectives and experiences that facilitate informed decision-making. Therefore, WCT is firmly committed to maintaining diversity and promoting equal career advancement, regardless of an individual's race, religion, gender, age, sexual orientation, disability status, or nationality. To this end, the Group's Human Resources ("GHR") team has guidelines which aims to eliminate discrimination and strives to create a workplace environment based on professionalism and merit.

Notably, there were no reported incidents of discrimination based on gender, religious beliefs, or ethnicity during the fiscal year.

OUR WORKFORCE





The workforce encompasses all business divisions, with construction activities at project sites making up a significant portion under the Engineering and Construction Division, as well as the Property Development Division. Hence, 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.

SUSTAINABILITY STATEMENT
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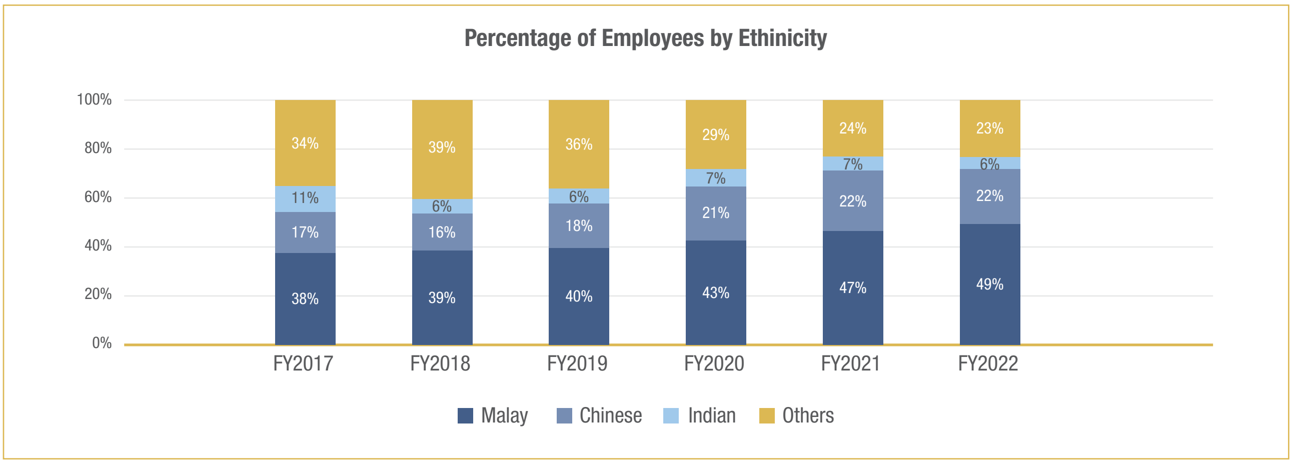
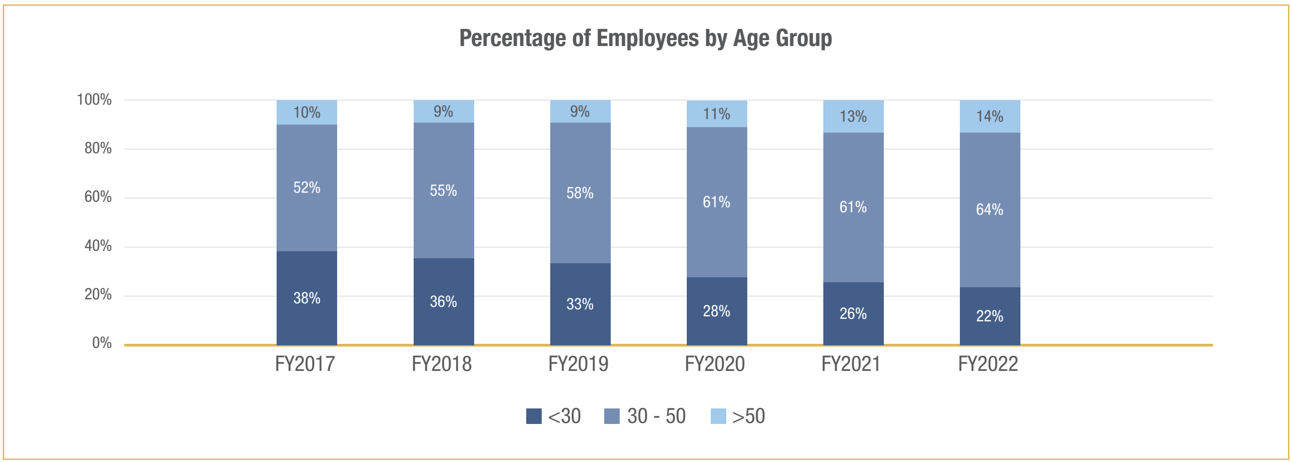
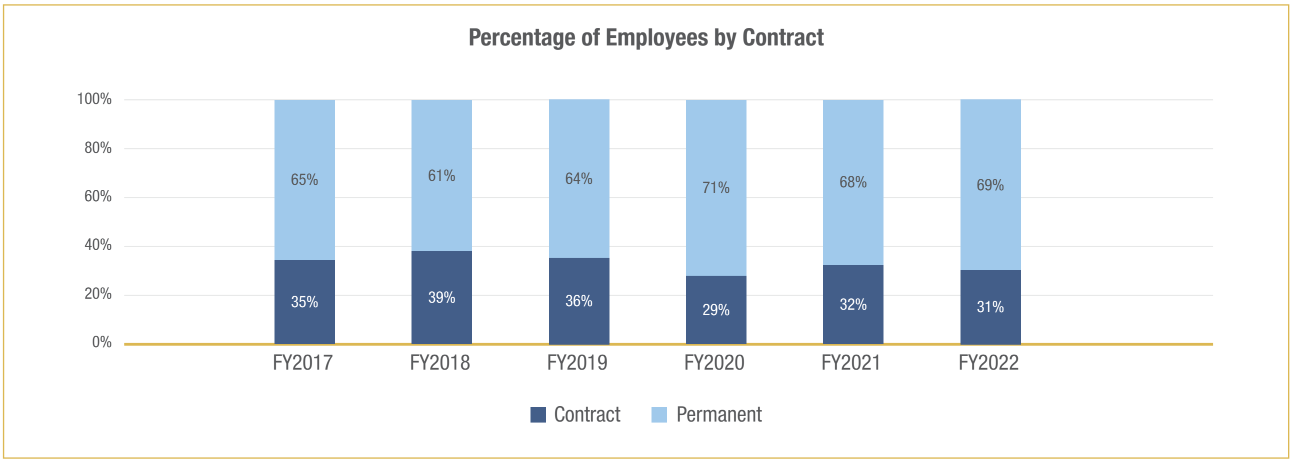


Note: Employees categorised under "Others primarily consists of foreigners.



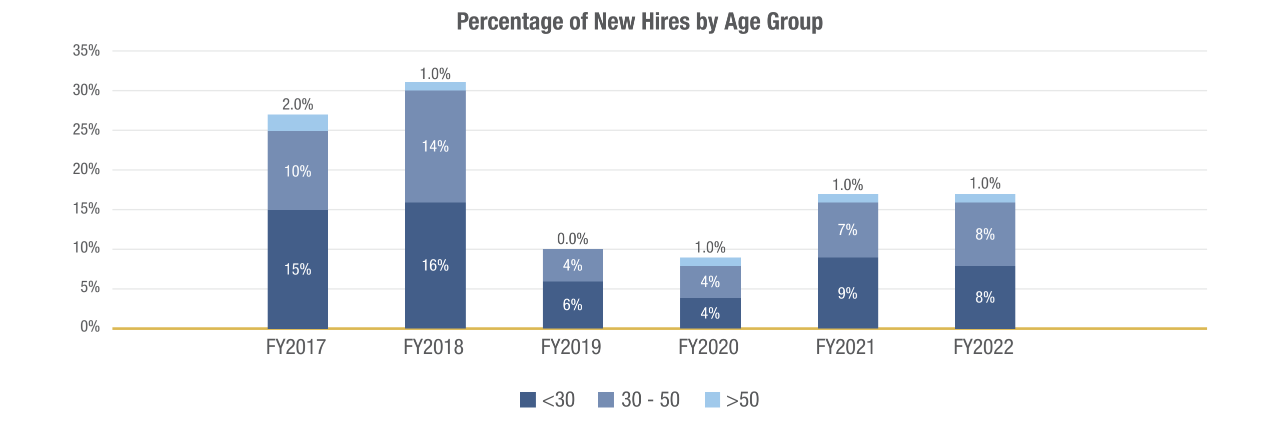
WCT is a workplace with age diversity. While most of the employees fall between the age group of 30-50 years old, providing WCT with sufficient talent to support succession planning initiatives across the Group, the Group has a good percentage of seasoned employees above 50 years old. This group of employees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

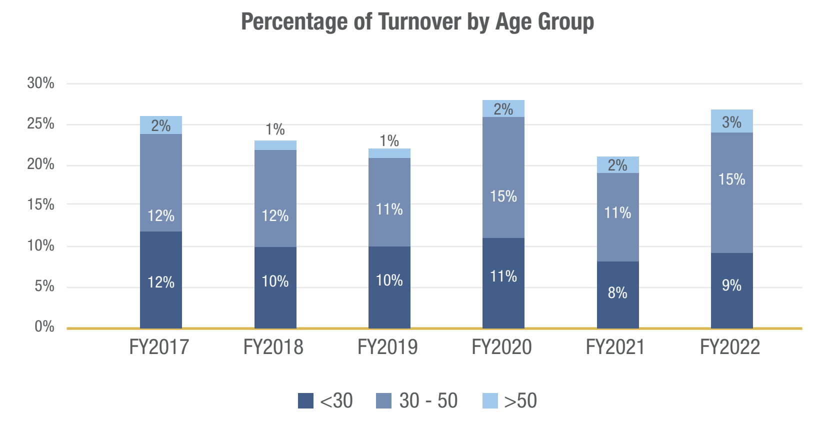


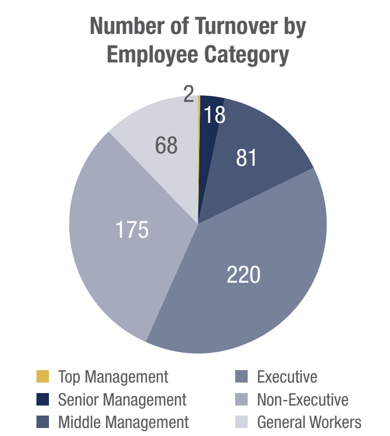
The majority of employees are recruited with permanent employment status, and they are typically local residents. As a result, this provides increased job security and enhanced employment perks for a larger number of locals.

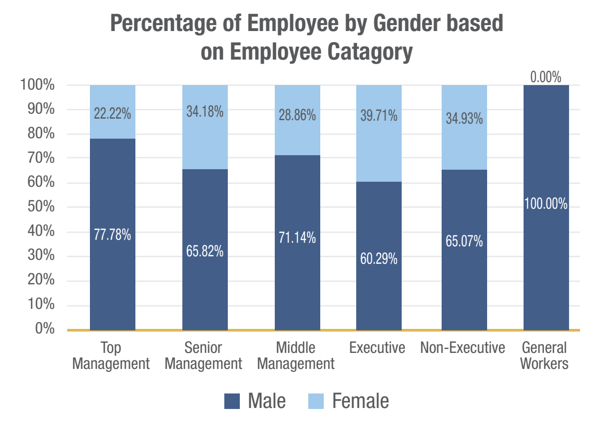
SUSTAINABILITY STATEMENT
cont'd

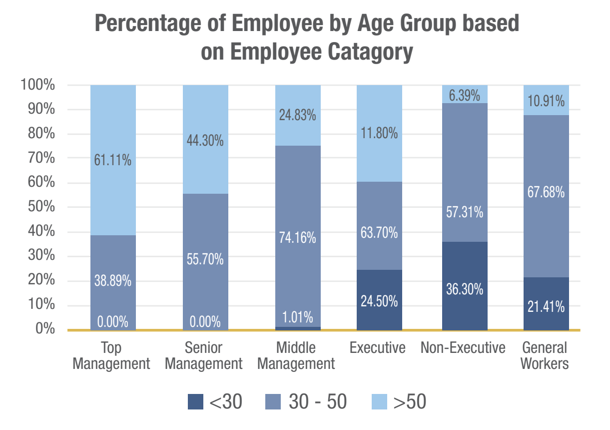
The workforce who have been contracted to work within the premises or under the control of WCT but not direct employees of the organisation include apprentices, interns (who are not part of the WCT's Protégé RTW Programme), contractors, and sub-contractors. In FY2022, around 113 interns were recruited and worked across various business divisions of WCT.











SUSTAINABILITY STATEMENT
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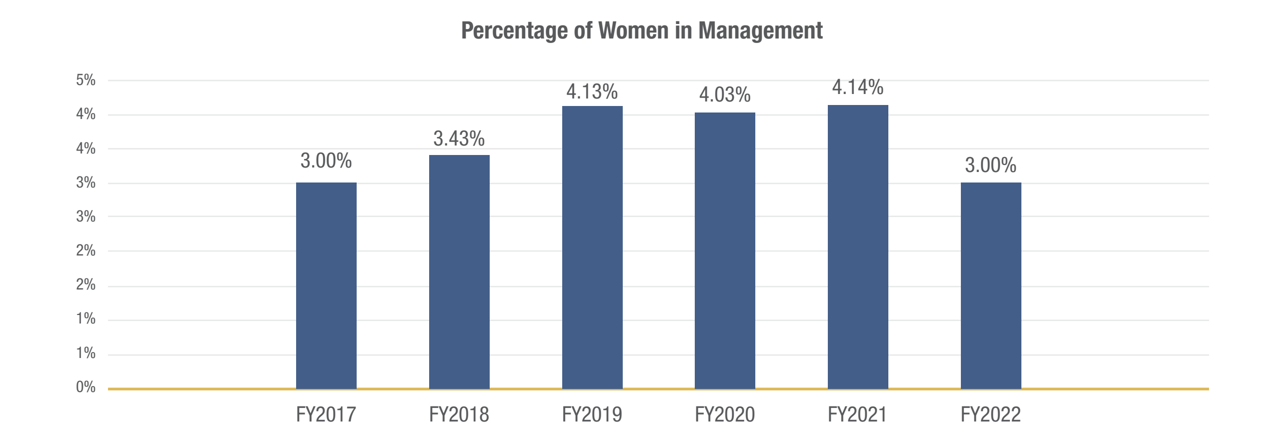
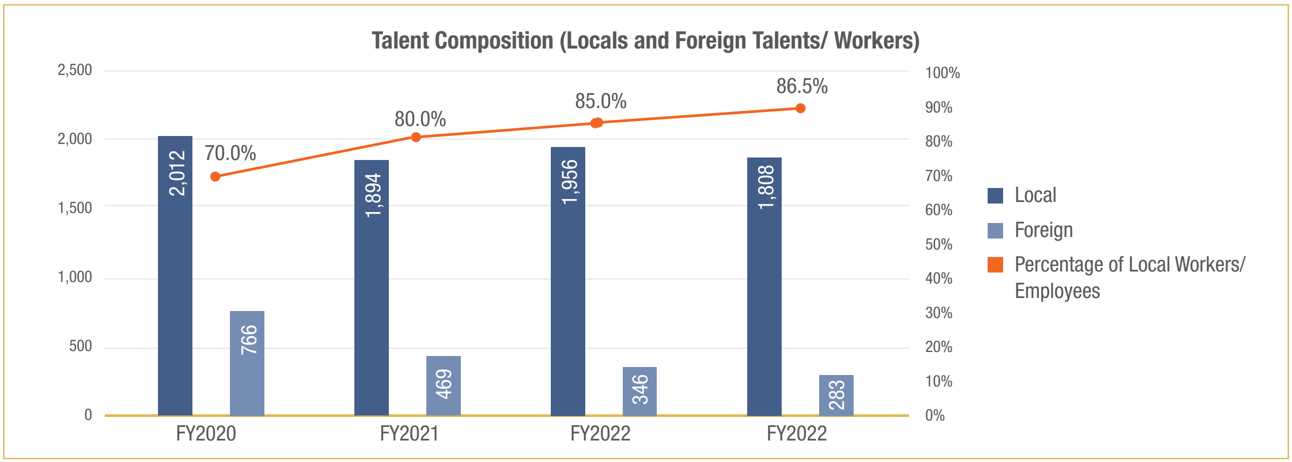


The Group's Human Resources Department is taking proactive steps towards recruiting and developing more female managers for critical middle and senior management roles across WCT. As part of this initiative, the company aims to increase the percentage of women in managerial positions by 5% by 2026, with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

With regard to basic salaries and employee compensation, the Group has identified an overall ratio of 0.83 for the average salaries of female employees compared to their male counterparts. WCT is committed to taking action to narrow 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 FOREIGN VS LOCAL WORKERS / EMPLOYEES (GROUP)



The construction and property development divisions 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.

RECRUITMENT

With the exception of the Engineering and Construction department, 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 guidelines strictly prohibit discrimination based on ethnicity, gender, age, disabilities, political affiliations, and other socio-demographic factors.

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.

SUSTAINABILITY STATEMENT
cont'd

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.

TRAINING

WCT identifies 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 FY2022.

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 FY2022.

WCT fully covers the costs of all training programs 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 FY2022, WCT conducted several training programs, as outlined below:

Type of Training	Training Programme
Soft Skills Training	Performance Management Workshop, Customer Service, Leadership Workshop
IT Literacy Training	Microsoft Office Suite (Excel, PowerPoint, Word)
Technical Training	Primavera P6
Regulatory/Statutory Compliance Training	Employment Act, Statutory Contributions, Accounting Standards, Facilities Management/ Building Laws, Housing Development/Building Act, Strata Title Management
Certification Programme	ISO, Certification of CIBD (Competent Site Supervisor and Competent Construction Manager)

	2022	
	Management	Non-Management
Total Training Hours (Group)	1613.50	5264
Number of Employees Attended	163	497
Investment Spent (RM)	109,321.47	169,699.91
Average Training Hour per Employee	10.10	9.44

SUSTAINABILITY STATEMENT
cont'd

EMPLOYEE REMUNERATION AND EMPLOYMENT BENEFITS

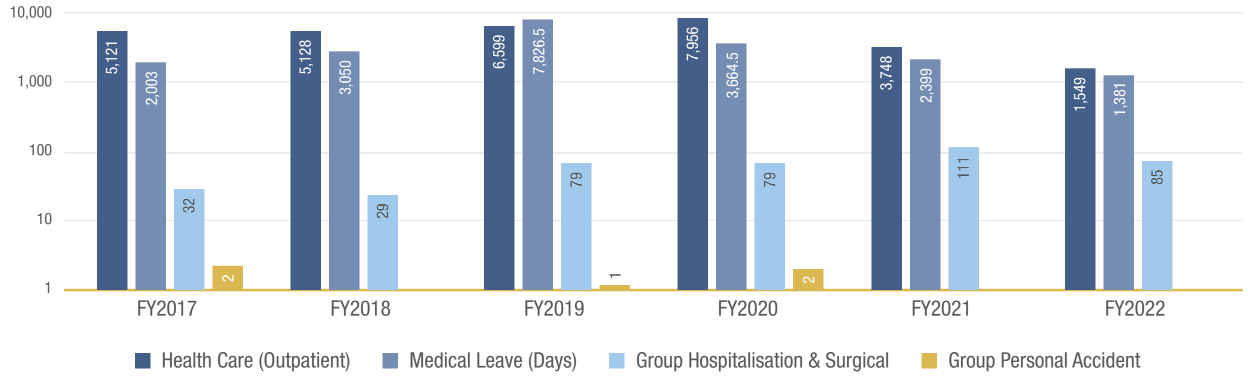
WCT provides a competitive compensation package to all its directly employed staff, taking into account their professional qualifications, experience, seniority, and job performance. The remuneration package includes salaries, bonuses, statutory payments, healthcare, various types of leave, and other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

Full-time employees enjoy the following benefits:

Leave	- Annual - Emergency - Medical & Hospitalisation - Prolonged Illness - Examination - Compassionate - Marriage - Paternity - Maternity - Replacement - Retirement
Medical	- Dental benefit - Medical Treatment Claims - Hospitalisation & Healthcare Insurance - Group Personal Accident & Group Term Life Insurance
Reimbursement and Entitlements	- Mileage, Toll & Parking Reimbursement - Accommodation, Transportation and Laundry entitlements
Other benefits	- Employee Referral Incentives - Employee Share Option Scheme ("ESOS") - Petrol Fleet Card - Professional Bodies' Annual Membership Fees

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.

Employee Benefits Provided and Utilised by Staff

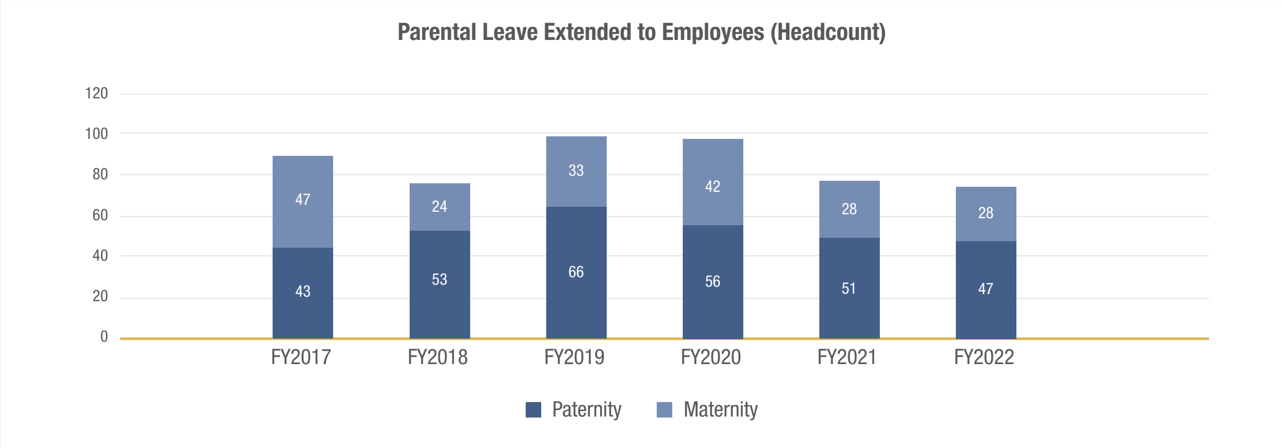


Further information, including the expenditure on employee benefits, is presented in the table below.

Benefits	2020		2021		2022	
	Head Count	Claim Amount (RM)	Head Count	Claim Amount (RM)	Head count	Claim Amount (RM)
Health Care (Outpatient)	7,956	721,171.02	3,748	589,791.96	1,549	864,264.76
Medical Leave (Days)	3,664.5	0.00	2,399	0	1,381	0
Group Hospitalisation & Surgical	79	1,059,650.49	111	890,363.13	85	867,473.87
Group Personal Accident	2	160,000.00	0	0	0	0

SUSTAINABILITY STATEMENT
cont'd

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.

	Female	Male
Number of employees who returned to work in the reporting period after parental leave ended	28	47
Return to work rates	100%	100%

As per the table, 100% of employees who took paternity or maternity leaves returned to work and remained with the organisation for 12 months or more for the last three 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 at least 80% employee satisfaction rating score.

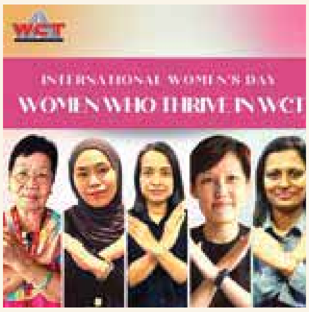
In July 2022, the first employee satisfaction survey was conducted to understand employees' level of satisfaction towards the Group's COVID-19 precaution measures in offices and operational sites between 2020 to 2022. The employee satisfaction index score was 94%, which achieved the target set.

EMPLOYEE ENGAGEMENT

WCT periodically organises or sponsors non-work-related company activities, including sporting activities, festive celebrations, health talks, sustainability-related events and more. This reflects the management's commitment in providing employees an enriching and fulfilling work-life at WCT while helping employees strike a balance between their professional and personal lives. These programmes and activities reinforce WCT's staff's motivation and well-being while creating an exciting workplace that fortifies healthy staff rapport and relationships.

SUSTAINABILITY STATEMENT
cont'd

Engagement Activities 2022:



INTERNATIONAL WOMEN'S DAY CAMPAIGN – NOMINATE THE WOMAN WHO INSPIRES YOU!

In line with International Women's Day ("IWD"), WCT organised an internal staff engagement activity where employees were encouraged to nominate their colleagues who inspire them most.

'FEED THE NEEDY' INITIATIVE FOR DEEPAVALI CSR ACTIVITY

WCT encouraged employees to volunteer for its first festive 'Feed the Needy' initiative at PPR Bukit Jalil, Kuala Lumpur, by distributing packed meals, savoury snacks, and cookies

FOSTERING TEAM SPIRIT AND UNITY THROUGH SPORTS TOURNAMENTS

A bowling competition was organised by Première Hotel, Klang, and participants took the opportunity to get to know one another as they teamed up to compete in a friendly match

About 46 employees participated in a badminton tournament organised by the Badminton Sports Club of WCT's LRT3 GS02 & GS03 project site

SUSTAINABILITY STATEMENT
cont'd

YOUTH UNEMPLOYMENT INITIATIVES, APPRENTICESHIPS OR GRADUATE PLACEMENTS

Protégé RTW Programme

In FY2022, a total of 78 fresh graduates were selected for the Protégé RTW Programme, which is offered by WCT with over RM2 million spent. The programme provides internship opportunities for unemployed youths from the lower-income or B40 group. Out of the selected candidates, 28 talents have been recruited as contract staff.

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
- 10 days of Soft Skill Training Programme (by engaging external training providers with a cost of RM700 per participant)
- 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)

Collaboration programmes have also been conducted with aviation and hospitality schools for the hotels and business aviation businesses.

Internship at Hotels

In 2022, 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 months internship programmes that allow WCT to develop future talents and leverage the talents and ideas of the younger generation.

Remuneration for interns under this programme is as follows:
- Monthly training allowance
- Duty meals
- Certification upon completion of programme
- Full-time and part-time job opportunities
- Weekly day offs and public holidays
- Participation in the Hotel's Recreation and Sport Activities
- Uniforms are provided for Operation interns


Interns at Première Hotel

Intern at Le Meridièn Petaling Jaya

SUSTAINABILITY STATEMENT
cont'd

Internship at SkyPark Aviation

A total of 12 students from AME Training Academy joined SkyPark Aviation under a 3-month internship programme to receive training through practical experiences at the SkyPark Regional Aviation Centre ("RAC"). The internship is part of a government-funded programme for aviation school students, and SkyPark Aviation provided duty meals during the training programme.

Interns at SkyPark Aviation

OCCUPATIONAL HEALTH AND SAFETY

OHS MANAGEMENT APPROACH

The management of Occupational Health and Safety ("OHS") remains a vital topic for WCT, as workplace accidents and incidents can significantly hinder business operations and impede the development of both financial and non-financial value.

As an employer, the Group has a duty of care to ensure its employees' and workers' health and safety, reinforcing its credibility and reputation as a trustworthy company. Additionally, a strong OHS culture boosts staff morale and minimises disruptions that could negatively affect construction site development and business operations.

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

WCT has taken a precautionary approach to prevent the spread of COVID-19 among its employees, prioritising its workforce's good health and well-being. The Group recognises that effective safety and health management will contribute to a productive workforce that can, in turn, drive economic growth.

To maintain high levels of OHS standards across the Group's divisions, WCT adopts a no-compromise stance on OHS. This unwavering commitment is the cornerstone of the Group's efforts to enhance and improve its safety and health record.

BOARD AND MANAGEMENT OVERSIGHT OF HEALTH AND SAFETY

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

Each business division, operating company, and operating site has an assigned OHS champion responsible for ensuring safe and secure work environments and achievement of OHS KPIs and targets. Senior management is responsible for implementing various approaches and planning announced and unannounced site visits to investigate major OHS incidents as required.

Despite the endemic phase of the COVID-19 pandemic, the Group continues to employ prevention strategies such as providing employees with self-test kits to conduct weekly tests and installing air purification systems in all offices to maintain clean air and reduce the risk of infection.

SUSTAINABILITY STATEMENT
cont'd

In FY2022, various 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
- COVID-19 prevention and control measures
- Environmental and sustainability requirements
- Emergency Response and Preparedness

GOVERNANCE OF OHS

WCT's business divisions operate in accordance 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, Environmental Quality Act 1974, regulatory orders, and relevant Codes of Practice.

WCT has also implemented ISO 45001:2018 Occupational Health and Safety Management System ("OHSMS") at selected operations. 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 is guided by its OHS Policy, as well as its OHS commitments and targets outlined below:

BUSINESS DIVISION SITE CERTIFICATION

At the conclusion of FY2022, 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")
	ISO14001:2015	Environmental Management System ("EMS")
Property Development Division	ISO 9001:2015	Quality Management System ("QMS")
	ISO 45001:2018	Occupational Health and Safety Management System ("OHSMS")

SUSTAINABILITY STATEMENT
cont'd

WORKER REPRESENTATION ON JOINT HEALTH AND SAFETY COMMITTEES

WCT practices a stakeholder-inclusive approach, where all established OHS committees include strong employee representation, including third-party workers. This approach has led to more than sufficient worker representation on joint management-worker health and safety committees.

The Engineering and Construction and Property Development Division places particular emphasis on the consultation and participation of non-managerial workers in the OHS management system. To ensure fair representation, involvement, and participation, we ensure adequate staff representation from various departments or operational sites, enabling optimal knowledge sharing, particularly in hazard identification, risk assessment, and determination of control actions.

Before making decisions, Management always solicits feedback from workers, and a collective approach is used to ensure that workers have a role in determining their work conditions. 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.

OHS COMMITTEE COMPOSITION AT PROJECT SITES

No	Engineering and Construction Division Project Sites	Chairman	Secretary	Employer Representative	Employee Representative
1	118 Mall	1	1	10	23
2	Elevated Highway Project	1	1	5	6
3	LRT3 GS02 & GS03	1	1	18	32
4	Pan Borneo Highway	1	1	8	16
5	Pavilion Damansara Heights (Parcel 1)	1	1	7	18
6	Pavilion Damansara Heights (Parcel 2)	1	1	16	15
7	Container Port	1	1	4	14
8	Jetty Extension	1	1	10	4
9	Sultan Ismail Petra Airport	1	1	16	19
10	TRX Hotel and Office	1	1	11	9
11	TRX Retail	1	1	7	27
12	WCE	1	1	7	9

No	Property Development Division Project Sites	Chairman	Secretary	Employer Representative	Employee Representative
1	W City OUG	1	1	8	9
2	Parklands Gravity Sewerage	1	1	5	6
3	Pavilion Mont Kiara	1	1	5	3
4	W City JGCC	1	1	2	6
5	Paradigm Johor Bahru Hotel and Residences	1	1	4	4

SUSTAINABILITY STATEMENT
cont'd

HAZARD IDENTIFICATION, RISK ASSESSMENT AND RISK CONTROL

WCT adopts 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 OHS related risks arising from these hazards across the Group. Regular workplace inspections and internal audits are conducted at all operational sites, and performance is assessed against set targets and the previous year's level of achievement.

For FY2022, the following operational locations and processes have been identified and reviewed as having a higher risk for an OHS incident:

Engineering and Construction
- Heavy lifting
- Electrical testing & commissioning
- Working along perimeter at height
- Scaffolding
- Confined space
- Working by road side or high traffic area
- Formwork

Property Development
- Working at height and confined spaces
- Deep excavation works
- Heavy lifting
- Scaffod/temporary structure installation
- Working at building edges
- Formwork installation

Shopping Malls and Hotels
- Robbery
- Malfunction of equipments (Elevators and Escalators)
- Slip & fall incidents
- Fire/explosion
- Food poisoning
- Bomb threat
- Ground settlement
- Cuts during handling of sharp equipments

Business Aviation
- Spillage of sanitary waste
- Hydraulic oil spill
- Airside accident and incident during pushback and towing

INCIDENT INVESTIGATION AND RESOLUTION

The Engineering and Construction and Property Development Divisions will track the OHS performance data at project sites. When an OHS incident occurs, investigation activities are initiated as soon as possible to determine the underlying factors behind the incident. All incidents, even incidents deemed minor or non-disruptive to business operations, are thoroughly investigated with an investigation report submitted to the respective authorities.

In FY2022, two work-related fatalities in the Engineering and Construction Division involving local workers of a sub-contractor were reported. This was due to a workplace electrical issue during the testing and commissioning process. As a result, a stop-work order was imposed at the site by Suruhanjaya Tenaga (ST) and followed by the Department of Occupational Safety and Health (DOSH) in the area of the incident for approximately one month. WCT, on compassionate grounds provided financial aid to the next of kin. Action has been taken to determine the factors behind the incidents and to conduct mitigation actions, including awareness training for the workers.

From the investigation, the cause of the incidents was discovered to be due to the lack of supervision from a competent and certified person during the process and the non-conformity of the safe work procedures outlined.

Post-incident mitigation has also been conducted to prevent a reoccurrence of these incidents. The mitigations are as follows:

1. Strengthening of Operating Procedures
   a. Reviewed and updated HIRARC in Method Statement for Electrical Testing and Commissioning as per Energy Commission guideline.
   b. Developed specific Permit-to-Work for Electrical Work.
   c. Requirement of compulsory attendance of a competent and certified person, i.e., a Chargeman, to supervise testing and commissioning activities.

2. Enhance personnel skills through:
   a. Specific electrical training i.e., Lock-Out Tag-Out training as per Energy Commission guidelines and safe work during electrical work requirements.
   b. Awareness talks through Safety Committee Meetings, Mass Toolbox Talk, etc.

3. Project team to improve engagement with local authorities to establish more briefing sessions with the Energy Commission and DOSH as well as to implement sustainable supply chain initiatives that align with the Supplier Code of Conduct to improve supply chain management with suppliers and subcontractors.

Critical insights from the incident is shared with all relevant teams and employees Group-wide to prevent reoccurrence. The Group will continue to strive for its zero-fatality target for employees and contractors.

SUSTAINABILITY STATEMENT
cont'd

OHS TRAINING AND PROGRAMMES

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

In FY2022, the following OHS-related certified and non-certified training was conducted across the Group:

Proper use of Equipment	Regulatory Compliance	Emergency Handling	Compound Security
- Authorised gas tester and entry supervisor for confined space - Basic scaffold erector - Lifting supervisor training - Machine guarding and electrical safety	- Certified design for safety - Risk and opportunities training in accordance with ISO standards. - Internal safety audit awareness in accordance with ISO standards	- 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	- 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

Apart from that, WCT also focuses on mental and physical health by providing stress management talk in partnership with a local hospital and a health talk in conjunction with breast cancer awareness. Following are WCT's OHS training details for FY2022:

No. of Employees Attended	Trained – Man hours
1,141	4,448.5

OHS PERFORMANCE

Engineering and Construction	2020	2021	2022
Number of Active Sites/Offices	14	12	13
Total Hours Worked (Millions)	14,784,637	19,272,036	22,020,892
Absolute Number of Fatalities	0	2*	2*
Number of LTI /Accident with Lost Workdays	2	5	4
LTI Frequency Rate *(Number of lost-time injury cases per 1 million-man hours worked)*	0.1353	0.2594	0.1816
Injury Rate/ Frequency Rate *Number of recordable incidents (LTI, Medical Treatment Case & First Aid) multiplied by 1,000,000 per manhours worked*	0.5411	0.4151	0.1816
Lost Day Rate/ Severity Rate *Number of lost workdays multiplied by 1,000,000 per manhours worked*	1.9615	603.9660	548.7062

** The fatalities involved subcontractors' workers.*

SUSTAINABILITY STATEMENT
cont'd

Property Development	2020	2021	2022
Number of Active Sites/Offices	9	12	12
Total Hours Worked (Millions)	1,679,149	1,845,696	3,108,745
Absolute Number of Fatalities	0	0	0
Number of LTI /Accident with Lost Workdays	0	0	0
LTI Frequency Rate *(Number of lost-time injury cases per 1,000,000 manhours worked)*	0	0	0
Injury Rate/ Frequency Rate *Number of recordable incidents (LTI, Medical Treatment Case & First Aid) multiplied by 1,000,000 per manhours worked*	1.7866	0	0.3217
Lost Day Rate/ Severity Rate *Number of lost workdays multiplied by 1,000,000 per manhours worked*	0	0	0

Other Business Divisions	Hotels	Shopping Malls (Paradigm Mall JB & gateway@klia2)
Number of Active Sites/Offices	2	2
Total Hours Worked (Millions)	687,247.43	501,006
Absolute Number of Fatalities	0	0
Number of LTI /Accident with Lost Workdays	6	0
LTI Frequency Rate *(Number of lost-time injury cases per 1,000,000 manhours worked)*	8.7305	0
Injury Rate/Frequency Rate *Number of recordable incidents (LTI, Medical Treatment Case & First Aid) multiplied by 1,000,000 per manhours worked*	32.0118	3.9920
Lost Day Rate/Severity Rate *Number of lost workdays multiplied by 1,000,000 per manhours worked*	484.3961	0

TOWARDS ZERO LARVAE, ZERO DENGUE

Recognising the dangers of dengue, a potentially fatal disease carried by the Aedes mosquito prone to spread in construction sites, WCT continues to implement the Four-Pronged Anti-Dengue Strategy to eradicate dengue from our worksite. The 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

We remain committed to working closely with state health departments to reinforce the anti-dengue strategy and continue to implement, enhance, and standardise our efforts to combat dengue at all workplaces.

SUSTAINABILITY STATEMENT
cont'd

LOCAL COMMUNITY DEVELOPMENT AND EMPOWERMENT

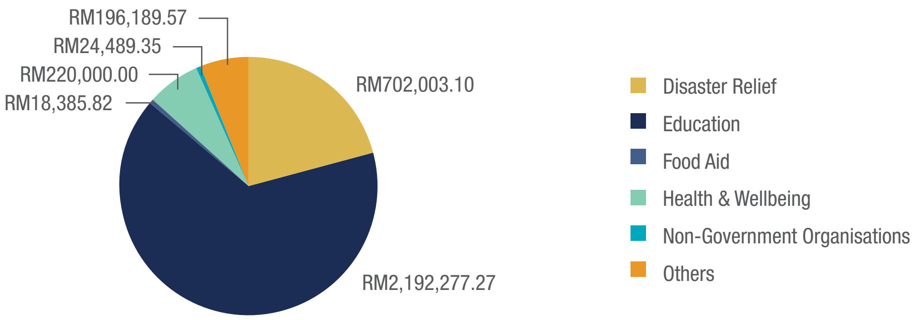
Staying true to its vision and mission, WCT continues to serve as a force for good by sharing with society the positive values created through its business model. It is intended that beyond corporate social responsibility ("CSR") activities, WCT's interaction with local communities is to create sustainable, positive outcomes that deliver meaningful and lasting benefits to society, especially local communities.

In FY2022, WCT announced the launch of its new proposition, 'WCTGives', as a pledge to commit to its CSR programmes and as an extension of the Group's sustainability effort to contribute to society and the environment. This new proposition encompasses three pillars, namely #WeCareTogether, #EducationforAll, and #AGreenerTomorrow. Each of these pillars focuses on various programmes that aim to enrich the lives of the community, provide education support to the underprivileged, and preserve the environment.

Under the new proposition, WCT will continue to allocate 0.2% of its total annual revenue to fund its various CSR programmes across all business divisions. In FY2022, WCT contributed approximately RM3.36 million to charitable causes, benefiting a total of 55 organisations.

WCT aligns its corporate social responsibility efforts with UN SDG 3 Good Health and Wellbeing and UN SDG 11 Sustainable Cities and Communities, collaborates with local NGOs, government ministries, and agencies to support community-based programs.

Contributions to Local Community in FY2022



INITIATIVES IN 2022

PAVILION REIT-WCT-MALTON BERHAD FLOOD RELIEF DONATION

WCT, together with Pavilion REIT and Malton Berhad, embarked on a CSR effort to ease the burden of flood victims in affected states by contributing a total of RM2 million in cash and kind to Tabung Ikhtiar Selangor Bangkit Siri Ke-2, Malaysian Red Crescent Society, and Mercy Malaysia. The RM2 million donation was used to address the needs of victims, including medical assistance, food supplies, hygiene items and other relief necessities.

SUSTAINABILITY STATEMENT
cont'd

WCT LAND DONATES TO ORPHANAGE HOMES

WCT Land visited Persatuan Kebajikan Kanak-Kanak Angels Kuala Lumpur and Rumah Anak Yatim Shafar in Kampung Pasir, Johor Bahru, which is home to orphans, abused and abandoned children between 3 to 17 years old and 6 to 12 years old respectively. To support the underprivileged children and uplift the spirits of the orphans, WCT Land donated some cash, electrical appliances, and household essentials, treated them to a fast-food lunch, and handed the children Duit Raya.

SUPPORTING THE "GENEROUS CHARITABLE DONATION TO THE RANAU COMMUNITY"

In view of the Ramadan and Hari Raya celebrations, WCT Berhad supported Persatuan Hakka Daerah Ranau through its 'Generous Charitable Donation to the Rantau Community' by providing monetary assistance to purchase clothing to be donated to the underprivileged

SPREADING RAYA CHEER TO THE FAMILIES FROM KAMPUNG BT 9 KEBUN BAHARU, SELANGOR

Première Hotel continued its yearly tradition by carrying out its Raya CSR effort by sponsoring duit raya and grocery items to six needy families from Kampung Bt 9 Kebun Baharu, Selangor. The beneficiaries included four single parents with children, disabled mothers with children as well as jobless parents with children. Since 2018, the hotel has supported a total of 26 families during the Holy Month of Ramadan.

SUSTAINABILITY STATEMENT
cont'd

ANNUAL BUBUR LAMBUK DISTRIBUTION

Première Hotel distributed 1,500 packets of Bubur Lambuk to staff from the fire department, police force, Hospital Tengku Ampuan Rahimah Klang (HTAR), Manipal Hospital, Majlis Perbandaran Klang, two nearby mosques, Jabatan Agama Islam Negeri Selangor (JAIS) as well as 27 corporate clients. The initiative was part of the hotel's yearly contribution towards giving back to the communities in Klang.

UNDERPRIVILEGED CHILDREN VISIT SKYPARK TERMINAL AND SKYPARK RAC

SkyPark FBO, SkyPark RAC and Subang SkyPark in partnership with Women in Aviation Association welcomed 24 children from Lighthouse Children Welfare Home Association to visit the airport facilities in SkyPark Terminal and SkyPark RAC to introduce them to the aviation industry in Malaysia. Through the one-day outing, these children were also given the opportunity to experience first-hand on how to operate a Piper type aircraft carrier.

WCT LAND'S DONATION TO SEKOLAH KEBANGSAAN SERI INDAH, OUG KL

In July 2022, WCT Land donated RM14,300.00 to Sekolah Kebangsaan Seri Indah, OUG KL to fund the school's activities and programmes under Aktiviti dan Program Pembangunan Kecemerlangan Sekolah for the year 2022/2023. This initiative is part of our CSR efforts to support the community surrounding our development.

SUSTAINABILITY STATEMENT
cont'd

WCT GROUP LAUNCHES NEW PROPOSITION 'WCTGIVES' AND KICKSTARTS 'FEED THE NEEDY' INITIATIVE

50 B40 families in PPR Bukit Jalil benefited from WCT Group's 'Feed the Needy' CSR initiative. Over 200 warm and delicious meals, spicy and festive Masala Nuts, and delicious cookies were distributed by WCT employees, together with Women of Will's (WOW) assistance, to celebrate the Festival of Lights. The initiative also marks the launch of WCT's new proposition, WCT Gives to streamline its CSR efforts across the business divisions.

ENSURING ACCESS FOR THE DISABLED

At WCT, all of our projects and operational sites prioritise access for individuals with physical disabilities. This commitment is reflected in our property developments, shopping malls, and hotels where we ensure that the necessary facilities and accommodations are provided, such as wheelchair ramps, disabled parking bays, easy-access lift buttons, and disabled toilets, among others.

Furthermore, we are dedicated to promoting inclusivity in our spaces by providing amenities such as Ladies Only parking bays and child-friendly features in all our malls. To enhance accessibility, we have designed light switches at lower heights in developments such as the Paradigm Residence in Johor Bahru and The Maple Residences in W City OUG, as well as in our future projects.

In line with our commitment to social responsibility, we have also incorporated a minimum of two residential units per block designed for people with disabilities ("OKU") in our developments under the Rumah Selangorku programme, which includes the Azaria, Asteria, and Aronia Apartments. Le Meridièn Petaling Jaya and Première Hotel also provides wheelchair accessible rooms to guests with disabilities.

Guest room with wheelchair accessible toilet at Le Meridièn Petaling Jaya; disabled parking bays at gateway@klia2; buggy services at gateway@klia2 for physically challenged patrons and priority seats at the Transportation Hub of gateway@klia2

SUSTAINABILITY STATEMENT
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GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
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GRI 2: General Disclosures 2021	2-1 Organisational details	Page 7	Corporate Profile
	2-2 Entities included in the organisation's sustainability reporting	Page 37	About this Report: Reporting Scope and Boundary
	2-3 Reporting period, frequency and contact point	Page 37, 39	About this Report: 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	Page 38	About this Report: Assurance
	2-6 Activities, value chain and other business relationships	Page 4-5	Core Business and Operating Units
	2-7 Employees	Page 94-98	Social Performance: Talent Management
	2-9 Governance structure and composition	Page 121-122	Corporate Governance Overview Statement
	2-10 Nomination and selection of the highest governance body	Page 126	Corporate Governance Overview Statement
	2-11 Chair of the highest governance body	Page 121	Corporate Governance Overview Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 53	Governance of Sustainability: Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	Page 53	Governance of Sustainability: Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	Page 53-54	Governance of Sustainability: Sustainability Governance Structure
	2-15 Conflicts of interest	Page 123	Corporate Governance Overview Statement
	2-16 Communication of critical concerns	Page 52-53	Material Matters
	2-17 Collective knowledge of the highest governance body	Page 123-128	Corporate Governance Overview Statement, Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Page 127	Corporate Governance Overview Statement, Corporate Governance Report
	2-19 Remuneration policies	Page 128	Corporate Governance Overview Statement
	2-20 Process to determine remuneration	Page 128	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	Page 47	Message from the Chairman of WCT Board Risk and Sustainability Committee
	2-23 Policy commitments	Page 55	Upholding Ethical Business Conduct and Corporate Integrity: WCT Corporate Policies
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts	Page 58	Governance of Sustainability: Whistleblowing Mechanism
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SUSTAINABILITY STATEMENT
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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
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	2-28 Membership associations	Page 38	About this Report: Membership in Associations
	2-29 Approach to stakeholder engagement	Page 48-50	Stakeholder Engagement
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 52	Material Matter
	3-2 List of material topics	Page 53	Materiality Matrix
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 59	Economic Values Created: Economic Performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 59-60	Economic Values Created: Economic Performance; Economic Values Created and Distributed for Stakeholders
	201-2 Financial implications and other risks and opportunities due to climate change	Page 65	Climate Change and Emissions: Climate Change: Risks and Opportunities
	201-3 Defined benefit plan obligations and other retirement plans	Page 100	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	Page 62	Economic Performance: Community Infrastructure and Services Supported
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 95-98	Talent Management: Equal Opportunity and Diverse Workplace; Our Workforce
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 62	Economic Performance: Community Infrastructure and Services Supported
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported		
	203-2 Significant indirect economic impacts		
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		
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GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 57	Governance of Sustainability: Identification of Operations with Possible Higher Risk for Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Page 56-57	Governance of Sustainability: Anti-Corruption Training
	205-3 Confirmed incidents of corruption and actions taken	Page 58	Governance of Sustainability: Whistleblowing Mechanism

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GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 74-75	Environmental Performance: Resource Consumption
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GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 70-71	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	Page 69	Energy Consumption: Energy Saving Measures Undertaken by Business Divisions
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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	Page 79-80	Water Consumption and Management: Water Consumption Data
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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		

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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 72-74	Energy Consumption: 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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	306-2 Management of significant waste-related impacts	Page 81-82	
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 100	Talent Management: Employee Remuneration and Employment Benefits
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	403-2 Hazard identification, risk assessment, and incident investigation	Page 107	Occupational Health and Safety: Hazard Identification, Risk Assessment and Risk Control
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 106	Occupational Health and Safety: Worker Representation on Joint Health and Safety Committees
	403-5 Worker training on occupational health and safety	Page 108	Occupational Health and Safety: OHS Training and Programmes
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 54; 95-98	
	405-2 Ratio of basic salary and remuneration of women to men	Page 98	Talent Management: Our Workforce
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 94-95	Talent Management: Worker Rights
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 95	Talent Management: Equal Opportunity and Diverse Workplace
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GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	SECTION REFERENCE
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 110-113	Social Performance: Local Community Development and Empowerment
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61	Economic Values Created: Environmental and Social Performance across Supply Chain
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 59	Governance of Sustainability: Political Contributions
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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		
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GRI 3: Material Topics 2021	3-3 Management of material topics	Page 63	Governance of Sustainability: Data Privacy
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 2022 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 2022 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, financial performance and critical business issues, including the following specific areas to ensure that the governance of the Group is consistently maintained:

- Reviewing business plans and direction of the Group
- Overseeing the Group's strategic action plans
- Identifying principal risks and implementing appropriate internal control system
- Approving acquisition and divestment policy and major investment decisions
- Monitoring the performance of the Management and the Group's principal businesses
- Upholding high standards of conduct and ethics, and promoting good corporate governance culture within the Group

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 & Sustainability Committee
(3) Nomination & Remuneration Committee
(4) Options 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.

As part of the Company's commitment against all forms of bribery and corruption, the Company has put in place the Anti-Bribery and Anti-Corruption ("ABAC") Policy and Standard Operating Procedures ("SOP") 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.

As a commitment to continuously enhancing the Group corporate integrity management, a Group Integrity Unit ("GIU") was formed in September 2022 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.

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 conducts, wrongdoings, corruption, fraud and/or abuse in accordance with the procedures as provided therein.

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, Deputy Managing Director, and five (5) Independent Non-Executive Directors.

Each of the Director's profile is presented under the section titled "Profile of Directors" in the Company's Annual Report 2022.

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.

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 Directors is slightly more than six (6) years as at the end of the financial year ended 31 December 2022.

The role of the Chairman and the 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*

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. Currently, Puan Rahana Binti Abdul Rashid is the only woman Director sitting 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 are 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 the attendance at the Board and Board Committees meetings during the financial year 2022. 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.

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 2022, a total of five (5) 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 2022
Tan Sri Lim Siew Choon	5/5
Dato' Lee Tuck Fook	5/5
Chow Ying Choon	5/5
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Dato' Ng Sooi Lin	5/5
Ng Soon Lai @ Ng Siek Chuan	5/5
Rahana Binti Abdul Rashid	5/5
Goh Chin Liong *(resigned on 20 April 2022)*	1/1
Liang Kai Chong *(resigned on 1 August 2022)*	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***COMMITMENT OF THE BOARD*** *cont'd*

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 2022, the Directors of the Company have attended the following training programmes:

Tan Sri Lim Siew Choon
- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)

Dato' Lee Tuck Fook
- Rethinking Business Strategies in driving the ESG and Sustainability Agenda (3 May 2022)

Chow Ying Choon
- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Tan Sri Marzuki Bin Mohd Noor*
- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Datuk Ab Wahab Bin Khalil*
- Board Assessment – A key cog in an effective governance structure (29 March 2022)
- The updated Malaysian Code on Corporate Governance (4 April 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Dato' Ng Sooi Lin*
- Governance, Risk and Controls ("GRC") – The importance of the GRC system in business sustainability & how they are intertwined to provide reasonable assurance to the Audit Committee & Board (28 September 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (10 November 2022)

Ng Soon Lai @ Ng Siek Chuan*
- BNM-FIDE Forum Dialogue: Climate Risk Management & Scenario Analysis (8 March 2022)
- Climate Risk Framework (21 March 2022)
- In-house Awareness Training on Anti-Bribery & Anti-Corruption (10 November 2022)
- Securities Commission's Audit Oversight Board conversation with Audit Committee – (i) Inspection Results – How Audit Committee makes use of it and (ii) Survey with Audit Committee on Transparency Reporting by Audit Committee (6 December 2022)

Puan Rahana Binti Abdul Rashid*
- Women of Substance Symposium 2021 (20 January 2022)
- The updated Malaysian Code on Corporate Governance (4 April 2022)
- In-house Awareness Training on Anti-Bribery and Anti-Corruption (15 November 2022)

** Denotes a Director who is a member of the Audit Committee*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***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 2022.

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 & SUSTAINABILITY COMMITTEE

The Board Risk & Sustainability Committee ("BRSC") is to assist the Board in overseeing the risk management activities of the Group and 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

The terms of reference, duties and responsibilities of the BRSC are available on the Company's website (www.wct.com.my).

The BRSC meets not less than four (4) times a year. In 2022, a total of six (6) meetings were held and details of the attendance of the BRSC members are as follows:

Name	Number of BRSC meetings attended in 2022
Dato' Ng Sooi Lin	6/6
Tan Sri Marzuki Bin Mohd Noor	6/6
Datuk Ab Wahab Bin Khalil	6/6
Rahana Binti Abdul Rashid	6/6

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(B) BOARD RISK & SUSTAINABILITY COMMITTEE *cont'd*

During the year under review, the BRSC reviewed and discussed 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 revised Risk Management Policy and Risk Management Framework for the inclusion of risk appetite for Economic, Environmental and Social (EES) risks;
(iii) the report on the ABAC risks assessment and EES risks assessment reports;
(iv) the risk exposures and assessment of corporate proposals recommended by the Management;
(v) the Integrity Management Framework which governs the GIU's function;
(vi) the revised Terms of Reference of BRSC for incorporation of the elements of Integrity Management and ABAC;
(vii) the Group's sustainability initiatives and flagship programmes;
(viii) the progress of the programmes in embedding sustainability into the Group;
(ix) the revised Corporate Vision and Mission to embed sustainability and to ensure the established goals and strategies are supported by the revised Corporate Vision and Mission;
(x) the Group Sustainability Framework which encompasses the targets and tangible action plans;
(xi) the Statement on Risk Management and Internal Control and the Sustainability Statement for inclusion in the Annual Report 2021; and
(xii) the Responsible Supply Chain Policy, Sustainable Procurement Policy, Supplier Code of Conduct and WCT Material Use Policy to facilitate the implementation of the Responsible Supply Chain for the Group.

(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).

The NRC meets at least once a year and whenever required. In 2022, four (4) meetings were held and details of the attendance of the NRC members are as follows:

Name	Number of NRC meetings attended in 2022
Datuk Ab Wahab Bin Khalil	4/4
Tan Sri Marzuki Bin Mohd Noor	4/4
Dato' Ng Sooi Lin	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

During the financial year ended 31 December 2022, the NRC carried out the following activities:

(i) reviewed the annual increment and bonuses of the Employees;
(ii) reviewed the annual increment and bonuses of all Executive Directors;
(iii) oversight of the process of annual evaluation conducted by an independent adviser which includes the Board as a whole, committees of the Board, the individual directors and the independence of the Independent Directors;
(iv) reviewed the assessment criteria and the scope of the Board and Board Committees evaluation for the year 2022;
(v) annual review of the Board in respect of its size and the required mix of skills and experience;
(vi) reviewed and recommended the re-appointment of four (4) Directors who are retiring by rotation and seeking re-election at the 11th AGM;
(vii) reviewed the change in the composition of the Options Committee;
(viii) reviewed and considered the Directors' Fit and Proper Policy including the fit and proper criteria and assessment form for the Directors of the Group; and
(ix) reviewed the appointment of the Chief Executive Office for the Engineering & Construction Division and his remuneration packages.

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.

In order to ensure that each of the Directors possesses the necessary character, integrity, competence, relevant range of skills, knowledge, experience and time commitment, the Board had in June 2022 adopted a Directors' Fit and Proper policy, which serves as a guide for the NRC and the Board in their review and assessment of candidates that are to be appointed as Director as well as Directors who are seeking re-election.

The Directors who are seeking re-election at the forthcoming 12th AGM are stated in the notice of the 12th AGM. The NRC has assessed the performance of these Directors through the annual evaluation and fit and proper assessment and accordingly recommended to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 12th AGM. The Board supports the re-appointment of the Directors who are seeking re-election at the forthcoming 12th AGM as they meet the criteria of character, experience, integrity, competence and time 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 12th 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 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

➢ ***BOARD COMMITTEES*** *cont'd*

(C) NOMINATION & REMUNERATION COMMITTEE *cont'd*

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, Boardroom Corporate Services Sdn Bhd, an independent expert, was engaged to assess the performance of each member of the Board, the Board as a whole, Board Committees as well as the independence level of the Independent Directors ("Assessment 2022").

Based on the outcome of the Assessment 2022, the NRC and the Board were satisfied with the performance 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.

Some of the positive highlights from the Assessment 2022 were as follows:
- The Board has the right group of people, with appropriate diversity in terms of skills, knowledge, experience and independence elements that fit the Company's objectives and ensure an objective decision-making process;
- Directors devoted sufficient time to boardroom activities to deal with issues head-on;
- The Board and Board Committee have open and productive deliberations;
- The Board is able to conduct its proceedings in a fair and orderly manner with clear governance procedures to govern its affairs; and
- Members of the Audit Committee are able to continuously apply a critical and probing view of the Company's transactions and effectively challenge Management's assertions on the Company's financials.

The following are some of the areas for improvement identified for the Board to further enhance its effectiveness:
- Succession planning for the Board;
- To strengthen the Board's role in relation to strategy setting;
- To have sufficient understanding and knowledge of sustainability issues that are relevant to the Group and its businesses, so as to discharge their role in WCT's Environmental, Social and Governance (ESG) oversight effectively, including climate-related risks and opportunities;
- To enhance the Board's composition by giving additional consideration to the facets of diversity in gender, age etc.; and
- To enhance the skill and experience needed on the Board with strategic planning and IT backgrounds.

The results from the Assessment 2022 form the basis of the NRC's recommendation to the Board on the re-election of Directors at the forthcoming 12th AGM as well as for the Directors' further enhancement.

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.

Based on the Assessment 2022, the NRC and the Board are satisfied with the level of independence of all the Independent Directors and are satisfied that they have fulfilled all the requirements under the MMLR of Bursa Securities and other assessment criteria of independence, 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*

➢ ***BOARD COMMITTEES*** *cont'd*

(D) OPTIONS COMMITTEE

The Options Committee had also been established by the Board to administer the Company's Employees Share Options Scheme 2013/2023 ("ESOS"), in accordance with the By-Laws of the ESOS as approved by the shareholders of the Company, amongst others, to determine participation eligibility, terms of the offers and share option allocations and to attend to such other matters as may be required subject to the ESOS's By-Laws. The current members of the Options Committee are as follows:

(i) Ng Soon Lai @ Ng Siek Chuan
Chairman/Independent Non-Executive Director

(ii) Dato' Lee Tuck Fook
Member/Group Managing Director

(iii) Chow Ying Choon (appointed on 20 April 2022)
Member/Deputy Managing Director

(iv) Goh Chin Liong (resigned on 20 April 2022)
Member/Deputy Managing Director

The Options Committee meet as and when required and no meeting was held during the financial year ended 31 December 2022.

➢ ***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 are 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 2022 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	3,105,000	12,000	-	-	37,275	8,490	3,162,765
Dato' Lee Tuck Fook	2,700,000	12,000	-	-	-	4,861	2,716,861
Chow Ying Choon	2,025,000	12,000	-	-	31,150	2,676	2,070,826
Non-Executive Directors							
Tan Sri Marzuki Bin Mohd Noor	-	84,000	-	26,000	-	700	110,700
Datuk Ab Wahab Bin Khalil	-	84,000	-	25,000	-	700	109,700
Dato' Ng Sooi Lin	-	84,000	-	27,000	-	3,130	114,130
Ng Soon Lai @ Ng Siek Chuan	-	84,000	-	16,700	-	3,130	103,830
Rahana Binti Abdul Rashid	-	84,000	-	17,000	-	3,130	104,130
Total (RM)	7,830,000	456,000	-	111,700	68,425	26,817	8,492,942

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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 2022.

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.

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 of 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 2022.

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 2022.

➢ ***INTERNAL AUDIT FUNCTION***

The internal audit function of the Group is carried out by the Group's Internal Audit Department ("GIA") which reports directly to the Audit Committee. The role of the GIA 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 2022.

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. All shareholders are encouraged to attend the AGM which is usually held within the Klang Valley and is easily accessible by the shareholders. In light of the COVID-19 pandemic, the Company conducted a fully virtual 11th AGM on 15 June 2022 as a precautionary measure to curb the spread of COVID-19. During the 11th 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 12th AGM of the Company scheduled to be held on 15 June 2023 will be voted by poll. An Independent Scrutineer will be appointed by the Company to verify the results of the poll at the AGM.

➢ ***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. At least four (4) analyst briefings are held each year, usually to coincide with the release of the Group's quarterly interim financial results. Additional engagements with any individual or group of analysts and fund managers may be held on an ad hoc basis as and when requested. A press conference is normally held after the AGM or any Extraordinary General Meeting of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

➢ ***INVESTOR RELATIONS*** *cont'd*

Below is a summary of the investor relations activities undertaken during the financial year ended 31 December 2022:

	Total
Meetings/Conference calls with investors, analysts and fund managers	2
Investors briefings	4

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. Moving forward, the Board will continue to enhance the corporate governance practices applied throughout the Group's business units as well as to work towards the requirements of Bursa Securities pertaining to the enhanced disclosure on sustainability in particular the Task Force on Climate-related Financial Disclosure (TCFD) and the IT transformation and digitalisation for the Group.

(This Corporate Governance Overview Statement has been approved by the Board of Directors on 20 April 2023)

OTHER DISCLOSURES

The following additional disclosures are made in respect of the financial year ended 31 December 2022:

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSAL

No proceeds have been raised from any corporate proposal during the financial year ended 31 December 2022.

2. INFORMATION IN RELATION TO EMPLOYEES' SHARE OPTIONS SCHEME

(i) The Company's Employees' Share Option Scheme ("ESOS") (2013/2023), which was established and implemented on 19 July 2013, is the only share scheme in existence during the financial year ended 31 December 2022.

(ii) No options were offered and granted under the ESOS (2013/2023) for the financial year ended 31 December 2022. The total number of options granted, exercised and outstanding under the ESOS (2013/2023) since its commencement up to 31 December 2022 are as set out in the table below:

	Cumulative Number of Options (Since commencement date up to 31 December 2022)	
Description	**Grand Total**	**Directors**
(a) Options granted	62,165,000	8,604,000
(b) Exercised & forfeited options	28,968,600	6,554,000
(c) Lapsed options	23,901,400	2,050,000
(d) Outstanding options	9,295,000	0

(iii) Percentages of options applicable to Directors and Senior Management under the ESOS (2013/2023):

Directors and Senior Management	Options Offered in FYE 2022	Since commencement date up to 31 December 2022
(a) Aggregate maximum allocation	-	22.92%
(b) Actual no. of options granted	-	22.24%

(iv) No options have been 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 2022 are as follows:

	Group (RM)	Company (RM)
Audit Fees	608,760	114,870
Non-Audit Fees	75,013	41,680

OTHER DISCLOSURES
cont'd

4. MATERIAL CONTRACTS AND TRANSACTIONS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There were no material contracts/transactions entered by the Company and/or its subsidiaries involving the interest of directors and/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, other than the following transaction and those disclosed under Note 43 to the audited financial statements of the Company as included in this Annual Report:

(i) On 25 March 2022, WCT Berhad ("WCTB"), a wholly-owned subsidiary of the Company and the main contractor for the Proposed Pavilion Damansara Heights (Parcel 1) mixed commercial development project, had awarded a sub-contract works to Domain Resources Sdn Bhd ("DRSB") (where Tan Sri Lim Siew Choon, the Executive Chairman and a major shareholder of the Company is also a major shareholder and Non-Executive Chairman of Malton Berhad, the ultimate holding company of DRSB), for the construction and completion of the entire outstanding works to 3 blocks of Serviced Apartment under the Proposed Pavilion Damansara Heights (Parcel 1) mixed commercial development project at a sub-contract sum of RM507.47 million.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

At the 11th Annual General Meeting ("AGM") held on 15 June 2022, 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.

The details of the RRPT conducted during the financial year ended 31 December 2022 pursuant to the shareholders' mandate obtained in the Company's 10th AGM held on 22 June 2021 is as follow:

Transacting Company	Transacting Related Party	Interested Major Shareholder/Director	Nature of Transaction	Value of Transaction
WCT Berhad ("WCTB")	Domain Resources Sdn Bhd ("DRSB")	Tan Sri Lim Siew Choon	Award of sub-contract by WCTB to DRSB *(please refer to 4(i) above)*	RM507.47 million

The Company intends to seek its shareholders' approval at the forthcoming 12th AGM to be held on 15 June 2023 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 27 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") is committed to maintaining a sound system of risk management and internal control for WCT Holdings Berhad ("**WCT**" or "**Company**") and is pleased to present its Statement on Risk Management and Internal Control ("**Statement**") for the financial year ended 31 December 2022 ("**FYE2022**"). This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") in accordance with the Malaysian Code of Corporate Governance and as guided by the latest "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" ("**the Guidelines**") issued by Bursa Securities on the issuance of internal control statements.

OBJECTIVES

- Maintain reliable and effective risk management practices to identify, assess and monitor key business risks and to safeguard and enhance the Group's assets and shareholders' investments; and
- Review the effectiveness of the risk management framework in identifying and managing risks and internal processes which includes but is not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

RESPONSIBILITY

The 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.

The Board has delegated the responsibility of risk management oversight and control to the Board Risk & 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.

The responsibilities of the BRSC in respect of risk management and internal control are as follows:

i. To set risk management policies and provide an independent oversight of the risk appetite and the implementation and operation of the Group's enterprise-wide risk management framework and integrity management framework;

ii. To promote adequate awareness and understanding of risk, including sustainability risk, bribery & corruption risks and controls by the Management and risk owners in order to safeguard stakeholders' interests and add value to the Group;

iii. To provide oversight, direction and counsel to:

   - the risk management process and risk compliance framework in line with the Listing Requirements of Bursa Securities (e.g., the Guidelines); and

   - the anti-bribery and anti-corruption activities in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (amendment 2018) ("**MACC Act**") and the Prime Minister's Office Guidelines on Adequate Procedures.

The Board recognises that any risk management system is designed to manage and mitigate rather than eliminate risk completely. As such, it should be noted that such systems can only provide reasonable assurance against its occurrence and not absolute assurance against material error, misstatement, operational failure, loss or fraud.

The Board confirms that there has been an established ongoing process for identifying the principal risks impeding the achievement of the organisation's goals and objectives:

- To evaluate the nature and extent of those risks;

- To manage them efficiently, effectively and economically; and

- To execute regular review and take into account changes in the regulatory and business environment as mentioned in the Guidelines.

In accordance with the Guidelines, the Board assures that this process has been in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

RISK MANAGEMENT FRAMEWORK

The Board regards the importance of key risk management and internal control system that set the tone for the Group as critically important. In recognising the importance of risk management and internal control system in the overall governance process, the Board has instituted the following:

The BRSC

The BRSC, which is guided by its Terms of Reference:-

i. To review the regular updates of risk profiles of each business segment, including the relevant internal controls and measures to mitigate the impact of the risks identified; and

ii. To provide strategic direction in terms of risk management and mandate the RMC to oversee the establishment and implementation of the risk management process.

The members of the BRSC are:

Members	Directorship	Role
Dato' Ng Sooi Lin	Independent Non-Executive Director	Chairman
Tan Sri Marzuki Bin Mohd Noor	Independent Non-Executive Director	Member
Datuk Ab Wahab Bin Khalil	Independent Non-Executive Director	Member
Rahana Binti Abdul Rashid	Independent Non-Executive Director	Member

The responsibilities of the BRSC in respect of risk management and internal control are as follows:

(i) To report to the Board on the Group's risk exposures, including the review of the risk management framework and integrity management framework used to monitor the risk exposures and the Management's views on the acceptable and appropriate level of risks faced by respective business units/divisions of the Group;

(ii) To review and advise the Board on the potential risk strategies and, if deemed fit, to recommend to the Board of Directors of the Company to approve any acquisitions, investments and/or divestments of assets or properties, including any acquisition of landed properties via outright purchase and/or joint venture (but excluding any acquisitions of plant and equipment in the ordinary course of business of the Group); and

(iii) To support and provide oversight for the implementation of the Company's and the Group's sustainability strategies, initiatives, policies and practices as approved by the Board, including setting and assessing of targets and measuring the performance against targets and to report to the Board on the same regularly.

The RMC

The RMC assists the BRSC in ensuring the establishment of sound and robust risk management framework, processes and practises 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

RISK MANAGEMENT FRAMEWORK *cont'd*

The RMC *cont'd*

The members of the RMC are:

Designations	Role
Head of Machinery	Chairman
Chief Executive Officer – Engineering & Construction	Member
Director of Construction	Member
Director of Legal Affairs & Secretarial	Member
Director of Finance & Accounts	Member
Chief Executive Officer - Mall	Member
Chief Operating Officer – Property	Member
Director – Executive Chairman Office	Member

The Group Enterprise Risk Management Framework

The Group has established the Risk Management Framework to provide guidelines on 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.

The framework outlines:
- Policy and governance structure for the ERM within the Group;
- Risk management roles and responsibilities within the Group and procedures to mitigate risks;
- Methodology for risk assessment and risk response; and
- Reporting framework to ensure clear communication for all risk management activities and reporting.

Internal Control

The key elements of the Group's internal control system include:

1. Control Environment

- Various Board and Management Committees have been established to assist the Board in discharging its duties.

Board Committee		Management Committee	
1	Audit Committee	1	Management Committee
2	Board Risk & Sustainability Committee	2	Risk Management Committee
3	Nomination & Remuneration Committee		
4	Options Committee		

- The Board established the BRSC which comprises Independent Non-Executive Directors. The BRSC primarily assist the Board in reviewing the organisational risks, bribery & corruption risks and internal controls with the assistance of the RMC, Group Internal Audit Department ("**GIAD**") and Group Integrity Unit ("**GIU**").

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

RISK MANAGEMENT FRAMEWORK *cont'd*

Internal Control *cont'd*

1. **Control Environment** *cont'd*

   - The Board also demonstrates a commitment towards high integrity culture and ethical values with the establishment of the Integrity Management Framework ("**IMF**").

   - Discretionary Authority Limits duly approved by the Board are prescribed to govern the authority limits granted to the 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 documentations on behalf of the Group covering capital expenditures, procurements, payments, investments, acquisitions and disposals.

2. **Integrity**

   - The BRSC had on 30 August 2022 approved the IMF to express the Group's commitment to complying with Adequate Procedures based on the T.R.U.S.T principle.

   - The GIU is responsible for managing complaints (received from various channels available, i.e., whistleblowing ("**WB**") official e-mail address, WB online form and letter to Chairman of AC. The WB online form is available on the Company's website at www.wct.com.my

   - The Group is committed to conducting all of its businesses in an ethical manner by implementing the Integrity Due Diligence process to all applicable service providers and obtaining Declarations of Integrity from employees and applicable service providers.

3. **Anti-Bribery & Anti-Corruption**

   - The Group has adopted and implemented the Anti-Bribery and Anti-Corruption ("**ABAC**") Policy and ABAC Standard Operating Procedures ("**ABAC-SOP**") since 1 June 2020 which is in line with the requirements set out in Section 17A of the MACC Act.

   - The Group is committed to mitigating the risks of bribery & corruption in all of its business transactions by implementing an Anti-Bribery Management Systems throughout the Group.

   - The ABAC policy and ABAC-SOP are available on the Company's website at www.wct.com.my.

4. **Risk Assessment**

   The Management of each division/business unit is responsible for:-

   - identifying, assessing, reviewing, monitoring and managing their risks, including Economic, Environmental and Social and bribery and corruption; and

   - identifying and assessing changes that could significantly impact the system of internal control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

RISK MANAGEMENT FRAMEWORK *cont'd*

Internal Control *cont'd*

5. Control Activities

- Annual strategic business plans and financial budgets are prepared by all key business units and are being monitored at quarterly Management Committee meetings and subsequently presented to the Audit Committee and the Board for deliberation.

- An Integrated Management System, incorporating ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 requirements have been established and implemented to enable high-quality, cost-effective, reliable, safe and environmentally friendly products and services. Existing certification available are as follows;-

Type	Ref	Certification No	Issued to	Valid until
Quality Management System ("**QMS**")	ISO 9001: 2015	QMS 00887	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2025
		QMS 01762	WCT Machinery Sdn Bhd	4 Oct 2024
		QMS 01306	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2025
		QMS 03141	WCT Properties Sdn Bhd	13 Jul 2023
Environmental Management System ("**EMS**")	ISO 14001: 2015	EMS 00520	WCT Berhad (including WCT Construction Sdn Bhd)	8 Apr 2025
		EMS 00931	WCT Machinery Sdn Bhd	14 Dec 2023
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	4 Oct 2024
		OHS 00227	WCT Land Sdn Bhd and its subsidiaries	2 Sept 2025

6. Information and Communication

- The risks identified in divisions/business units are presented to the RMC and the BRSC on a quarterly basis.

- Significant risk matters that require particular attention are reported to the BRSC and the Board.

- The Group's quarterly financial performance is presented to the Audit Committee and the Board for review and approval.

7. Monitoring

- The GIAD, which reports directly to the Audit Committee assists the Board in ascertaining the adequacy and effectiveness of the Group's internal control system based on the approved audit plan.

- Detailed internal audit reports *(comprised of audit findings, together with recommendations and proposed action plans)* are submitted for deliberation by the Audit Committee during quarterly Audit Committee meetings.

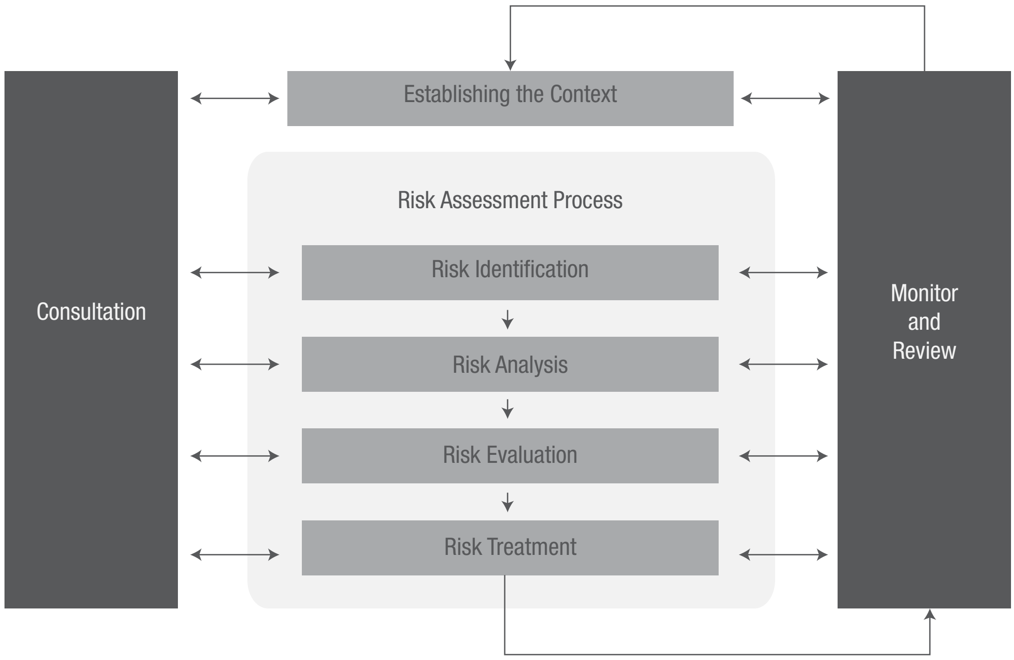
- The GIAD follows up on the Management's responses and action plans stated in the internal audit reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK MANAGEMENT PROCESS

The objective of the risk management process is to develop an individual risk profile via risk identification, analysis, treatment and evaluation of existing controls. The following diagram depicts the risk management approach in the Group:



At operating unit level, risk owners are responsible for identifying risks that may have an impact on achieving their operational/financial and other business objectives. Gross risks are ranked accordingly, after taking into consideration of gross likelihood and gross impact should the risks occur, before they are ranked according to the residual risks, after taking into consideration the effectiveness of controls and action plans taken or proposed to be taken to mitigate such identified risks. Detailed action plans would then be implemented in order to manage such risks to an acceptable level.

Risk Assessment and Reporting

During the period under review, the Group, through its Group Risk Management Department ("**GRMD**"), had assessed and reviewed the effectiveness of the control procedures indicated in the risk profiles of the business divisions ("**Risk Owners**") and subsequent action plans after such assessments and reviews.

The GRMD team worked very closely with the Risk Owners to understand all key aspects of the business and operations, which includes (but is not limited to) the nature of the business and operations, socio-economic environment, competitions and other factors that may affect the achievement of business objectives.

The findings of the assessment and review were then discussed with the Risk Owners on the effectiveness of the control measures to mitigate risks.

Monitoring and Review

Where the findings revealed certain weaknesses in the control procedures to mitigate risks, these were discussed with the Risk Owners. Risk Owners had provided assurance and commitment in terms of action plans to strengthen the control procedures and target dates of these action plans were put in place.

The GRMD will re-visit the risk assessment of these control procedures of the business divisions on a quarterly basis to ensure such action plans are implemented and functioning effectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

RISK MANAGEMENT PROCESS *cont'd*

Monitoring and Review *cont'd*

It will also assess and review the control procedures to ensure they are satisfactory, consistent and continue to operate satisfactorily and effectively within the Group.

For the FYE2022, the business divisions assessed and reviewed by the GRMD include:

i. Engineering & construction
ii. Property
iii. Mall
iv. Hotel
v. Business aviation

The assessment and review findings of the GRMD together with the Risk Owners' responses were deliberated by the RMC. Where applicable, the GRMD will provide recommendations to improve the effectiveness of risk management, internal control systems and governance processes.

Assessments and reviews by the GRMD are carried out on the business divisions using a risk-based approach taking into consideration inputs from the BRSC and the Audit Committee.

The objective of the risk assessment and review is to assist the Board in performing its oversight responsibilities and to increase shareholders' confidence in the Group's system of risk management and internal control.

THE GROUP'S RISKS

Risks that were assessed by the GRMD and discussed with the Risk Owners, the RMC, and the BRSC during the current financial year are summarised below. These risks are still relevant and mitigation responses are in place and continuously monitored to mitigate risk exposures:

Division	Key Risk	Description	Control Measures
Engineering & construction	Project delay	Delay or the extension of time ("**EOT**") in the completion of project occurs in most construction projects, regardless of the project complexity. To a contractor, the impact would be cost incurred for prolongation of construction period, delay damages charged by Employer for failure to deliver completed work on time and in worst case scenario, termination of contract that would have a bigger implication on the contractor. For WCT, current delays are caused by many reason(s) which includes (but is not limited to) change in project scope, project complexity, inadequate planning, inappropriate project schedule, change of design, resources becoming unavailable or insufficient, project objectives and deliverable are not realistic within the project constraint, unpredictable external changes like COVID-19 and etc.	• Inform the Employer in a timely manner on all delaying events, together with probable time and cost impact from such delaying events. • Maintain adequate and complete records on all delaying events which are crucial for applying for extended construction period. • Apply for EOT from Employer for number of days lost due to the recorded delaying events. • Manage Project resources allocation such as machineries and manpower by mobilising them to critical project locations in a timely manner.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

THE GROUP'S RISKS *cont'd*

Division	Key Risk	Description	Control Measures
Engineering & construction	Shortage of workers	Despite the lifting of the COVID-19 freeze on recruiting foreign workers in February 2022, Malaysia has not seen a significant return of migrant workers due to slow government approvals and protracted negotiations with key foreign governments such as that of Indonesia and Bangladesh over worker protections. This, together with increase in levy for foreign workforce, caused shortage of labour supply at construction sites which in turn added to the delay in progress of work.	• Apply for new quota for foreign labour with Ministry of Human Resources. • Immediately source for foreign labour from the relevant country once the quota is approved. • Prepare all necessary deliverables to comply with requirements set by Jabatan Tenaga Kerja in terms of workers' accommodation and • Use foreign workers supplied by local agents to mitigate the effect from current shortage of directly hired foreign workers.
	Increase in material price	Globally, cost of construction materials is continually soaring and has reached a record 40-year high, as per the annual growth of the Building Cost Information Service Material Cost Index. A combination of logistical problems and increased global demand in the construction industry has resulted in huge shortages and delays, leading to increased materials prices. This situation has caused the increase in project cost and impacted the targeted bottom line.	• Pursue Variation of Price claim for government projects based on latest circular from Treasury Malaysia issued on 15 July 2022. • Implement stringent procurement procedures to mitigate risk of excessive purchase. • Continuous and close monitoring and reporting of material purchased, utilised and wastage.
	Diminishing order book	As at 30 September 2022, the Group's existing order book balance stands at RM3.814 billion which would last until 2025. In the Malaysian 2023 Budget, there is no major allocation towards new mega infrastructure projects despite an allocation of RM400 billion for projects for 2021-2025 (under the 12th Malaysian Plan) as most of the projects announced were existing projects or a reiteration of previously planned projects. This would affect the ability to secure major government projects.	• Actively look for suitable overseas business opportunities. • Continuously participate in selected local private and government tender for construction work.
Property	High number of unsold completed properties	The Group's existing property stock is mainly contributed by completed property in Medini Johor (which was hampered by the status of ownership i.e., Strata Private Lease Scheme) and recently completed property in Klang Valley in which the market was softened by market condition and oversupply of high-rise property stock.	• Continuous promotion with attractive sales campaign such as promote easy purchase entry, WCT Buddy points reward and sales incentive repackaging. • Continuous marketing effort to dispose the property stock which includes participation in property fairs and roadshows, exposure on digital platform and social media and organising events at sales gallery.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

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 FYE2022. 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 FYE2022 and the period up to the date of issuance of this Statement.

(This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 20 April 2023)

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 five (5) Audit Committee meetings were held during the financial year ended 31 December 2022 and the attendance record of the members are as follows:

Name	Number of meetings attended in 2022
Tan Sri Marzuki Bin Mohd Noor	5/5
Datuk Ab Wahab Bin Khalil	5/5
Dato' Ng Sooi Lin	5/5
Ng Soon Lai @ Ng Siek Chuan	5/5
Rahana Binti Abdul Rashid	5/5

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 2022, 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 2021 together with the external auditors prior to submission to the Board for their consideration and approval;

AUDIT COMMITTEE REPORT
cont'd

C. **SUMMARY OF ACTIVITIES** *cont'd*

(3) Reviewed the declaration of final cash dividend for financial year ended 31 December 2021 and thereafter, recommended it to the Board for their consideration;

(4) Reviewed the external auditors' audit plan on the audit approach, scope of work and the audit procedures to be adopted in their annual audit;

(5) Reviewed with external auditors the results of the audit, the relevant audit reports and Management Letters together with the Management's responses thereto;

(6) Held two (2) discussions with the external auditors on 24 February 2022 and 29 November 2022 without the presence of management and executive directors;

(7) Reviewed and assessed the suitability, objectivity and independence of the external auditors prior to recommending to the Board for their re-appointment as the Company's external auditors;

(8) Discussed with the internal auditors on their scope of work, adequacy of resources and co-ordination with the external auditors;

(9) Reviewed twenty-four (24) 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, business aviation and also ad-hoc audit reviews;

(10) Deliberated on the significant audit findings and management's responses in the internal audit reports and the follow-up actions taken on the respective audit recommendations;

(11) Discussed and approved thirty (30) internal audit plans for year 2023 for the Group;

(12) Reviewed the guidelines and procedures adopted for recurrent related party transactions of a revenue or trading nature ("RRPT");

(13) Reviewed the status report of Whistleblowing and Anti-Bribery and Anti-Corruption for the Group;

(14) Visited the on-going construction project site at Sultan Ismail Petra Airport, Kota Bharu, Kelantan on 7 July 2022;

(15) Reviewed the related party transaction(s) and RRPT entered into by the Group to ensure the transactions are conducted at arm's length and on normal commercial terms prior to submission for the Board's consideration and approval; and

(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.

AUDIT COMMITTEE REPORT
cont'd

D. INTERNAL AUDIT FUNCTION

The Internal Audit Department (IAD), 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. IAD 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.

IAD also provides necessary assistance for any special assignments, investigations or ad-hoc audit reviews upon the request by the Management from time to time.

During the financial year ended 31 December 2022, the IAD 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	12
Completed construction & property development projects	1
Property maintenance & operations	3
Mall operations	4
Business aviation	1
Hospitality	1
Others	2
Total:	**24**

The total cost incurred in respect of the Group's internal audit function for the financial year ended 31 December 2022 was RM1,581,923.38 (FY2021: RM1,053,340.24).

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

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
Profit after taxation	172,791	19,466
Attributable to:		
Equity holders of the Company	128,675	(28,710)
Holders of Perpetual Sukuk	48,176	48,176
Non-controlling interests	(4,060)	-
	172,791	19,466

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 2021 were as follows:

	RM'000
In respect of the financial year ended 31 December 2021:	
Final dividend	
Final cash dividend of 0.50 sen per ordinary share on 1,417,235,529 ordinary shares paid on 15 July 2022	7,086

At the forthcoming Annual General Meeting, a final cash dividend of 0.50 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2022, amounting to approximately RM7,086,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

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#	
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	
Goh Chin Liong	(Resigned on 20 April 2022)
Liang Kai Chong	(Resigned on 1 August 2022)

These Directors are also Directors of the Company's subsidiaries (Appointed on 6 April 2022).
* *This Director is also a Director 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	(Appointed on 3 October 2022)
Ng Eng Keat	
Ng Mun Wai	
Chong Kian Fah	
Lim Swee Hock	
James Andrew Chai	
Mohd Roslan Bin Sarip	
Chong Wah Hing	
Selena Chua Kah Noi	
Ong Ka Thiam	
Wan Ahmad Shukri Bin Wan Daud	
Ahmad Tarmizi Bin Ismail	
Tran Tac Sam	
Khaled Mohamed Abdulrahim Mohamed	
Peter James Sellers	
Salim Bin Ali Bin Nasser Al Siyabi	
Khuzaim Iqbal Jafferi	
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	

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, other than those arising from share options granted under the Company's Employees' Share Option Scheme 2013/2023 ("ESOS 2013/2023").

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 in Note 39(c) to the financial statements) 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.

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 ordinary shares of the Company or its related corporations during the financial year were as follows:

	WCT Holdings Berhad			
	Number of ordinary shares			
	1 January 2022	Acquired	(Disposed)	31 December 2022
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 shares in the Company is also deemed interested in 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 ordinary share of the Company or its related corporations during the financial year.

ISSUE OF SHARES

There is no issuance of new ordinary 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 2022. The amount of insurance premium paid by the Company for the year ended 31 December 2022 was RM47,000.

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.

The auditors' remuneration of the Group and of the Company for the current financial year is RM1,051,000 and RM157,000, respectively.

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 2022.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 April 2023.

Dato' Lee Tuck Fook
Group Managing Director

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 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 159 to 295 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 2022 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 20 April 2023.

Dato' Lee Tuck Fook
Group Managing Director

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 159 to 295 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 20 April 2023

Chong Kian Fah

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 2022 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 a summary of significant accounting policies, as set out on pages 159 to 295.

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 2022, 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 RM1,440,469,000 and RM338,629,000 from engineering and construction and property development activities respectively and they accounted for approximately 68% and 16% of the Group's revenue respectively. The related cost of sales from engineering and construction and property development activities were RM1,393,007,000 and RM272,850,000 respectively and they accounted for 75% and 15% 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, general managers of contracts department and benchmarked these budgeted costs against similar completed projects;

- 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 2022, the carrying amount of investment properties amounted to RM1,789,057,000, representing 37% and 22% 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.

Carrying value of completed inventory properties
(Refer to Notes 3.2(d) and 16 to the financial statements)

As at 31 December 2022, the Group's portfolio of completed inventory properties with a net carrying value of RM345,720,000 was carried at the lower of cost and net realisable value, representing 10% and 4% of the Group's total current assets and total assets respectively.

Where there are indicators that the carrying value is above the net realisable value, the Group engaged independent professional valuers to assess the net realisable value of the inventory properties. The independent professional valuers adopted the comparison method of valuation.

We considered the valuation of completed inventory properties as a key audit matter given the relative size of its carrying value in the consolidated statement of financial position and the significant judgement involved in estimating future selling prices and selling costs. These judgements may have a material impact on the calculation of net realisable value and therefore in determining the extent of write down, if any.

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

Carrying value of completed inventory properties *cont'd*

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 inventory properties and assessed whether such methodology is consistent with those used in the industry;

- Interviewed the independent professional valuers to obtain an understanding of their valuation process, the significant estimates and assumptions applied in their valuation model which included assessment of the comparability of historical transactions used. We also obtained an understanding of 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;

- Reviewed estimates of costs to sell, which were calculated by management; and

- Reviewed the adequacy of the Group's disclosure relating to inventory 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.

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.

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

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.

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.

INDEPENDENT AUDITORS' REPORT

to the members of WCT Holdings Berhad (Incorporated in Malaysia)
cont'd

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
20 April 2023

Tseu Tet Khong @ Tsau Tet Khong
03374/06/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	4	361,903	339,812	1,188	1,448
Right-of-use assets:					
- Property, plant and equipment	23	38,163	40,350	15,448	16,910
- Investment properties	23	120,736	124,204	-	-
Intangible asset	5	103,680	110,275	-	-
Inventory properties under development	6(a)	1,538,025	1,618,027	-	-
Investment properties	7	1,789,057	1,722,515	-	-
Investments in subsidiaries	8	-	-	3,718,026	3,718,026
Investments in associates	9	171,256	155,914	-	-
Investments in joint ventures	10(b)	303,474	262,838	777	777
Trade receivables	11	308,298	245,849	-	-
Other receivables	13	134,497	281,467	149	148
Due from related parties	14	-	-	432,510	822,550
Deferred tax assets	15	15,216	6,394	270	225
		4,884,305	4,907,645	4,168,368	4,560,084
Current assets					
Inventory properties under development	6(b)	360,932	365,775	-	-
Inventories	16	346,079	422,673	-	-
Trade receivables	11	757,728	869,305	-	-
Contract assets	12	643,550	411,128	-	-
Other receivables	13	462,134	409,366	153	479
Due from related parties	14	557,339	516,798	1,404,944	1,101,121
Tax recoverable		46,926	31,633	-	-
Cash and bank balances	17	233,796	283,691	4,394	8,642
		3,408,484	3,310,369	1,409,491	1,110,242
Assets classified as held for sale	18	10,955	10,956	-	-
		3,419,439	3,321,325	1,409,491	1,110,242

STATEMENTS OF FINANCIAL POSITION
As At 31 December 2022
cont'd

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Current liabilities					
Trade payables	19	812,528	703,012	-	-
Contract liabilities	12	22,001	81,708	-	-
Other payables	20	185,497	210,565	15,176	14,118
Lease commitment payable	21	4,716	4,401	-	-
Hire-purchase and lease liabilities	22	18,719	23,521	3,155	2,731
Due to related parties	14	1,178	273	283,087	187,967
Borrowings	25	1,629,844	1,741,318	500,000	400,000
Income tax payable		7,345	99,987	252	2,331
		2,681,828	2,864,785	801,670	607,147
Net current assets		737,611	456,540	607,821	503,095
		5,621,916	5,364,185	4,776,189	5,063,179
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	(1,502,644)	(1,529,998)	3,067	3,067
Retained earnings	32(g)	1,428,928	1,307,339	168,687	204,483
Treasury shares, at cost	31	(381)	(381)	(381)	(381)
		3,138,699	2,989,756	3,384,169	3,419,965
Perpetual Sukuk	33	819,449	818,765	819,449	818,765
Non-controlling interests	34	(51,638)	(47,299)	-	-
Total equity		3,906,510	3,761,222	4,203,618	4,238,730
Non-current liabilities					
Trade payables	19	137,643	98,562	-	-
Other payables	20	32,853	25,267	230	211
Contract liabilities	12	8,525	8,525	-	-
Lease commitment payable	21	88,845	93,549	-	-
Hire-purchase and lease liabilities	22	152,829	167,284	12,341	14,238
Due to related parties	14	-	-	50,000	-
Borrowings	25	1,167,754	1,097,057	510,000	810,000
Deferred tax liabilities	15	126,957	112,719	-	-
		1,715,406	1,602,963	572,571	824,449
		5,621,916	5,364,185	4,776,189	5,063,179

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 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	35	2,104,868	1,699,668	117,982	167,648
Cost of sales	36	(1,847,234)	(1,579,600)	-	-
Gross profit		257,634	120,068	117,982	167,648
Other operating income	37	145,370	556,614	3,260	3,270
Administration expenses		(130,415)	(162,372)	(21,550)	(19,806)
Other expenses		(49,579)	(84,016)	(4,493)	(5,854)
Operating profit		223,010	430,294	95,199	145,258
Finance costs	38	(110,108)	(118,133)	(72,038)	(75,048)
Share of results of associates	9	12,838	4,341	-	-
Share of results of joint ventures	10(b)	13,603	(38,627)	-	-
Profit before taxation	39	139,343	277,875	23,161	70,210
Taxation	40	33,448	(137,907)	(3,695)	(6,039)
Profit after taxation		172,791	139,968	19,466	64,171
Attributable to:					
Equity holders of the Company		128,675	97,245	(28,710)	16,158
Holders of Perpetual Sukuk	33	48,176	48,013	48,176	48,013
Non-controlling interests	34	(4,060)	(5,290)	-	-
		172,791	139,968	19,466	64,171
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	41(i)	9.08	6.90		
- Fully diluted	41(ii)	9.08	6.90		

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 2022

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit after taxation	172,791	139,968	19,466	64,171
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
- Foreign currency translation	23,510	(17,735)	-	-
Other comprehensive income to be reclassified to retained earnings in subsequent periods:				
- Revaluation of freehold land and buildings	3,565	5,548	-	-
Other comprehensive income/(loss) for the financial year, net of tax	27,075	(12,187)	-	-
Total comprehensive income for the financial year	199,866	127,781	19,466	64,171
Total comprehensive income/(loss) for the financial year attributable to:				
Equity holders of the Company	156,029	84,917	(28,710)	16,158
Holders of Perpetual Sukuk	48,176	48,013	48,176	48,013
Non-controlling interests	(4,339)	(5,149)	-	-
	199,866	127,781	19,466	64,171

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 2022

		Attributable to equity holders of the Company												
			Non-distributable						Distributable					
	Note	Share capital (Note 31) RM'000	Treasury shares (Note 31) RM'000	Internal reorganisation reserve (Note 32) RM'000	Revaluation reserve (Note 32) RM'000	Capital reserve (Note 32) RM'000	Equity compensation reserve (Note 32) RM'000	Exchange reserve (Note 32) RM'000	General reserve (Note 32) RM'000	Retained earnings (Note 32) RM'000	Total RM'000	Perpetual Sukuk (Note 33) RM'000	Non-controlling interests (Note 34) RM'000	Total equity RM'000
Group														
At 1 January 2022		3,212,796	(381)	(1,554,791)	59,827	61,646	3,797	(101,915)	1,438	1,307,339	2,989,756	818,765	(47,299)	3,761,222
Profit/(loss) for the financial year		-	-	-	-	-	-	-	-	128,675	128,675	48,176	(4,060)	172,791
Other comprehensive income/(loss)		-	-	-	3,565	-	-	23,789	-	-	27,354	-	(279)	27,075
Total comprehensive income/(loss) for the financial year		-	-	-	3,565	-	-	23,789	-	128,675	156,029	48,176	(4,339)	199,866
Transactions with owners														
Dividend paid to shareholders	42	-	-	-	-	-	-	-	-	(7,086)	(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)	(1,554,791)	63,392	61,646	3,797	(78,126)	1,438	1,428,928	3,138,699	819,449	(51,638)	3,906,510

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022
cont'd

		Attributable to equity holders of the Company													
			Non-distributable							Distributable					
	Note	Share capital (Note 31)	Treasury shares (Note 31)	Internal reorganisation reserve (Note 32)	Revaluation reserve (Note 32)	Other reserve (Note 32)	Capital reserve (Note 32)	Equity compensation reserve (Note 32)	Exchange reserve (Note 32)	General reserve (Note 32)	Retained earnings (Note 32)	Total	Perpetual Sukuk (Note 33)	Non-controlling interests (Note 34)	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group															
At 1 January 2021		3,212,796	(5,336)	(1,554,791)	54,279	2	61,646	9,282	(84,039)	1,438	1,209,562	2,904,839	818,081	(42,150)	3,680,770
Profit/(loss) for the financial year		-	-	-	-	-	-	-	-	-	97,245	97,245	48,013	(5,290)	139,968
Other comprehensive income/(loss)		-	-	-	5,548	-	-	-	(17,876)	-	-	(12,328)	-	141	(12,187)
Total comprehensive income/(loss) for the financial year		-	-	-	5,548	-	-	-	(17,876)	-	97,245	84,917	48,013	(5,149)	127,781
Transactions with owners															
Share dividend distribution to shareholders	42	-	4,955	-	-	-	-	-	-	-	(4,955)	-	-	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	(48,013)	-	(48,013)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	-	-	-	-	-	-	-	684	-	684
Transfer within reserve for ESOS forfeited		-	-	-	-	-	-	(5,485)	-	-	5,485	-	-	-	-
Transfer within reserve		-	-	-	-	(2)	-	-	-	-	2	-	-	-	-
At 31 December 2021		3,212,796	(381)	(1,554,791)	59,827	-	61,646	3,797	(101,915)	1,438	1,307,339	2,989,756	818,765	(47,299)	3,761,222

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 2022

	Note	← Non-distributable		→	Distributable		
		Share capital (Note 31)	Treasury shares (Note 31)	Equity compensation reserve (Note 32)	Retained earnings (Note 32)	Perpetual Sukuk (Note 33)	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
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
At 1 January 2021		3,212,796	(5,336)	8,552	187,795	818,081	4,221,888
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	16,158	48,013	64,171
Transactions with owners							
Share dividend distribution to shareholders	42	-	4,955	-	(4,955)	-	-
Distribution to holders of Perpetual Sukuk	33	-	-	-	-	(48,013)	(48,013)
Amortisation of transaction cost on issuance of Perpetual Sukuk	33	-	-	-	-	684	684
Transfer within reserve for ESOS forfeited		-	-	(5,485)	5,485	-	-
At 31 December 2021		3,212,796	(381)	3,067	204,483	818,765	4,238,730

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 2022

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	139,343	277,875	23,161	70,210
Adjustments for:				
Interest income	(30,828)	(32,782)	(89,755)	(97,145)
Dividend income	-	-	(7,900)	(51,630)
Interest expense	110,108	118,133	72,038	75,048
Finance income from financial assets at amortised cost	(2,976)	(2,723)	-	-
Net unrealised foreign exchange loss	1,865	123	-	-
Allowance for expected credit losses:				
- third parties	1,232	4,298	-	-
- arising from receivables from settlement agreement	-	28,164	-	-
Reversal of allowance for expected credit losses:				
- related parties	-	-	-	(141)
- third parties	(3,704)	(120)	-	-
- arising from receivables from settlement agreement	(18,012)	-	-	-
Bad debts written off	4	853	-	-
Write off of investment in an associate	3	-	-	-
Intangible asset:				
- amortisation	6,595	7,364	-	-
Property, plant and equipment:				
- depreciation	27,931	30,318	474	1,086
- gain on disposal	(10,979)	(3,045)	-	-
- written off	663	1,790	2	7
Right-of-use assets:				
- depreciation	4,901	4,092	2,806	2,900
- fair value adjustment	3,468	4,905	-	-
- gain on lease modification	(414)	(185)	-	-
Net write down/(back) in value of inventory properties:				
- completed inventory properties	17,388	13,992	-	-
- land held for property development	542	(1,640)	-	-
Reversal of provision for restoration costs	(39)	(5)	-	-
Investment properties:				
- fair value gain	(65,118)	(2,345)	-	-
Gain from settlement of arbitration award	-	(424,379)	-	-
Reversal of accrual of costs arising from settlement of arbitration award	-	(49,284)	-	-
Share of results of associates	(12,838)	(4,341)	-	-
Share of results of joint ventures	(13,603)	38,627	-	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2022
cont'd

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities *cont'd*				
Operating profit before changes in working capital	155,532	9,685	826	335
Working capital changes:				
Development expenditure	116,792	15,682	-	-
Related parties	(41,501)	35,390	231,337	41,426
Joint ventures	(1,033)	(1,846)	-	-
Inventories	59,206	26,595	-	-
Receivables	(60,921)	487,261	325	598
Payables	67,586	(341,983)	1,058	(2,164)
Provision for foreseeable losses	-	(267)	-	-
Lease commitment payable	(12,433)	(12,432)	-	-
Cash flows generated from operations	283,228	218,085	233,546	40,195
Taxation paid	(70,197)	(42,800)	(5,819)	(3,991)
Net cash generated from operating activities	213,031	175,285	227,727	36,204
Cash flows from investing activities				
Dividend received	-	-	7,900	51,630
Interest received	30,828	32,782	89,755	97,145
Purchase of property, plant and equipment	(63,603)	(35,217)	(216)	(62)
Purchase of investment properties	(1,227)	(760)	-	-
Additional investment in a joint venture	(26,000)	(60,000)	-	-
Dividend received from associates	-	3,771	-	-
Withdrawn/(placement) in deposits in licensed banks	11,219	(4,866)	-	-
Proceeds from disposal of assets classified as held for sale	10,956	-	-	-
Proceeds from disposal of property, plant and equipment	19,607	8,404	-	-
Net cash (used in)/generated from investing activities	(18,220)	(55,886)	97,439	148,713

STATEMENTS OF CASH FLOWS
For the Financial Year Ended 31 December 2022
cont'd

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from financing activities				
Interest paid	(124,512)	(140,078)	(70,451)	(73,986)
Dividends paid	(7,086)	-	(7,086)	-
Distribution to holders of Perpetual Sukuk	(48,176)	(48,013)	(48,176)	(48,013)
Proceeds from:				
- term loans	268,651	24,698	-	-
- Medium Term Notes	310,000	-	-	-
- Sukuk Murabahah	200,000	-	200,000	-
- revolving credits	271,194	212,266	-	-
- trade facilities	432	40,236	-	-
Repayment of:				
- Sukuk Murabahah	(400,000)	(200,000)	(400,000)	(200,000)
- term loans	(337,263)	(99,989)	-	-
- revolving credits	(353,791)	(95,429)	-	-
Payments of:				
- hire purchase payables	(9,274)	(16,880)	-	-
- lease liabilities	(24,567)	(23,850)	(3,701)	(3,608)
Net cash used in financing activities	(254,392)	(347,039)	(329,414)	(325,607)
Net decrease in cash and cash equivalents	(59,581)	(227,640)	(4,248)	(140,690)
Exchange differences	20,905	(19,570)	-	-
Cash and cash equivalents at beginning of the financial year	222,077	469,287	8,642	149,332
Cash and cash equivalents at end of the financial year	183,401	222,077	4,394	8,642

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at reporting date:

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	17	233,796	283,691	4,394	8,642
Less: Deposits with maturity more than 3 months	17	(32)	(32)	-	-
Less: Deposits with licensed banks pledged as security	17	(50,363)	(61,582)	-	-
Total cash and cash equivalents		183,401	222,077	4,394	8,642

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

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 20 April 2023.

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 2022 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 2022, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

Descriptions	Effective for annual periods beginning on or after
Amendments to Annual Improvements to MFRS Standards 2018–2020	1 January 2022
MFRS 9 Financial Instruments: *Fees in the ’10 per cent’ test for derecognition of financial liabilities*	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022

The adoption of the above standards and interpretation did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

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: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to MFRS 108: *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 17: *Initial Application of MFRS 17 and MFRS 9 (Comparative Information)*	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 16 Leases: *Lease Liability in a Sale and Leaseback*	1 January 2024

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.

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 consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.4 Basis of consolidation *cont'd*

Business combinations and merger accounting *cont'd*

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9: Financial Instruments is measured at fair value with changes in fair value recognised either as profit or loss or as a charge to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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cont'd

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.4 Basis of consolidation *cont'd*

Business combinations and goodwill *cont'd*

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

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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.

2.6 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.6 Foreign currencies *cont'd*

(a) Transactions and balances *cont'd*

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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 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.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of comprehensive income.

2.8 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. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.8 Property, plant and equipment *cont'd*

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	5 to 17 years
Renovations	5 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	3 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit or loss when the asset is derecognised.

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.

2.9 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statements of profit or loss when the asset is derecognised.

2.10 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.10 Investment properties *cont'd*

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the investment properties. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The estimated value of future assets is based on the expected future income from the project, using risk adjusted yields that are higher than the current yields of similar completed property. The remaining expected costs of completion plus margin are deducted from the estimated future assets value.

2.11 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs and of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of the comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of the comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.12 Non-current assets held for sale

The Group and the Company classify non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employees benefits assets and financial assets) are measured in accordance with MFRS 5: Non-current Assets Held for Sale that is at the lower of carrying amount and fair value less cost to sell. Any difference are included in profit or loss.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

2.13 Subsidiaries

A subsidiary is an entity over which the Group and the Company have all the following:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

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.

2.14 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.14 Investments in associates and joint ventures *cont'd*

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognise its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and presents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'share of profit of an associate and a joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.15 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint operation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 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, fair value through OCI, and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.25.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in 4 categories:

- Financial assets at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at FVTPL.

The Group and the Company have no financial assets carried at fair value through OCI (for both debt and equity instruments) or financial assets carried at FVTPL.

<u>Financial assets at amortised cost</u>

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(i) Financial assets *cont'd*

Subsequent measurement *cont'd*

Financial assets at amortised cost *cont'd*

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, cash and bank balances and loan to associates and joint ventures.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group or the Company:

  (a) have transferred substantially all the risks and rewards of the asset; and

  (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(i) Financial assets *cont'd*

Impairment of financial assets *cont'd*

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 financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories, financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. The Group and the Company have no financial liabilities carried at FVTPL. The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables, amounts due to related parties
These are subsequently measured at amortised cost using the EIR method.

Loan and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.16 Financial assets and financial liabilities *cont'd*

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Cash and short-term deposits

Cash and short-term deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's and of the Company's cash management.

2.18 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 ("NRV"). NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Principally, this is property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(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.

Land held for property development is reclassified as inventory property at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.18 Inventory property *cont'd*

(iii) Consumable stocks

Cost of consumable stocks is determined using the first in, first out method and comprises the cost of purchase plus cost of bringing the goods to its present condition.

Consumable stocks are valued at lower of cost and NRV.

2.19 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 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.

2.22 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").

The Sukuk Murabahah are issued under the Shariah principle of Murabahah based on commodity trading (via a Tawarruq arrangement), which is one of the Shariah principles and concepts approved by the Shariah Advisory Council of the Securities Commission Malaysia.

The Sukuk Murabahah are issued via book-building, private placement or bought deal basis and are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

2.23 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity leave are recognised when the absences occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.23 Employee benefits *cont'd*

(b) Defined contribution plans

The Group and the Company participate in the national pension scheme as defined by the laws of the countries in which they have operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(c) Share-based compensation

Employees of the Group and the Company receive compensation in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

2.24 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 Impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.24 Leases *cont'd*

Group as a lessee cont'd

ii) *Right-of-use assets (Investment properties)*

Accounting policies on investment properties are disclosed in Note 2.10.

iii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.25 Revenue

Revenue from contracts with customers

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(i) Identify contract with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *cont'd*

2.25 Revenue *cont'd*

Revenue from contracts with customers *cont'd*

(ii) Identify performance obligations in the contract

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and by the Company in identification of performance obligation.

(iii) Determine the transaction price

The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

In determining the transaction price, the Group and the Company consider the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and by the Company in determining the transaction price.

(iv) Allocate the transaction price to the performance obligation(s) in the contract

For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(v) Determine the timing of revenue recognition

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and to the Company and have an enforceable right to payment for performance obligation completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions is met, revenue is recognised over time as and when the performance obligation is satisfied. Refer to Note 2.25(a) and Note 2.25(b) for assessment made by the Group and the Company in determining the timing of revenue recognition.

For performance obligations that are satisfied over time, the Group and the Company determined that the input method is the best method in measuring progress of the services because there is direct relationship between the Group's and the Company's effort and the transfer of service to the customer.

The Group and the Company exclude the effect of any costs incurred that do not contribute to the Group's and to the Company's performance in transferring control of goods or services to the customer and adjusts the input method for any costs incurred that are not proportionate to the Group's and to the Company's progress in satisfying the performance obligation.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Revenue *cont'd*

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Revenue *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 2.25(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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.25 Revenue *cont'd*

Other revenue

(a) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Dividend income

Dividend income is recognised in the profit or loss as and when declared or the right to receive payment is established.

(c) Management fees

Management fees are recognised as and when services are rendered.

(d) 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. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

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.

The initial direct costs and tenant lease incentives are presented as current assets in the statements of financial position.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statements of profit or loss when the right to receive them arises.

(e) Car park income

Revenue from car park operations is recognised as and when services are rendered.

(f) Hotel income

Room income is recognised based on an accruals basis unless collection is in doubt, in which case it is recognised based on receipt basis.

Revenue from the sales of food and beverage is recognised based on invoiced value of goods sold.

2.26 Contract balances

(a) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.26 Contract balances *cont'd*

(a) Contract assets and contract liabilities *cont'd*

Unlike the method used to recognise contract revenue over time, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and is presented in the statements of financial position as "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and is presented in the statements of financial position as "Contract liabilities".

Further details on contract assets and contract liabilities are disclosed in Note 12.

(b) Trade receivables

A receivable represents the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Further details on trade receivables are disclosed in Note 11.

2.27 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.27 Taxes *cont'd*

(b) Deferred tax *cont'd*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales and Service Tax ("SST")

When SST is incurred, SST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable as SST is not recoverable from the taxation authority.

Whereas, revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

2.28 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.29 Equity instrument

(a) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's and of the Company's own equity instruments.

2.30 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.

2.31 Contingent assets and liabilities

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.32 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

2.33 Fair value measurement

The Group and the Company measure financial instruments, such as, derivatives and non-financial assets such as properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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.

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.

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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.

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 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 2022. 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) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounting cash flow model. The cash flows are derived from 5 years forecast and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounting cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Motor vehicles	Renovations, office equipment, furniture and fittings	Building work in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
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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31 December 2022
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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 *cont'd*							
At 31 December 2021							
Cost/valuation							
At 1 January 2021	28,074	161,048	249,025	62,984	71,086	37,967	610,184
Additions	-	367	9,414	1,183	1,688	28,051	40,703
Disposals	-	-	(9,720)	(2,252)	(54)	-	(12,026)
Written off	-	(793)	(3,769)	(166)	(2,341)	-	(7,069)
Revaluation	4,500	1,971	-	-	-	-	6,471
Exchange differences	-	-	572	60	177	-	809
At 31 December 2021	32,574	162,593	245,522	61,809	70,556	66,018	639,072
Accumulated depreciation and impairment							
At 1 January 2021	-	43,653	155,373	31,588	45,099	-	275,713
Depreciation charge for the financial year	-	5,039	19,447	3,522	6,749	-	34,757
Disposals	-	-	(5,017)	(1,613)	(37)	-	(6,667)
Written off	-	-	(3,607)	(126)	(1,546)	-	(5,279)
Exchange differences	-	-	525	43	168	-	736
At 31 December 2021	-	48,692	166,721	33,414	50,433	-	299,260
Net carrying amount	32,574	113,901	78,801	28,395	20,123	66,018	339,812

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
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4. **PROPERTY, PLANT AND EQUIPMENT** *cont'd*

	Renovations, office equipment, furniture and fittings Total RM'000
Company	
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
At 31 December 2021	
Cost	
At 1 January 2021	8,098
Additions	62
Written off	(46)
At 31 December 2021	8,114
Accumulated depreciation	
At 1 January 2021	5,619
Depreciation charge for the financial year	1,086
Written off	(39)
At 31 December 2021	6,666
Net carrying amount	
At 31 December 2021	1,448

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(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 2022 by the Directors based on the valuation performed by Henry Butcher Malaysia Sdn. Bhd. and PA International Property Consultants Sdn. Bhd., professional independent valuers 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.

If the freehold land and buildings were measured using the cost model, the carrying amounts as at 31 December 2022 would have been as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Freehold land and buildings		
Cost	91,496	91,496
Accumulated depreciation	(16,179)	(14,716)
Net carrying amount	75,317	76,780

Analysis of valuation of freehold land and buildings is as follows:

	Freehold land		Buildings	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Valuation	28,674	32,574	167,302	162,593
Accumulated depreciation	-	-	(52,508)	(48,692)
	28,674	32,574	114,794	113,901

Significant unobservable valuation input:

	Range	
	2022	**2021**
Price per square foot	RM57 - RM792	RM18 - RM792

Significant increases/(decreases) in estimated price per square foot in isolation would result in a significantly higher/(lower) fair value.

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31 December 2022
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4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) *cont'd*

Reconciliation of fair value

	Group	
	2022	**2021**
	RM'000	**RM'000**
As at 1 January	146,475	145,469
Level 3 revaluation recognised	4,691	6,471
Additions during the financial year	706	367
Disposals	(3,900)	-
Written off	-	(793)
Depreciation charge during the financial year	(4,504)	(5,039)
As at 31 December	143,468	146,475

Fair value hierarchy disclosures for freehold land and buildings are disclosed in Note 46(f)(i).

(b) During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash	63,603	35,217	216	62
Hire purchase	1,362	1,369	-	-
Interest costs capitalised	4,047	4,117	-	-
	69,012	40,703	216	62

(c) The carrying amounts of the property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Motor vehicles	16,323	21,275
Machineries	17,792	31,294
Equipment	150	-
	34,265	52,569

(d) The freehold land, buildings and building work in progress with an aggregate carrying amount of RM108,984,000 (2021: RM155,955,000) are pledged to financial institutions for term loans obtained as disclosed in Note 27.

(e) Interest costs of RM4,047,000 (2021: RM4,117,000) were capitalised within building work in progress during the financial year as disclosed in Note 38.

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5. INTANGIBLE ASSET

	Group	
	2022	2021
	RM'000	RM'000
Concession asset		
Cost less amortisation		
At 1 January	110,275	117,639
Amortisation (Note 39(a))	(6,595)	(7,364)
At 31 December	103,680	110,275

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.

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	Leasehold land	Development costs	Total
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
At 1 January 2021	978,205	290,189	479,131	1,747,525
Additions	-	2	12,404	12,406
Net write back in value of undeveloped lands (Note 37)	1,640	-	-	1,640
Transferred to inventory properties under development (Note 6(b))	(112,795)	-	(30,749)	(143,544)
At 31 December 2021/1 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	744,778	290,193	503,054	1,538,025

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
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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 2022			
Cumulative property development costs			
At 1 January 2022	173,996	1,014,850	1,188,846
Cost incurred during the financial year	-	128,852	128,852
Unsold units transferred to completed inventory properties	(1,891)	(20,910)	(22,801)
At 31 December 2022	172,105	1,122,792	1,294,897
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)	(102,907)	(110,894)
At 31 December 2022	(36,532)	(897,433)	(933,965)
Property development costs as at 31 December 2022	135,573	225,359	360,932
At 31 December 2021			
Cumulative property development costs			
At 1 January 2021	82,286	895,098	977,384
Cost incurred during the financial year	34	143,775	143,809
Reversal of completed projects	(14,133)	(16,063)	(30,196)
Transferred from land held for property development (Note 6(a))	112,795	30,749	143,544
Unsold units transferred to completed inventory properties	(6,986)	(38,709)	(45,695)
At 31 December 2021	173,996	1,014,850	1,188,846
Cumulative costs recognised in statements of profit and loss			
At 1 January 2021	(39,289)	(730,633)	(769,922)
Recognised during the financial year	(3,389)	(79,956)	(83,345)
Reversal of completed projects	14,133	16,063	30,196
At 31 December 2021	(28,545)	(794,526)	(823,071)
Property development costs as at 31 December 2021	145,451	220,324	365,775

The carrying amount of freehold land and development costs included contract cost assets of RM842,000 (2021: RM1,366,000) and RM24,116,000 (2021: RM22,004,000) respectively.

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6. INVENTORY PROPERTIES UNDER DEVELOPMENT *cont'd*

(b) Property development costs *cont'd*

The property development costs with a carrying amount of RM595,801,000 (2021: RM173,502,000) are pledged to a financial institution for a term loan obtained as disclosed in Notes 26, 27 and 29.

Interest costs of RM32,489,000 (2021: RM28,273,000) were capitalised within development costs during the financial year as disclosed in Note 38.

7. INVESTMENT PROPERTIES

	Group Investment properties RM'000
Fair value	
At 1 January 2022	1,722,515
Additions	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	1,789,057
At 1 January 2021	1,730,366
Additions	760
Reclassified to assets held for sale (Note 18)	(10,956)
Gain from fair value adjustment (Note 37)	2,345
At 31 December 2021	1,722,515

	Group	
	2022 RM'000	2021 RM'000
Income derived from investment properties:		
- Rental income (Note 35)	153,601	133,985
- Car park income (Note 35(a)(i))	15,012	8,271
Direct operating expenses (including repair and maintenance) of income generating properties	(29,792)	(22,890)
Fair value adjustment on investment properties (Note 37)	65,118	2,345
Profit arising from investment properties carried at fair value	203,939	121,711

Investment properties with an aggregate carrying amount of RM46,600,000 (2021: RM57,555,000) are held under lease terms.

Investment properties are stated at their fair value as at 31 December 2022. Valuations were performed by Henry Butcher Malaysia Sdn. Bhd. and PA International Property Consultants Sdn. Bhd., professional independent valuers 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.

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31 December 2022
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7. INVESTMENT PROPERTIES *cont'd*

Investment properties with an aggregate carrying amount of RM1,754,857,000 (2021: RM1,660,745,000) 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 (2021: RM45,670,000) are pending issuance by the authorities.

Reconciliation of fair value:

	Group			
	Investment properties			
	Office properties RM'000	Retail properties RM'000	Vacant land RM'000	Total RM'000
As at 1 January 2021	34,000	1,683,866	12,500	1,730,366
Additions	-	760	-	760
Reclassified to assets held for sale (Note 18)	-	(10,956)	-	(10,956)
Gain on fair value adjustments recognised in profit or loss (Note 37)	-	2,345	-	2,345
As at 31 December 2021/1 January 2022	34,000	1,676,015	12,500	1,722,515
Additions	-	1,227	-	1,227
Reclassified from property, plant & 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	34,000	1,742,457	12,600	1,789,057

Description of valuation techniques used and key inputs to valuation of investment properties:

			Range (weighted average)	
	Valuation technique	Significant unobservable inputs	2022	2021
Retail and office properties	Investment method	Estimated rental value per square feet per month	RM1.30 - RM5.60	RM1.30 - RM5.55
		Rent growth per annum	0.00% - 6.00%	0.00% - 6.00%
		Long term vacancy rate	5.00% - 25.00%	5.00% - 25.00%
		Discount rate	5.00% - 7.50%	5.00% - 7.50%
Retail properties	Comparison method	Difference in location, time factor, size and tenure	-	-25.00% --40.00%
Vacant land	Comparison method	Difference in location, time factor, size and tenure	-10.00% -+20.00%	-10.00% -+30.00%

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	
	2022	**2021**
	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
	3,718,026	3,718,026

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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 2022 (%)	2021 (%)
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 Plantations Sdn. Bhd. (1)	Malaysia	Plantations*	100	100
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
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

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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 2022 (%)	2021 (%)
Held by WCT Land:				
Gemilang Waras Sdn. Bhd.	Malaysia	Property development	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.	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.	Malaysia	Property development	80	80
Pioneer Acres Sdn. Bhd.	Malaysia	Property development	100	100
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

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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 2022 (%)	2021 (%)
Held by WCT Land: *cont'd*				
WCT Malls E-Shop Sdn. Bhd. [(1)]	Malaysia	Retail sale of any kind of product over the internet	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 investment and 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	Building management in investment properties	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	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 2022 (%)	2021 (%)
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 maintenance	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) Dilution of interest in a subsidiary arising from issuance of new shares in the previous financial year

On 1 October 2021, WCT Perkasa Sdn. Bhd. ("WCT Perkasa") issued 998 new ordinary shares ("New Shares") for a total cash consideration of RM998. The New Shares were subscribed by WCT Land (798 New Shares for a total consideration of RM798) and by Perkasa Bumi Padu Sdn. Bhd. (200 New Shares for RM200). Upon assessing the 20% dilution of interest in WCT Perkasa vis-a-vis the shareholder agreement, the Directors have concluded that WCT Perkasa continues to be a subsidiary of the Group.

On 13 October 2021, WCT Perkasa entered into a principal agreement with Yayasan Sabah ("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 reporting date, WCT Perkasa has paid a deposit to YS amounting to RM8,400,000 (2021: RM8,400,000) (Note 13(i)) for the acquisition of development rights over a parcel of land. As at the date of this report, certain conditions precedent have yet to be met.

8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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 2022	Group 2021
Cebarco-WCT W.L.L. ("Cebarco WCT Bahrain")	Kingdom of Bahrain	50%	50%
Subang SkyPark Sdn. Bhd. and its wholly-owned subsidiaries SkyPark RAC Sdn. Bhd. SkyPark FBO Malaysia Sdn. Bhd. ("SSSB Group")	Malaysia	40%	40%

	Group 2022 RM'000	Group 2021 RM'000
Accumulated balances of material non-controlling interests:		
Cebarco WCT Bahrain	4,786	4,547
SSSB Group	(56,191)	(52,148)
Other individually immaterial non-controlling interests	(233)	302
	(51,638)	(47,299)

	Group 2022 RM'000	Group 2021 RM'000
Total comprehensive loss allocated to material non-controlling interests:		
Cebarco WCT Bahrain	239	141
SSSB Group	(4,043)	(5,654)
Other individually immaterial non-controlling interests	(535)	364
	(4,339)	(5,149)

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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 for 2022:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Revenue	-	31,433	31,433
Cost of sales	(27)	(12,115)	(12,142)
Gross (loss)/profit	(27)	19,318	19,291
Other income	-	3,036	3,036
Administrative expenses	-	(7,863)	(7,863)
Other expenses	-	(8,240)	(8,240)
Finance costs	-	(15,903)	(15,903)
Loss before tax	(27)	(9,652)	(9,679)
Taxation	-	(455)	(455)
Loss for the financial year	(27)	(10,107)	(10,134)
Other comprehensive income for the financial year, net of tax	505	-	505
Total comprehensive income/(loss)	478	(10,107)	(9,629)
Attributable to:			
Non-controlling interests	239	(4,043)	(3,804)
Other individually immaterial non-controlling interests	-	-	(535)
	239	(4,043)	(4,339)

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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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 comprehensive income for 2021:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Revenue	-	22,213	22,213
Cost of sales	(19)	(6,605)	(6,624)
Gross (loss)/profit	(19)	15,608	15,589
Other income	-	1,807	1,807
Administrative expenses	-	(6,969)	(6,969)
Other expenses	-	(9,130)	(9,130)
Finance costs	-	(15,276)	(15,276)
Loss before tax	(19)	(13,960)	(13,979)
Taxation	-	(174)	(174)
Loss for the financial year	(19)	(14,134)	(14,153)
Other comprehensive income for the financial year, net of tax	300	-	300
Total comprehensive income/(loss)	281	(14,134)	(13,853)
Attributable to:			
Non-controlling interests	141	(5,654)	(5,513)
Other individually immaterial non-controlling interests	-	-	364
	141	(5,654)	(5,149)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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 as at 31 December 2022:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Property, plant and equipment	-	6,864	6,864
Intangible asset	-	103,680	103,680
Trade and other receivables (current)	-	6,065	6,065
Cash and bank balances (current)	1,081	7,378	8,459
Trade and other payables			
- Current	(26)	(13,490)	(13,516)
- Non-current	-	(4,000)	(4,000)
Lease commitment payables			
- Current	-	(4,716)	(4,716)
- Non-current	-	(88,845)	(88,845)
Amount due from/(to) related parties/companies (current)	8,517	(100,923)	(92,406)
Interest-bearing loans and borrowings			
- Current	-	(10,611)	(10,611)
- Non-current	-	(26,479)	(26,479)
Others	-	(15,300)	(15,300)
Total equity	9,572	(140,377)	(130,805)
Attributable to:			
Non-controlling interest	4,786	(56,151)	(51,365)
Non-participation in capital subscription	-	(40)	(40)
Other individually immaterial non-controlling interests	-	-	(233)
Total non-controlling interest	4,786	(56,191)	(51,638)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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 as at 31 December 2021:

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Property, plant and equipment	-	7,250	7,250
Intangible asset	-	110,275	110,275
Trade and other receivables (current)	-	7,387	7,387
Cash and bank balances (current)	1,000	6,242	7,242
Trade and other payables			
- Current	(25)	(12,641)	(12,666)
- Non-current	-	(4,000)	(4,000)
Lease commitment payables			
- Current	-	(4,401)	(4,401)
- Non-current	-	(93,549)	(93,549)
Amount due from/(to) related parties/companies (current)	8,118	(83,309)	(75,191)
Interest-bearing loans and borrowings			
- Current	-	(11,146)	(11,146)
- Non-current	-	(37,079)	(37,079)
Others	-	(15,298)	(15,298)
Total equity	9,093	(130,269)	(121,176)
Attributable to:			
Non-controlling interest	4,547	(52,108)	(47,561)
Non-participation in capital subscription	-	(40)	(40)
Other individually immaterial non-controlling interests	-	-	302
Total non-controlling interest	4,547	(52,148)	(47,299)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

8. INVESTMENTS IN SUBSIDIARIES *cont'd*

(b) 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*

	Cebarco WCT Bahrain RM'000	SSSB Group RM'000	Total RM'000
Summarised cash flows information for financial year ended 31 December 2022:			
Operating activities	81	14,003	14,084
Investing activities	-	3,036	3,036
Financing activities	-	(15,903)	(15,903)
Net increase in cash and cash equivalents	81	1,136	1,217
Summarised cash flows information for financial year ended 31 December 2021:			
Operating activities	(956)	7,741	6,785
Investing activities	-	1,807	1,807
Financing activities	(8,127)	(15,276)	(23,403)
Net decrease in cash and cash equivalents	(9,083)	(5,728)	(14,811)

9. INVESTMENTS IN ASSOCIATES

	Group 2022 RM'000	Group 2021 RM'000
Unquoted shares, at cost	104,899	104,902
Share of pre-acquisition profit and reserves	(79)	(79)
Group's share of post acquisition profit and reserves	99,052	86,214
	203,872	191,037
Exchange difference	(32,616)	(35,123)
	171,256	155,914
Represented by:		
Group's share of net identifiable assets	171,256	155,914

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

9. INVESTMENTS IN ASSOCIATES *cont'd*

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Proportion of ownership interest 2022 (%)	2021 (%)
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 (Offshore) 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
Held by WCT Infrastructure (India) Private Limited:				
Perdana Highway Operations Private Limited (2)	India	Investment holding	-	50

(1) Audited by Ernst & Young PLT. All other associates are audited by firms of auditors other than Ernst & Young PLT.
(2) Struck off during the financial year, resulting in a write off of investment in associate amounting to RM3,000 (2021: Nil) (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.

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9. INVESTMENTS IN ASSOCIATES *cont'd*

These associates have no material capital commitments as at 31 December 2022 and 2021.

These associates have reported a combined contingent liabilities of RM21,365,000 (2021: RM22,496,000) as at reporting date. The Group's share of these contingent liabilities approximate RM6,410,000 (2021: RM6,749,000) 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	CORE Precious	Mapex	Emas	Other individually immaterial associates	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	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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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
2021						
(i) Summarised statements of financial position						
Non-current assets	2,708	82,529	89	12	240,303	325,641
Current assets	49,666	329,969	129,506	75,638	66,549	651,328
Total assets	52,374	412,498	129,595	75,650	306,852	976,969
Non-current liabilities	(5,701)	(43,161)	-	-	-	(48,862)
Current liabilities	(38,837)	(100,252)	(14,071)	(11,412)	(2,389)	(166,961)
Total liabilities	(44,538)	(143,413)	(14,071)	(11,412)	(2,389)	(215,823)
Net assets	7,836	269,085	115,524	64,238	304,463	761,146
(ii) Summarised statements of profit and loss and other comprehensive income						
Revenue	130,115	56,566	-	-	12,966	199,647
(Loss)/profit for the financial year	(1,007)	10,455	3,273	3,510	1,723	17,954
(iii) Group's share of net assets, representing carrying amount of Group's interest in associates	2,351	53,817	34,657	19,271	27,731	137,827
Foreign exchange effect on investments in subsidiaries of associates	-	-	11,341	6,746	-	18,087
	2,351	53,817	45,998	26,017	27,731	155,914
(iv) Group's share of results of associates						
(Loss)/profit for the financial year	(302)	2,091	982	1,053	517	4,341
(v) Dividend received from associates	-	-	-	-	3,771	3,771

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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:

Name of joint operations	Country of operations	Principal activities	Proportion of ownership interest 2022 (%)	Proportion of ownership interest 2021 (%)
Held by WCTB:				
Malaysia - China Hydro Joint Venture	Malaysia	Construction works	7.7	7.7
WCT-CCCC Joint Venture (Note (i))	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	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 [1]	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] *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..

(i) In the previous financial year, WCTB and China Communications Construction Company (M) Sdn Bhd ("CCCC") entered into a joint venture agreement to set up an unincorporated joint venture on a 60:40 basis with WCTB as the lead partner known as WCT-CCCC Joint Venture (the "New JV"). The New JV had on 8 July 2021 executed a letter of acceptance issued by The Government of Malaysia, represented by Sabah Economic Development and Investment Authority accepting the New JV's tender offer to undertake and act as the main contractor, the project for the Proposed Expansion of Sapangar Bay Container Port on 01200707, 01200809, 015601117 and 015493795 at Jalan Sapangar, Kota Kinabalu for a contract sum of RM899,814,000.

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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	
	2022	**2021**
	RM'000	**RM'000**
Assets and liabilities		
Current assets	29,453	54,622
Non-current assets	97,038	85,724
Total assets	126,491	140,346
Current liabilities	(110,883)	(122,260)
Non-current liabilities	(32,112)	(32,850)
Total liabilities	(142,995)	(155,110)
Net liabilities	(16,504)	(14,764)
Results		
Revenue	45,044	13,622
Expenses	(51,495)	(48,252)
Other income	3,129	41,117
(Loss)/profit before tax	(3,322)	6,487
Taxation	-	-
(Loss)/profit after tax	(3,322)	6,487
Other comprehensive income for the financial year, net of tax	1,582	4,281
Total comprehensive (loss)/income	(1,740)	10,768

In the previous financial year, WCT Berhad - Al-Ali Joint Venture distributed to its joint venture partners a total of QAR140,000,000 (approximately RM160,715,000) profit distribution of which the Group was entitled to RM112,501,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Unquoted shares, at cost	414,178	414,178	-	-
Redeemable preference shares ("RPS")	86,000	60,000	-	-
Group's share of post acquisition profits and reserves	(208,404)	(222,007)	-	-
Unrealised profit	10,923	9,890	-	-
Arising from ESOS granted to joint ventures' employees	777	777	777	777
	303,474	262,838	777	777
Represented by:				
Group's share of net identifiable assets	303,474	262,838	777	777

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2022 (%)	Proportion of ownership interest 2021 (%)
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 and development	70	70
Held by WCTB:				
WCT TSR Sdn. Bhd. ("WCT-TSR")	Malaysia	Construction work	51	51

All joint ventures are audited by Ernst & Young PLT.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES *cont'd*

(b) Investments in joint ventures *cont'd*

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.

During the 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;

(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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31 December 2022
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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
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

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31 December 2022
cont'd

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
2021				
(i) Summarised statements of financial position				
Non-current assets	29,941	852,597	495,876	1,378,414
Current assets	105,883	205,774	90,094	401,751
Total assets	135,824	1,058,371	585,970	1,780,165
Non-current liabilities	(4,698)	(321,304)	(337,161)	(663,163)
Current liabilities	(122,304)	(542,048)	(74,772)	(739,124)
Total liabilities	(127,002)	(863,352)	(411,933)	(1,402,287)
Net assets	8,822	195,019	174,037	377,878
(ii) Summarised statements of profit and loss and other comprehensive income				
Revenue	131,200	158,083	46,018	335,301
Profit/(loss) for the financial year	2,745	(26,653)	(30,529)	(54,437)
(iii) Group's share of net assets, representing carrying amount of Group's interest in joint ventures	4,499	136,513	121,826	262,838
(iv) Group's share of results of joint ventures	1,400	(18,657)	(21,370)	(38,627)

11. TRADE RECEIVABLES

	Group 2022 RM'000	Group 2021 RM'000
Current		
Trade receivables	534,826	611,507
Retention sum on contracts receivable within 1 year	228,968	266,834
	763,794	878,341
Less: Allowance for expected credit losses	(6,066)	(9,036)
	757,728	869,305
Non-current		
Retention sum on contracts receivable after 1 year	308,298	245,849
Total	1,066,026	1,115,154

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
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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 (2021: 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 RM611,824,000 (2021: RM539,153,000) due from 3 (2021: 3) companies in which a Director has interest, representing approximately 57% (2021: 48%) of the gross trade receivables of the Group. Of this total trade receivable amount, a total of RM294,869,000 (2021: RM218,883,000) 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	Individual impairment	Net
	RM'000	RM'000	RM'000
Group			
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
	1,072,092	(6,066)	1,066,026
2021			
Not past due	696,259	-	696,259
Past due 0-30 days	51,848	-	51,848
Past due 31-120 days	164,602	-	164,602
Past due more than 120 days	211,481	(9,036)	202,445
	1,124,190	(9,036)	1,115,154

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	
	2022	2021
	RM'000	RM'000
At 1 January	9,036	7,949
Charge for the financial year	951	4,235
Written off	(588)	(3,037)
Reversal of allowance	(3,333)	(111)
At 31 December	6,066	9,036

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	
	2022	2021
	RM'000	RM'000
Contract assets		
Current		
Contract assets - construction (Note (a))	607,023	385,008
Contract assets - property development (Note (b))	36,527	26,120
	643,550	411,128
Contract liabilities		
Current		
Contract liabilities - construction (Note (a))	(22,001)	(81,708)
Non-current		
Contract liabilities - construction (Note (a))	(8,525)	(8,525)
Total	(30,526)	(90,233)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

12. CONTRACT BALANCES *cont'd*

(a) Details of the contracts assets/(liabilities) from construction are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Aggregate costs incurred to date	11,152,453	9,130,560
Add: Attributable profits	112,813	40,982
	11,265,266	9,171,542
Less: Progress billings	(10,663,409)	(8,830,623)
Less: Advances received from customers on contracts	(25,360)	(46,144)
	576,497	294,775
Presented as:		
Contract assets - construction	607,023	385,008
Contract liabilities - construction	(30,526)	(90,233)
	576,497	294,775
Contract revenue recognised during the financial year (Note 35(a)(i))	1,440,469	1,167,297
Contract cost recognised during the financial year (Note 36)	(1,393,007)	(1,276,501)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2022	2021
	RM'000	RM'000
Audit fees	86	105
Wages and salaries	48,434	52,424
Other staff related expenses	14,869	13,367
Hiring of machineries	76,579	62,317
Expense relating to short-term leases and leases of low-value assets (Note 23)	2,020	3,309
Interest expense on lease liabilities (Note 38)	87	149
Unwinding of discount (Note 23)	-	1
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	1,292	1,645
Depreciation of property, plant and equipment	3,336	4,439

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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12. CONTRACT BALANCES *cont'd*

(b) Details of the contracts assets from property development are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of the financial year	26,120	28,418
Consideration payable to customers	1,402	1,516
Revenue recognised during the financial year (Note 35(a)(i))	428,123	299,218
	455,645	329,152
Less: Progress billings during the financial year	(419,118)	(303,032)
At end of the financial year	36,527	26,120
Presented as:		
Contract assets - property development	36,527	26,120
Contract revenue recognised during the financial year (Note 35(a)(i))	428,123	299,218
Contract cost recognised during the financial year (Note 36)	354,841	189,764

13. OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry receivables	32,320	26,113	16	28
Deposits (Note (i))	72,772	48,884	4	5
Advances to subcontractors (Note (ii))	174,809	157,703	-	-
Prepayments	6,217	4,487	133	446
Advances to shareholders of joint operations (Note (iii))	516	5,668	-	-
Advances to non-controlling interests of subsidiaries (Note (iii))	4,462	4,809	-	-
Settlement from arbitration award (Note 49(a))	178,889	165,949	-	-
	469,985	413,613	153	479
Less: Allowance for expected credit losses	(7,851)	(4,247)	-	-
	462,134	409,366	153	479

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

13. OTHER RECEIVABLES *cont'd*

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current				
Deposits	7,653	8,068	149	148
Sundry receivables	-	385	-	-
Prepayments	942	1,390	-	-
Settlement from arbitration award (Note 49(a))	134,167	299,788	-	-
	142,762	309,631	149	148
Less: Allowance for expected credit losses	(8,265)	(28,164)	-	-
	134,497	281,467	149	148
Total	596,631	690,833	302	627

(i) Included in deposits is RM8,400,000 (2021: RM8,400,000) paid to YS for the acquisition of development rights to a parcel of land as disclosed in Note 8(a).

(ii) The Group's outstanding advances to subcontractors in excess of 1 year as at 31 December 2022 amounted to RM21,812,000 (2021: RM41,073,000). 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 expected credit loss. 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	
	2022	2021
	RM'000	RM'000
At 1 January	32,411	4,534
Charge for the financial year	281	28,227
Written off	-	(380)
Reversal of allowance	(18,383)	(9)
Exchange differences	1,807	39
At 31 December	16,116	32,411

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
31 December 2022
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14. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Due from related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	1,154,156	904,211
- non-interest bearing	-	-	247,111	193,870
Associates				
- trade accounts				
- interest bearing	23,173	4,658	-	-
- non-interest bearing	18,501	8,797	-	-
- current accounts				
- non-interest bearing	360	360	248	249
Joint ventures				
- trade accounts				
- interest bearing	207,626	220,946	-	-
- non-interest bearing	16,422	9,706	-	-
- current accounts				
- interest bearing	280,150	264,320	-	-
- non-interest bearing	11,107	8,011	3,429	2,791
	557,339	516,798	1,404,944	1,101,121
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	432,510	822,550
	557,339	516,798	1,837,454	1,923,671

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

14. DUE FROM/(TO) RELATED PARTIES *cont'd*

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Due to related parties:				
Current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(278,320)	(186,612)
- non-interest bearing	-	-	(4,767)	(1,355)
Joint ventures				
- trade accounts				
- non-interest bearing	(912)	(17)	-	-
- current accounts				
- non-interest bearing	(266)	(256)	-	-
	(1,178)	(273)	(283,087)	(187,967)
Non-current				
Subsidiaries				
- current accounts				
- interest bearing	-	-	(50,000)	-
	(1,178)	(273)	(333,087)	(187,967)

Movements of the allowance for expected credit losses of related parties are as follows:

	Company	
	2022	2021
	RM'000	RM'000
At 1 January	-	141
Reversal of allowance	-	(141)
At 31 December	-	-

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% (2021: 5.00% to 6.00%) per annum during the financial year.

Trade accounts have a credit terms of 90 days (2021: 90 days) whereas current accounts are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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15. DEFERRED TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	106,325	99,855	(225)	(112)
Recognised in the profit or loss (Note 40)	4,290	5,547	(45)	(113)
Recognised in equity (Note 40)	1,126	923	-	-
At 31 December	111,741	106,325	(270)	(225)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(15,216)	(6,394)	(270)	(225)
Deferred tax liabilities	126,957	112,719	-	-
	111,741	106,325	(270)	(225)

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 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)
At 1 January 2021	(2,644)	(331)	(29,064)	(32,039)
Recognised in the profit or loss	-	906	174	1,080
At 31 December 2021	(2,644)	575	(28,890)	(30,959)

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31 December 2022
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15. DEFERRED TAXATION *cont'd*

Deferred tax liabilities of the Group:

	Inventory properties under development RM'000	Asset revaluation RM'000	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
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
At 1 January 2021	17,875	59,290	47,574	7,155	131,894
Recognised in the profit or loss	3,595	111	3,629	(2,868)	4,467
Recognised in equity	-	923	-	-	923
At 31 December 2021	21,470	60,324	51,203	4,287	137,284

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 2022	(229)
Recognised in the profit or loss	(57)
At 31 December 2022	(286)
At 1 January 2021	(144)
Recognised in the profit or loss	(85)
At 31 December 2021	(229)

15. DEFERRED TAXATION *cont'd*

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 January 2022	4
Recognised in the profit or loss	12
At 31 December 2022	16
At 1 January 2021	32
Recognised in the profit or loss	(28)
At 31 December 2021	4

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	
	2022 RM'000	2021 RM'000
Unused tax losses	376,859	296,858
Unabsorbed capital allowances	35,845	31,097
Unused tax losses in foreign countries	319	300
Unused tax losses in foreign branches	78,318	165,359
	491,341	493,614
Deferred tax at rates prevailing in the respective jurisdictions, if recognised	106,929	95,290

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 (2021: 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 (2021: 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 expire as follows:

	Group			
	2022		2021	
	RM'000	**Expiry date**	**RM'000**	**Expiry date**
Expire - within 5 years	78,637	2023 - 2027	133,815	2022 - 2026
Expire - beyond 5 years	376,859	2028 - 2032	328,702	2027 - 2031
	455,496		462,517	

16. INVENTORIES

	Group	
	2022	**2021**
	RM'000	**RM'000**
Consumable stocks, at cost	359	375
Completed inventory properties, at cost	123,218	139,573
Completed inventory properties, at net realisable value	222,502	282,725
	346,079	422,673
Costs of inventories recognised as an expense	(116,479)	(121,638)

Certain properties held for sale with an aggregate carrying amount of RM2,250,000 (2021: RM2,344,000) are in the process of being registered in a subsidiary's name.

Certain properties held for sale with an aggregate carrying amount of RM88,933,000 (2021: RM99,228,000) are pledged as securities for borrowings as disclosed in Notes 26 and 27.

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17. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits:				
With licensed banks [(a)]	78,155	86,710	1,000	3,100
With licensed banks [(a), (b)]	50,363	61,582	-	-
	128,518	148,292	1,000	3,100
Cash and bank balances	90,634	123,762	3,394	5,542
Cash held under				
Housing Development Accounts [(c)]	14,202	10,916	-	-
Escrow account	442	721	-	-
	105,278	135,399	3,394	5,542
Total cash and bank balances	233,796	283,691	4,394	8,642

(a) The maturities of the deposits are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Less than 3 months	128,486	148,260	1,000	3,100
More than 3 months but less than 1 year	32	32	-	-
	128,518	148,292	1,000	3,100

(b) 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.

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2022	2021
	RM'000	RM'000
Assets		
Arising from disposal of investment properties:		
At 1 January	10,956	-
Transferred from investment properties (Note 7)	10,955	10,956
Disposal during the financial year	(10,956)	-
At 31 December	10,955	10,956

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18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE *cont'd*

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 the reporting date, 21 units (2021: 22 units) of vacant commercial units amounting to RM10,955,000 (2021 : RM10,956,000) were reclassified as non-current assets held for sale (because, as at reporting date, 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).

In the previous financial year, the remaining vacant commercial units to be disposed during the financial year ending 31 December 2023 remained as investment properties of the Group as it was not probable for the disposal of these remaining vacant commercial units to be completed within the next 12 months from 31 December 2021 in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

19. TRADE PAYABLES

	Group	
	2022	2021
	RM'000	RM'000
Current		
Trade payables [(a)]	668,838	549,062
Retention sum on contracts payable within 1 year	143,690	153,950
	812,528	703,012
Non-current		
Retention sum on contracts payable after 1 year	137,643	98,562
Total	950,171	801,574

(a) Included in trade payables in the previous financial year was accrual of costs arising from an arbitration award amounting to RM26,837,000. Further details on the arbitration award are disclosed in Note 49(b).

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days).

20. OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables [(a)]	23,344	20,590	246	116
Accruals	71,216	69,768	805	1,777
Interest payable	21,906	18,106	13,497	11,667
Advances from a non-controlling interest of subsidiaries				
- non-interest bearing	254	268	-	-
Advances from shareholders of joint ventures				
- non-interest bearing	45,753	43,500	-	-
Refundable deposits [(b)]	9,529	45,194	-	-
Others	13,495	13,139	628	558
	185,497	210,565	15,176	14,118
Non-current				
Sundry payables [(a)]	4,406	9,507	-	-
Advances from a non-controlling interest of a subsidiary				
- non-interest bearing	4,000	4,000	-	-
Provision for restoration cost (Note 23)	109	87	230	211
Refundable deposits	24,338	11,673	-	-
	32,853	25,267	230	211
Total	218,350	235,832	15,406	14,329

All amounts due under other payables are unsecured, non-interest bearing and are repayable on demand.

(a) Included in sundry payables are commissions payable arising from settlement of the arbitration award amounting to RM10,611,000 (2021: RM15,315,000). Further details on the arbitration award are disclosed in Note 49(a).

(b) Included in deposits in the previous financial year was an amount of RM21,430,000 received from a third party for the disposal of 12 parcels of vacant freehold land, all located in Serendah, Daerah Ulu Selangor, Negeri Selangor Darul Ehsan, was classified as land held for development (the "Serendah Land"). The Group via Jubilant Courtyard Sdn. Bhd. (an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with a third party on 16 August 2021 to dispose the Serendah Land for a total cash consideration of RM214,297,000. The transaction was completed during the financial year.

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21. LEASE COMMITMENT PAYABLE

	Group	
	2022	2021
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	12,797	12,433
Later than 1 year and not later than 2 years	12,797	12,797
Later than 2 years and not later than 5 years	39,157	38,775
Later than 5 years	92,972	106,151
Total future minimum lease payments	157,723	170,156
Less: Future finance charges	(64,162)	(72,206)
Present value of finance lease liabilities	93,561	97,950
Analysis of present value of lease commitment payables:		
Not later than 1 year	4,716	4,401
Later than 1 year and not later than 2 years	5,547	5,126
Later than 2 years and not later than 5 years	20,318	18,424
Later than 5 years	62,980	69,999
	93,561	97,950
Less: Amount due within 12 months	(4,716)	(4,401)
Amount due after 12 months	88,845	93,549

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	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Current					
Lease liabilities	23	15,317	14,287	3,155	2,731
Hire purchase payables	24	3,402	9,234	-	-
		18,719	23,521	3,155	2,731
Non-current					
Lease liabilities	23	149,691	162,066	12,341	14,238
Hire purchase payables	24	3,138	5,218	-	-
		152,829	167,284	12,341	14,238
Total hire purchase and lease liabilities		171,548	190,805	15,496	16,969

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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	**Buildings**	**Total**
	RM'000	**RM'000**	**RM'000**
Group			
At 1 January 2021	13,494	30,894	44,388
Additions	-	2,174	2,174
Modification	-	(477)	(477)
Depreciation expense	(283)	(5,454)	(5,737)
Exchange differences	-	2	2
At 31 December 2021/1 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	13,140	25,023	38,163

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31 December 2022
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23. LEASES *cont'd*

Group as a lessee *cont'd*

Company	Right-of-use assets (Property, plant and equipment) Buildings RM'000
At 1 January 2021	3,578
Additions	16,232
Depreciation expense	(2,900)
At 31 December 2021/1 January 2022	16,910
Additions	1,344
Depreciation expense	(2,806)
At 31 December 2022	15,448

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.

Group	Right-of-use assets (Investment properties) RM'000
At fair value	
At 1 January 2021	129,109
Fair value adjustments recognised in profit or loss (Note 39(a))	(4,905)
At 31 December 2021/1 January 2022	124,204
Fair value adjustments recognised in profit or loss (Note 39(a))	(3,468)
At 31 December 2022	120,736

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
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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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	176,353	188,428	16,969	3,984
Additions	3,924	2,150	1,326	16,224
Accretion of interest (Note 38)	9,687	10,283	902	369
Remeasurement	(389)	(662)	-	-
Payments	(24,567)	(23,850)	(3,701)	(3,608)
Exchange differences	-	4	-	-
At 31 December	165,008	176,353	15,496	16,969
Current	15,317	14,287	3,155	2,731
Non-current	149,691	162,066	12,341	14,238
	165,008	176,353	15,496	16,969

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	87	65	211	194
Additions	57	24	18	8
Reversal (Note 37)	(39)	(5)	-	-
Unwinding of discount on provision for restoration costs (Notes 12 and 38)	4	3	1	9
At 31 December (Note 20)	109	87	230	211

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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	
	2022	**2021**	**2022**	**2021**
	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))	4,901	4,092	2,806	2,900
- included in construction contracts (Note 12(a))	1,292	1,645	-	-
	6,193	5,737	2,806	2,900
Fair value adjustment on right-of-use assets (investment properties) (Note 39(a))	3,468	4,905	-	-
Interest expense on lease liabilities (Note 38)	9,687	10,283	902	369
Unwinding of discount on provision for restoration costs				
- included in finance costs (Note 38)	4	2	1	9
- included in construction contracts (Note 12(a))	-	1	-	-
	4	3	1	9
Gain on lease modification (Note 37)	(414)	(185)	-	-
Expense relating to short-term leases and leases of low-value assets				
- included in administrative expenses	1,746	532	-	-
- included in construction contract (Note 12(a))	2,020	3,309	-	-
Total amount recognised in profit or loss	22,704	24,584	3,709	3,278

The Group and the Company had total cash outflows for leases of RM28,333,000 (2021: RM27,691,000) and RM3,701,000 (2021: RM3,608,000), respectively. The Group and the Company also had non-cash additions to right-of-use assets of RM3,981,000 (2021: RM2,174,000) and RM1,344,000 (2021: RM16,232,000) with a corresponding increase in lease liabilities of RM3,924,000 (2021: RM2,150,000) and RM1,326,000 (2021: RM16,224,000), 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	
	2022	**2021**
	RM'000	**RM'000**
Extension options expected not to be exercised:		
More than 5 years	224,700	224,700

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	
	2022	**2021**
	RM'000	**RM'000**
Future minimum rental receivables:		
Not later than 1 year	111,393	122,579
Later than 1 year and not later than 5 years	62,751	114,640
Later than 5 years	17,395	24,217
	191,539	261,436

Rental income earned from these investment properties during the financial year is disclosed in Note 35.

24. HIRE PURCHASE PAYABLES

	Group	
	2022	**2021**
	RM'000	**RM'000**
Future minimum lease payments:		
Not later than 1 year	3,645	9,810
Later than 1 year and not later than 2 years	1,681	3,561
Later than 2 years and not later than 5 years	1,697	2,011
Total future minimum lease payments	7,023	15,382
Less: Future finance charges	(483)	(930)
Present value of finance lease liabilities	6,540	14,452
Analysis of present value of hire purchase payables:		
Not later than 1 year	3,402	9,234
Later than 1 year and not later than 2 years	1,529	3,332
Later than 2 years and not later than 5 years	1,609	1,886
	6,540	14,452
Less: Amount due within 12 months	(3,402)	(9,234)
Amount due after 12 months	3,138	5,218

The hire purchase payables are secured by a charge over the leased assets (Note 4(c)) and bear weighted average effective interest rate at 5.51% (2021: 5.26%) per annum.

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25. BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current					
Secured:					
Revolving credits	26	440,426	538,023	-	-
Term loans	27	186,623	315,932	-	-
		627,049	853,955	-	-
Unsecured:					
Revolving credits	26	439,500	424,500	-	-
Trade facilities	28	63,295	62,863	-	-
Sukuk Murabahah	30	500,000	400,000	500,000	400,000
		1,002,795	887,363	500,000	400,000
		1,629,844	1,741,318	500,000	400,000
Non-current					
Secured:					
Term loans	27	347,754	287,057	-	-
Medium term notes	29	310,000	-	-	-
		657,754	287,057	-	-
Unsecured:					
Sukuk Murabahah	30	510,000	810,000	510,000	810,000
		1,167,754	1,097,057	510,000	810,000
Total borrowings					
Revolving credits	26	879,926	962,523	-	-
Trade facilities	28	63,295	62,863	-	-
Term loans	27	534,377	602,989	-	-
Medium term notes	29	310,000	-	-	-
Sukuk Murabahah	30	1,010,000	1,210,000	1,010,000	1,210,000
		2,797,598	2,838,375	1,010,000	1,210,000

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25. BORROWINGS *cont'd*

As at the reporting date, unutilised borrowings available for use are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revolving credits	221,592	294,316	-	-
Term loans	195,556	281,363	-	-
Bank overdrafts	24,500	24,500	-	-
Medium term notes	1,190,000	1,000,000	1,000,000	1,000,000
Sukuk Murabahah	490,000	290,000	490,000	290,000
Other trade lines	25,805	56,286	-	-
	2,147,453	1,946,465	1,490,000	1,290,000

Other information on the borrowings are disclosed in Note 46.

26. REVOLVING CREDITS

	Group	
	2022	2021
	RM'000	RM'000
Secured		
Revolving credit I	-	50,000
Revolving credit II	1,689	29,340
Revolving credit III	348,737	458,683
Revolving credit IV	90,000	-
	440,426	538,023
Unsecured		
Revolving credit V	28,000	28,000
Revolving credit VI	411,500	396,500
	439,500	424,500
	879,926	962,523

In the previous financial year, Revolving credit I was secured on the same terms as Term loan I, disclosed in Note 27 and bore interest at 1.00% per annum over the bank's cost of funds. The Revolving credit I was fully repaid during the current financial year.

Revolving credit II is secured by way of fixed charge over 51 (2021: 97) unsold units as disclosed in Note 16; legal assignment of insurance on 51 (2021: 97) unsold units; specific debenture; legal assignment over bank account; third party assignment over the surplus balance in Housing Development Account of 2 (2021: 2) subsidiaries and corporate guarantee from a subsidiary. The Revolving credit II bears interest at 1.75% (2021: 1.75%) per annum over the bank's cost of funds.

Revolving credit III is secured by a charge over bank accounts receiving all contract proceeds of 8 local projects (2021: 8 local projects) undertaken by the Group and bears interest ranging from 3.15% to 5.03% (2021: 3.05% to 3.95%) per annum.

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26. REVOLVING CREDITS *cont'd*

Revolving credit IV 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 IV bears interest at 4.63% (2021: Nil) per annum.

Revolving credit V is secured by corporate guarantee from a subsidiary and bears interest at 1.25% (2021: 1.25%) per annum over the bank's cost of funds.

Revolving credit VI is unsecured and bears interest at rates ranging from 2.72% to 4.55% (2021: 2.69% to 3.42%) per annum.

27. TERM LOANS

	Group	
	2022	**2021**
	RM'000	**RM'000**
Secured		
Term loan I	-	223,600
Term loan II	235,747	255,780
Term loan III	91,541	75,393
Term loan IV	4,705	9,927
Term loan V	32,384	38,289
Term loan VI	70,000	-
Term loan VII	100,000	-
Total term loans	534,377	602,989
The term loans are repayable as follows:		
Not later than 1 year	186,623	315,932
Later than 1 year and not later than 2 years	93,281	80,572
Later than 2 years and not later than 5 years	251,616	197,723
Later than 5 years	2,857	8,762
	534,377	602,989
Less: Amount due within 12 months	(186,623)	(315,932)
Amount due after 12 months	347,754	287,057

(i) In the previous financial year, Term loan I comprised facilities obtained by a subsidiary via a facility agreement dated 14 December 2012 ("the TL-I Facilities") as follows:

- Term Loan 1 ("TL1") is to part finance for the construction of a mall ("Mall").
- Term Loan 2 ("TL2") is to finance for working capital requirement to subsidiaries.

Term loan I together with the Revolving credit I (Note 26) obtained by a subsidiary were secured by way of a fixed charge over the freehold land and a hotel building owned by 2 subsidiaries as disclosed in Notes 4 and 7; debentures over 2 subsidiaries; specific debenture over a subsidiary in respect of the Mall; legal assignment of rental proceeds of the Mall pursuant to a lease agreement; charge over bank accounts receiving all the rental proceeds and car park collection of the Mall and revenue of a hotel ("Hotel"); and legal assignment of insurances of the Mall and the Hotel.

27. TERM LOANS *conrt'd*

(i) *cont'd*

The TL1 bore interest at 5.25% per annum. The TL1 was extended for a 5 years period and is repayable in equal monthly instalments over 59 months with a final instalment in the 60th month commencing from January 2018 at interest rate of 5.00% for the first two years and followed by interest rate of 5.25% per annum for the remaining years.

The TL2 bore interest at a rate of 5.25% per annum, with a bullet repayment on 27 December 2022.

Term loan I was fully repaid during the current financial year.

(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 Commodity Murabahah Term Financing-I ("CMTF-I") to part finance the construction of a service apartment.

- Term Loan 2 ("TL2") 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 3 ("TL3") 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 by way of redemption sum of the selling price of the service apartment unit and/or 10 equal quarterly principal repayments commencing from April 2021 whichever is earlier. The margin of profit rate is 1.20% (2021: 1.20%) per annum and 1.00% (2021: 1.00%) above the bank's cost of funds during the construction stage and upon completion respectively.

The TL2 is repayable over 24 quarterly principal payments commencing from April 2017. The margin of profit rate is 1.00% (2021: 1.00%) above the bank's cost of funds.

The TL3 is repayable over 24 quarterly principal repayments commencing from October 2022. The TL3 bears interest at 1.20% (2021: 1.20%) per annum and 1.00% (2021: 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.

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27. TERM LOANS *conrt'd*

(iii) *cont'd*

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 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% (2021: 1.25%) per annum above the bank's cost of funds.

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% (2021: 1.25%) per annum above the bank's cost of funds.

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 commencing from June 2024. The margin of profit rate is 1.25% (2021: Nil) per annum above the bank's cost of funds.

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 commencing from October 2024. The margin of profit rate is 1.25% (2021: Nil) per annum above the bank's cost of funds.

(iv) The Term loan IV bears interest at a rate of 1.25% (2021: 1.25%) per annum above the bank's base lending rate and is repayable over 36 quarterly instalments (inclusive of interests) commencing from August 2013.

Term loan IV is 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% (2021: 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) Term loan VI bears interest rate at 10% (2021: Nil) 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.

(vii) Term loan VII bears interest at 1.50% (2021: Nil) 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.

28. TRADE FACILITIES

	Group	
	2022	2021
	RM'000	RM'000
Unsecured		
Bankers' acceptances	49,327	44,018
Invoice financing	13,968	18,845
	63,295	62,863

The bankers' acceptances bear interest at rates ranging from 2.54% to 4.73% (2021: 2.30% to 2.54%) per annum. These bankers' acceptances have a maturity period of 97 to 180 (2021: 115 to 180) days.

The invoice financing bear interest at rates ranging from 2.80% to 4.45% (2021: 2.80% to 2.82%) per annum. These invoice financing have a maturity period of 175 to 180 (2021: 175 to 180) days.

29. MEDIUM TERM NOTES

	Group	
	2022	2021
	RM'000	RM'000
Secured		
The medium term notes are repayable as follows:		
Later than 1 year and not later than 2 years	310,000	-

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% (2021: Nil) 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	
	2022	2021
	RM'000	RM'000
Unsecured		
The Sukuk Murabahah are repayable as follows:		
Not later than 1 year	500,000	400,000
Later than 1 year and not later than 2 years	-	300,000
Later than 2 years and not later than 5 years	510,000	510,000
	1,010,000	1,210,000
Less: Amount due within 12 months	(500,000)	(400,000)
Amount due after 12 months	510,000	810,000

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.

On 30 December 2015, the Company issued additional RM150,000,000 nominal value of Sukuk Murabahah with a tenure of 3 years at a profit rate of 4.80% per annum and payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the financial year ended 31 December 2019.

On 11 May 2017, the Company issued additional RM200,000,000 nominal value of Sukuk Murabahah with a tenure of 5 years at a profit rate of 5.32% per annum and payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the financial year.

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30. SUKUK MURABAHAH *cont'd*

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.

On 27 October 2020, the Company issued additional RM100,000,000 nominal value Sukuk Murabahah with a tenure of 366 days at profit rate of 3.77% per annum, payable semi-annually in arrears commencing 6 months after the issue date. This Sukuk Murabahah was fully repaid during the financial year ended 31 December 2021.

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.

The Sukuk Murabahah Programme has been accorded a rating of "AA-$_{IS}$ (Stable)" (2021: "AA-$_{IS}$ (Stable)") by Malaysian Rating Corporation Berhad on 17 November 2022 (2021: 15 October 2021).

31. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	RM'000	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 year.

In the previous financial year, 14,026,000 treasury shares were distributed as share dividends to the shareholders on 22 July 2021 on the basis of 1 treasury shares for every 100 ordinary shares held at the entitlement date on 30 June 2021, fractions of treasury shares was disregarded.

As at 31 December 2022, the total number of ordinary shares held as treasury shares was 915,000 (2021: 915,000) at a total cost of RM381,000 (2021: 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.

The salient terms of the ESOS 2013/2023 are 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

(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.

31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

			Number of share options			
Grant date	Expiry date	Exercise price	Outstanding at 1 January	Movement during the year (Forfeited)	Outstanding at 31 December	Exercisable at 31 December
		RM	'000	'000	'000	'000
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
2021						
30 August 2013	18 July 2023	1.63	4,841	(64)	4,777	4,777
15 August 2014	18 July 2023	1.55	4,457	(59)	4,398	4,398
18 September 2015	18 July 2023	1.18	2,461	(61)	2,400	2,400
12 June 2018	12 June 2021	0.82	25,241	(25,241)	-	-
			37,000	(25,425)	11,575	11,575
WAEP (RM)			1.04	0.82	1.51	1.51

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31 December 2022
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31. SHARE CAPITAL *cont'd*

(c) Employees' share option scheme 2013/2023 ("ESOS 2013/2023") *cont'd*

(i) Details of share options outstanding at the end of the 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
2021		
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

At 31 December 2022, there are 9,295,000 (2021: 11,575,000) options exercisable at the WAEP of RM1.50 (2021: RM1.51) each. The exercise and vesting period is from 30 August 2013 to 18 July 2023.

(ii) Share options exercised during the financial year

There is no share options 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	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Revaluation reserve	(a)	63,392	59,827	-	-
Capital reserve	(b)	61,646	61,646	-	-
Equity compensation reserve	(c)	3,797	3,797	3,067	3,067
Exchange reserve	(d)	(78,126)	(101,915)	-	-
Internal reorganisation reserve	(e)	(1,554,791)	(1,554,791)	-	-
		(1,504,082)	(1,531,436)	3,067	3,067
Distributable					
General reserve	(f)	1,438	1,438	-	-
		(1,502,644)	(1,529,998)	3,067	3,067

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.

(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

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32. RESERVES *cont'd*

(f) General reserve *cont'd*

(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.

33. PERPETUAL SUKUK

	Group/Company	
	2022 RM'000	2021 RM'000
Issuance in nominal value	821,500	821,500
Less: Transaction cost	(2,051)	(2,735)
Net nominal value	819,449	818,765

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.

33. PERPETUAL SUKUK *cont'd*

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)" (2021: "A_{IS} (Stable)") by Malaysian Rating Corporation Berhad on 17 November 2022 (2021: 15 October 2021).

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.

(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 deductable 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 2022 and 2021.

(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 RM48,176,000 (2021: RM48,013,000) to the holders of Perpetual Sukuk.

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34. NON-CONTROLLING INTERESTS

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	(47,299)	(42,150)
Share of losses for the financial year	(4,060)	(5,290)
Exchange differences	(279)	141
At 31 December	(51,638)	(47,299)

35. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers (Note (a))	1,938,841	1,553,304	20,327	18,887
Interest income (Note (b))	12,426	12,379	89,755	97,131
Dividend income	-	-	7,900	51,630
Rental income (Note 7)	153,601	133,985	-	-
	2,104,868	1,699,668	117,982	167,648

(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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Type of goods or services:				
Engineering and construction works (Note 12(a))	1,440,469	1,167,297	-	-
Revenue from property development (Note 12(b)):				
- Completed inventory properties	89,494	99,468	-	-
- Inventory properties under development	338,629	199,750	-	-
	428,123	299,218	-	-

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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Type of goods or services: *cont'd*				
Others:				
- Management fees	7,116	6,515	20,327	18,887
- Sale of goods	36,253	65,603	-	-
- Car park income (Note 7)	15,012	8,271	-	-
- Hotel income	11,868	6,400	-	-
	70,249	86,789	20,327	18,887
Total revenue from contracts with customers	1,938,841	1,553,304	20,327	18,887

(ii) Timing of revenue recognition

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At a point in time	159,743	186,257	20,327	18,887
Over time	1,779,098	1,367,047	-	-
Total revenue from contracts with customers	1,938,841	1,553,304	20,327	18,887

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 2.25.

Contract balances, comprising trade receivables, contract assets and contract liabilities are disclosed in Notes 11 and 12 respectively.

(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	
	2022	**2021**
	RM'000	**RM'000**
Within one year		
- Engineering and construction works	1,274,545	1,999,509
- Property development	133,338	107,718
	1,407,883	2,107,227

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35. REVENUE *cont'd*

(a) Revenue from contracts with *cont'd*

(iii) Remaining performance obligations *cont'd*

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December, are as follows: *cont'd*

	Group	
	2022	**2021**
	RM'000	**RM'000**
More than one year		
- Engineering and construction works	2,331,599	2,833,634
- Property development	19,390	56,757
	2,350,989	2,890,391
Total in future years	3,758,872	4,997,618

(b) Interest income

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income from deposits with licensed banks	407	855	408	855
Interest income from subsidiaries	-	-	89,347	96,276
Interest income from joint ventures	12,019	11,524	-	-
	12,426	12,379	89,755	97,131

36. COST OF SALES

	Group	
	2022	**2021**
	RM'000	**RM'000**
Construction contract costs (Note 12(a))	1,393,007	1,276,501
Cost of inventory properties (Note 12(b)):		
- Inventory properties under development	272,850	131,381
- Completed inventory properties	81,991	58,383
Cost of goods sold	34,488	63,255
Cost of maintenance of investment properties	27,581	21,417
Cost of services provided	29,701	23,995
Cost incurred on car park operation	2,211	1,473
Cost of sales - hotel	5,405	3,195
	1,847,234	1,579,600

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37. OTHER OPERATING INCOME

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits with licensed banks	8,598	7,098	-	14
Interest income from joint ventures	9,391	10,210	-	-
Interest income from associates	413	3,095	-	-
	18,402	20,403	-	14
Rental income	7,718	5,214	2,846	2,734
Gain on disposal of property, plant and equipment	10,979	3,045	-	-
Net realised gain on foreign exchange	132	36,891	-	-
Fair value adjustment on investment properties (Note 7)	65,118	2,345	-	-
Net write back in value of inventory properties - land held for property development (Note 6(a))	-	1,640	-	-
Finance income from financial assets carried at amortised cost	2,976	2,723	-	-
Gain from settlement of arbitration award (Note 49(a))	-	424,379	-	-
Reversal of accrual of costs arising from settlement of arbitration award (Note 49(b))	-	49,284	-	-
Reversal of provision for restoration costs (Note 23)	39	5	-	-
Insurance claim	125	107	-	-
Reversal of allowance for expected credit losses:				
- related parties	-	-	-	141
- third parties	3,704	120	-	-
- arising from receivables from settlement agreement (Note 49(a)(i))	18,012	-	-	-
Gain on lease modification (Note 23)	414	185	-	-
Others	17,751	10,273	414	381
	145,370	556,614	3,260	3,270

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38. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense				
- term loans	28,008	27,953	-	-
- bank overdrafts	33	15	-	-
- trade facilities	1,813	1,156	-	-
- revolving credits	35,162	28,573	-	-
- hire purchase	584	1,219	-	-
- lease commitment	8,044	8,366	-	-
- lease liabilities (Note 23)	9,687	10,283	902	369
- profit on Sukuk Murabahah	62,632	72,335	62,632	72,335
- amortisation of transaction costs incurred on Perpetual Sukuk	684	684	684	684
- unwinding of discount (Note 23)	4	2	1	9
- interest to subsidiaries	-	-	7,819	1,651
- others	80	86	-	-
	146,731	150,672	72,038	75,048
- less: Amount capitalised under property, plant and equipment (Note 4(e))	(4,047)	(4,117)	-	-
- less: Amount capitalised under property development costs (Note 6(b))	(32,489)	(28,273)	-	-
- less: Amount capitalised under construction contracts (Note 12(a))	(87)	(149)	-	-
	110,108	118,133	72,038	75,048

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39. PROFIT BEFORE TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) The following amounts have been included in arriving at profit before taxation:				
Auditors' remuneration				
- statutory	890	749	115	92
- (over)/under provision in prior financial years	(17)	23	-	-
- other services	75	170	42	149
Expense relating to short-term leases and leases of low-value assets	1,746	532	-	-
Amortisation of intangible asset (Note 5)	6,595	7,364	-	-
Depreciation of property, plant and equipment	27,931	30,318	474	1,086
Depreciation of right-of-use assets (property, plant and equipment) (Note 23)	4,901	4,092	2,806	2,900
Bad debts written off	4	853	-	-
Allowance for expected credit losses:				
- third parties	1,232	4,298	-	-
- arising from receivables from settlement agreement (Note 49(a))	-	28,164	-	-
Property, plant and equipment written off	663	1,790	2	7
Fair value adjustment on right-of-use assets (investment properties) (Note 23)	3,468	4,905	-	-
Net realised loss on foreign exchange	-	492	-	-
Write off of investment in an associate (Note 9)	3	-	-	-
Net unrealised loss on foreign exchange	1,865	123	-	-
Net write down in value of inventory properties				
- completed inventory properties	17,388	13,992	-	-
- land held for property development (Note 6(a))	542	-	-	-
Direct expenses (including repair and maintenance) attributable to income generating investment properties (Note 7)	29,792	22,890	-	-

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39. PROFIT BEFORE TAXATION *cont'd*

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
(b) Employee benefits expense				
Staff costs (excluding Directors' remuneration):				
Wages and salaries	52,489	58,705	4,324	3,288
Fees	116	118	-	-
Social security costs	426	656	9	8
Employees' Provident Fund contribution	6,307	6,940	540	444
Bonus and ex-gratia	149	1,337	-	179
Other staff related expenses	4,716	3,528	115	(248)
	64,203	71,284	4,988	3,671

(c) Directors' remuneration

	Salaries and other emoluments RM'000	Fees RM'000	Bonus 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							
Executive							
Tan Sri Lim Siew Choon	3,105	12	-	-	37	8	3,162
Dato' Lee Tuck Fook	2,700	12	-	-	-	5	2,717
Chow Yin Choon	2,025	12	-	-	31	3	2,071
Goh Chin Liong	1,652	4	-	-	23	6	1,685
Liang Kai Chong	2,824	7	-	-	23	9	2,863
	12,306	47	-	-	114	31	12,498
Non-executive							
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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39. PROFIT BEFORE TAXATION *cont'd*

(c) Directors' remuneration *cont'd*

	Salaries and other emoluments RM'000	Fees RM'000	Bonus 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 2021							
Group/Company							
Executive							
Tan Sri Lim Siew Choon	3,105	12	115	-	15	7	3,254
Dato' Lee Tuck Fook	2,700	12	100	-	-	4	2,816
Goh Chin Liong	2,228	12	82	-	39	7	2,368
Chow Yin Choon	1,745	12	75	-	31	1	1,864
Liang Kai Chong	1,485	12	55	-	23	12	1,587
	11,263	60	427	-	108	31	11,889
Non-executive							
Tan Sri Marzuki Bin Mohd Noor	-	84	-	21	-	1	106
Datuk Ab Wahab Bin Khalil	-	84	-	20	-	1	105
Dato' Ng Sooi Lin	-	84	-	22	-	3	109
Ng Soon Lai @ Ng Siek Chuan	-	84	-	7	-	3	94
Rahana Binti Abdul Rashid	-	84	-	14	-	3	101
	-	420	-	84	-	11	515
	11,263	480	427	84	108	42	12,404

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40. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	23,743	120,863	3,955	5,210
Foreign income tax	-	11,357	-	-
(Over)/under provision in prior financial years:				
Malaysian income tax	(61,481)	(1,817)	(215)	942
Foreign income tax	-	1,957	-	-
	(37,738)	132,360	3,740	6,152
Deferred income tax (Note 15):				
Relating to origination and reversal of temporary differences	7,400	11,164	(51)	228
(Over)/under provision in prior financial years	(3,110)	(5,617)	6	(341)
	4,290	5,547	(45)	(113)
Taxation reported in profit or loss	(33,448)	137,907	3,695	6,039
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)	1,126	923	-	-

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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 applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company respectively are as follows:

	2022 RM'000	2021 RM'000
Group		
Profit before taxation	139,343	277,875
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	33,442	66,690
Effect of:		
Different tax rates in foreign branches	3,669	(2,650)
Zero tax rates in foreign countries	(7,536)	2,713
Share of results of associates	(3,081)	(1,042)
Share of results of joint ventures	(3,265)	9,270
Different tax rate on real property gain tax	(448)	-
Different tax rate for fair value changes in investment properties	(9,117)	(328)
Tax exemption	-	(1,102)
Distribution to holders of Perpetual Sukuk	(11,562)	(11,523)
Foreign source income subject to tax	1,864	-
Income not subject to tax	(14)	(2,721)
Expenses not deductible for tax purposes	21,184	38,817
Utilisation of previously unrecognised tax losses	(8,485)	(99)
Utilisation of previously unrecognised tax losses in foreign branches	-	(1,580)
Deferred tax assets not recognised during the financial year	13,883	46,930
Deferred tax assets in foreign countries not recognised during the financial year	10	9
Deferred tax assets in foreign branches not recognised during the financial year	599	-
Over provision of deferred tax in prior financial years	(3,110)	(5,617)
(Over)/under provision of income tax in prior financial years	(61,481)	140
Tax (credit)/expense for the financial year	(33,448)	137,907
Company		
Profit before taxation	23,161	70,210
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	5,559	16,850
Income not subject to tax	(1,896)	(12,391)
Expenses not deductible for tax purposes	11,803	12,502
Distribution to holders of Perpetual Sukuk	(11,562)	(11,523)
Under/(over) provision of deferred tax in prior financial years	6	(341)
(Over)/under provision of income tax in prior financial years	(215)	942
Tax expense for the financial year	3,695	6,039

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41. EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the 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	
	2022	**2021**
	RM'000	**RM'000**
Profit attributable to ordinary equity holders of the Company	128,675	97,245
Weighted average number of shares in issue	1,417,236	1,410,280
Basic earnings per share (sen)	9.08	6.90

(ii) Fully diluted

For the purpose of calculating diluted earnings per share, the 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	
	2022	**2021**
	RM'000	**RM'000**
Profit attributable to ordinary equity holders of the Company	128,675	97,245
Weighted average number of shares in issue	1,417,236	1,410,280
Effect of dilution:		
Share options ^	-	-
Adjusted weighted average number of shares in issue and issuable	1,417,236	1,410,280
Diluted earnings per share (sen)	9.08	6.90

^ *All the employees' share options are anti-dilutive.*

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	
	2021	2020	2022	2021
	RM'000	RM'000	RM'000	RM'000
Recognised during the financial year:				
Final dividend comprising:				
- Share dividend by way of distribution of 14,026,085 treasury shares on 22 July 2021 on the basis of 1 treasury share for every 100 ordinary shares held in the Company	-	4,955	-	4,955
- 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	-
	7,086	4,955	7,086	4,955

At the forthcoming Annual General Meeting, a final cash dividend of 0.50 sen per ordinary share under the single-tier system in respect of the financial year ended 31 December 2022, amounting to approximately RM7,086,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

43. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Contract revenue from:				
- associates	146,901	105,272	-	-
- companies in which certain Director has interest	661,855	498,552	-	-
Contract costs to a company in which certain Director has interest	69,545	73,696	-	-
Lease expense payable to:				
- subsidiaries	-	-	(3,109)	(3,017)
- joint ventures	(48)	(99)	-	-
- a company in which certain Directors have interest	(954)	(592)	(592)	(592)
Office utilities expense payable to a subsidiary	-	-	(137)	(96)
Season parking expense payable to a joint venture	(302)	(302)	(302)	(302)
Interest payable to subsidiaries	-	-	(7,819)	(1,651)

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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	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Management fee receivable from:				
- subsidiaries	-	-	18,194	16,754
- joint ventures	6,876	6,275	1,893	1,893
- associates	240	240	240	240
Gross dividend receivable from:				
- subsidiaries	-	-	7,900	51,630
- associates	-	3,771	-	-
Interest receivable from:				
- subsidiaries	-	-	89,347	96,276
- joint ventures	21,410	21,734	-	-
- associates	413	3,095	-	-
Rental income receivable from:				
- subsidiaries	-	-	2,846	2,734
- joint ventures	2,522	2,680	-	-
- associates	-	179	-	-
Office utilities income receivable from subsidiaries	-	-	125	96
Season parking income receivable from subsidiaries	-	-	287	285
Net repayment from/(advances to):				
- associates	-	240	-	-
- joint ventures	(18,916)	(44,531)	-	-
Advance (to)/from non-controlling interest of subsidiaries	347	(4,031)	-	-
Office equipment rental income receivable from associates	152	179	-	-
Motor vehicle rental income receivable from joint ventures	496	433	-	-
Fees payable for retail management to:				
- joint ventures	(406)	(406)	-	-
- a company in which certain Directors have interest	(636)	(600)	-	-

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.

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43. RELATED PARTY DISCLOSURES *cont'd*

(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:

	2022 RM'000	2021 RM'000
Salaries	4,134	4,013
Other emoluments	77	213
Fees	29	36
Bonus	223	205
Employees' Provident Fund contribution	312	312
Benefits-in-kind	134	155
	4,909	4,934

44. COMMITMENT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Approved and contracted for:				
Property, plant and equipment	19,936	50,440	106	114

45. GUARANTEES AND CONTINGENT LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(a) Corporate guarantees given to:				
- Financial institutions and trade suppliers for credit facilities granted to subsidiaries, joint ventures and associates	93,695	93,054	3,725,881	2,773,273
- Contract customers of subsidiaries, joint ventures and associates to secure the performance of their obligation for contract works	1,910,307	1,910,307	621,227	621,227
Letter of undertaking issued to financial institutions for credit facilities granted to subsidiaries and joint ventures	993,168	993,168	1,059,717	866,717
	2,997,170	2,996,529	5,406,825	4,261,217

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45. GUARANTEES AND CONTINGENT LIABILITIES *cont'd*

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	
		2022	**2021**
		RM'000	**RM'000**
(b)	Performance, advance payment and tender guarantee granted to:		
	Clients of subsidiaries	412,738	527,219
	Clients of a joint venture and associates	81,712	82,112
		494,450	609,331

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.

		Group	
		2022	**2021**
		RM'000	**RM'000**
(c)	Tax matters under appeal by a subsidiary	1,931	2,033
(d)	Share of contingent liabilities of associates (Note 9)	6,410	6,749

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.

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46. FINANCIAL INSTRUMENTS *cont'd*

(b) Interest rate risk *cont'd*

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 profit before taxation would have been RM1,666,000 (2021: RM1,679,000) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate loans, borrowings and higher/lower interest income.

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	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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)

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46. FINANCIAL INSTRUMENTS *cont'd*

(b) 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									
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)
At 31 December 2021									
Group									
Fixed rate									
Deposits	17	1.73	148,292	-	-	-	-	-	148,292
Hire purchase payables	24	5.26	(9,234)	(3,332)	(1,142)	(568)	(176)	-	(14,452)
Term loans	27	5.25	(223,600)	-	-	-	-	-	(223,600)
Sukuk Murabahah	30	5.22	(400,000)	(300,000)	-	(200,000)	(310,000)	-	(1,210,000)
Floating rate									
Lease commitment payable	21	8.20	(4,401)	(5,126)	(5,547)	(6,002)	(6,876)	(69,998)	(97,950)
Lease liabilities	23	5.61	(14,287)	(14,772)	(13,640)	(14,140)	(14,886)	(104,628)	(176,353)
Revolving credits	26	3.23	(962,523)	-	-	-	-	-	(962,523)
Trade facilities	28	2.70	(62,863)	-	-	-	-	-	(62,863)
Term loans	27	3.81	(92,332)	(80,571)	(48,321)	(103,496)	(45,906)	(8,763)	(379,389)
Company									
Fixed rate									
Deposits	17	1.88	3,100	-	-	-	-	-	3,100
Lease liabilities	23	5.52	(2,731)	(2,885)	(3,047)	(3,060)	(2,795)	(2,451)	(16,969)
Sukuk Murabahah	30	5.22	(400,000)	(300,000)	-	(200,000)	(310,000)	-	(1,210,000)

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.

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46. FINANCIAL INSTRUMENTS *cont'd*

(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 ("UAE"), 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.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in AED, QAR and USD against the respective functional currencies of the Group's entities, with all variables held constant.

		Group	
		Profit before taxation	Profit before taxation
		2022	2021
		RM'000	RM'000
AED/RM -	Strengthen 3.00%	(13,464)	(17,308)
	Weakened 3.00%	13,464	17,308
QAR/RM -	Strengthen 3.00%	(5,234)	(3,896)
	Weakened 3.00%	5,234	3,896
USD/RM -	Strengthen 3.00%	(509)	(492)
	Weakened 3.00%	509	492

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	UAE Dirhams	Qatar Riyals	Vietnamese Dong	United States Dollars	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
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)
At 31 December 2021						
Cash, deposit and bank balances	1,000	618	16,536	12,446	1,907	32,507
Receivables	4,032	477,680	124,837	249	-	606,798
Payables	(26)	(99,205)	(87,177)	(4)	(22)	(186,434)

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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 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 2022				
Trade and other payables	998,025	171,700	-	1,169,725
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	1,561,293	197,097	4,551,290
As at 31 December 2021				
Trade and other payables	913,577	124,990	-	1,038,567
Lease commitment payables				
- Principal	4,401	23,550	69,999	97,950
- Interest	8,032	28,021	36,153	72,206
Hire-purchase and lease liabilities				
- Principal	23,521	62,656	104,628	190,805
- Interest	10,120	30,688	17,612	58,420
Due to related parties	273	-	-	273
Loans and borrowings				
- Principal	1,741,318	1,088,294	8,763	2,838,375
- Interest	113,727	117,159	1,217	232,103
	2,814,969	1,475,358	238,372	4,528,699

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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 2022				
Other payables	15,176	235	-	15,411
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	628,739	-	1,487,357
As at 31 December 2021				
Other payables	14,118	214	-	14,332
Lease liabilities				
- Principal	2,731	11,787	2,451	16,969
- Interest	878	1,890	63	2,831
Due to related parties				
- Principal	187,967	-	-	187,967
- Interest	6,808	-	-	6,808
Loans and borrowings				
- Principal	400,000	810,000	-	1,210,000
- Interest	56,165	93,426	-	149,591
	668,667	917,317	2,514	1,588,498

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46. FINANCIAL INSTRUMENTS *cont'd*

(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.

On the trade receivables disclosed in Note 11, the Group has received a further RM107,600,000 (2021: RM106,801,000) 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	
	2022	**2021**
	RM'000	**RM'000**
Malaysia	1,004,338	1,009,474
Middle East	61,688	105,680
	1,066,026	1,115,154

(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 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) The following table provides the fair value measurement hierarchy of the Group's assets and liabilities: *cont'd*

			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 2021					
Assets measured at fair value					
Investment properties	7	1,722,515	-	-	1,722,515
Property, plant and equipment					
- Freehold land and buildings	4	146,475	-	-	146,475
Right-of-use assets:					
- Property, plant and equipment	23	40,350	-	-	40,350
- Investment properties	23	124,204	-	-	124,204

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 2022				
Financial liabilities				
Sukuk Murabahah	(1,010,000)	(1,004,492)	(1,010,000)	(1,004,492)
As at 31 December 2021				
Financial liabilities				
Sukuk Murabahah	(1,210,000)	(1,220,706)	(1,210,000)	(1,220,706)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
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46. FINANCIAL INSTRUMENTS *cont'd*

(f) Fair values *cont'd*

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 2022 was assessed to be insignificant.

(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 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	-

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31 December 2022
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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 *cont'd*				
Group *cont'd*				
Financial liabilities				
Due to related parties	14	(1,178)	-	(1,178)
Trade payables	19	(950,171)	-	(950,171)
Other payables	20	(218,350)	-	(218,350)
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)
		(4,232,406)	-	(4,232,406)
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	-
		1,842,017	1,842,017	-
Financial liabilities				
Due to related parties	14	(333,087)	-	(333,087)
Other payables	20	(15,406)	-	(15,406)
Lease liabilities	23	(15,496)	-	(15,496)
Borrowings	25	(1,010,000)	-	(1,010,000)
		(1,373,989)	-	(1,373,989)

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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 2021				
Group				
Financial assets				
Trade receivables	11	1,115,154	1,115,154	-
Other receivables, excluding prepayment and advances to subcontractors	13	527,253	527,253	-
Due from related parties	14	516,798	516,798	-
Cash and bank balances	17	283,691	283,691	-
		2,442,896	2,442,896	-
Financial liabilities				
Due to related parties	14	(273)	-	(273)
Trade payables	19	(801,574)	-	(801,574)
Other payables	20	(235,832)	-	(235,832)
Lease commitment payable	21	(97,950)	-	(97,950)
Hire-purchase and lease liabilities	23	(190,805)	-	(190,805)
Borrowings	25	(2,838,375)	-	(2,838,375)
		(4,164,809)	-	(4,164,809)
At 31 December 2021				
Company				
Financial assets				
Other receivables, excluding prepayment	13	181	181	-
Due from related parties	14	1,923,671	1,923,671	-
Cash and bank balances	17	8,642	8,642	-
		1,932,494	1,932,494	-
Financial liabilities				
Due to related parties	14	(187,967)	-	(187,967)
Other payables	20	(14,329)	-	(14,329)
Lease liabilities	23	(16,969)	-	(16,969)
Borrowings	25	(1,210,000)	-	(1,210,000)
		(1,429,265)	-	(1,429,265)

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47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	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	3,029,180	(199,130)	139,096	2,969,146

	1 January 2021 RM'000	Cash flows RM'000	Other RM'000	31 December 2021 RM'000
Current interest-bearing loans and borrowings	1,209,783	(271,490)	803,025	1,741,318
Current hire-purchase and lease liabilities	30,349	(52,234)	45,406	23,521
Non-current interest-bearing loans and borrowings	1,747,270	24,698	(674,911)	1,097,057
Non-current hire-purchase and lease liabilities	188,042	-	(20,758)	167,284
Total liabilities from financing activities	3,175,444	(299,026)	152,762	3,029,180

Company

	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

	1 January 2021 RM'000	Cash flows RM'000	Other RM'000	31 December 2021 RM'000
Current interest-bearing loans and borrowings	200,000	(273,986)	473,986	400,000
Current hire-purchase and lease liabilities	2,723	(3,608)	3,616	2,731
Non-current interest-bearing loans and borrowings	1,210,000	-	(400,000)	810,000
Non-current hire-purchase and lease liabilities	1,261	-	12,977	14,238
Total liabilities from financing activities	1,413,984	(277,594)	90,579	1,226,969

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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 0.66 (2021: 0.68) 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.

	Group		Company	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings	2,797,598	2,838,375	1,010,000	1,210,000
Less: Cash and bank balances	(233,796)	(283,691)	(4,394)	(8,642)
Net debt	2,563,802	2,554,684	1,005,606	1,201,358
Equity attributable to the owners of the Company	3,138,699	2,989,756	3,384,169	3,419,965
Perpetual Sukuk	819,449	818,765	819,449	818,765
Non-controlling interest	(51,638)	(47,299)	-	-
Total equity	3,906,510	3,761,222	4,203,618	4,238,730
Net gearing ratio	66%	68%	24%	28%

The definition of gearing ratio is not governed by the MFRS and IFRS and may vary from one company to another.

49. ARBITRATION AWARDS

(a) 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 RM276,843,000*) and the Advance Payment Guarantee amounting to AED77,300,000 (Group's share: AED38,650,000 or approximately RM46,391,000*). 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 RM1,680,385,000*).

49. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

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 RM1,680,385,000*).

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.

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 RM1,383,498,000*) being the aggregate of the following:

(i) Principal sum of AED1,117,802,000 (approximately RM1,341,670,000*) ("Principal Sum");

(ii) Arbitration costs of AED8,197,000 (approximately RM9,839,000*); and

(iii) Legal costs of AED26,652,000 (approximately RM31,990,000*).

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.

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49. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

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 2022 duly received the quarterly instalments in accordance with and pursuant to the payment schedule in the Settlement Agreement. As at 31 December 2022, the remaining amount receivable from Meydan (after discounting) was AED260,820,000 (approximately RM313,056,000*), of which AED149,040,000 (approximately RM178,889,000*) is receivable within the next 12 months from 31 December 2022 as disclosed in Note 13.

Having considered the facts surrounding the transaction including the Settlement Agreement, the financial capability of Meydan and Meydan's timely settlement of amount due according to the settlement plan, the Group recognised the entire amount receivable from Meydan in the previous financial year ended 31 December 2021 and discounted the amount receivable as at 31 December 2021 over the remaining repayment period to account for time value of money. After having considered the remaining obligations attached to DRC Project, namely accruals for nominated subcontractor costs, commissions paid and payable, taxation and other incidental costs, the Meydan Settlement has resulted in a net gain of RM260,871,000 to the Group in the previous financial year, as tabulated below:

	2021 **RM'000**
Revenue	8,490
Other operating income (Note 37)	424,379
Administration expenses	(49,338)
Other expenses	(462)
Allowance for expected credit losses (Note (i), Note 39(a))	(28,164)
Taxation	(94,034)
Net gain	260,871

(i) Movements of the allowance for expected credit losses are as follows:

	2022 **RM'000**	**2021** **RM'000**
At 1 January	28,164	-
Charge for the financial year	-	28,164
Reversal of allowance	(18,012)	-
Exchange differences	1,788	-
At 31 December	11,940	28,164

49. ARBITRATION AWARDS *cont'd*

(a) *cont'd*

The Group's share of assets and liabilities of the Joint Venture are as follows:

Statement of financial position	2022 RM'000 *	2021 RM'000 #
Non-current asset		
Property, plant and equipment	1	1
	1	1
Current assets		
Cash and bank balance	1	1
Other receivables		
Sundry receivables	4	4
Advances paid to suppliers and subcontractors	6,784	6,425
	6,789	6,430
Total assets	6,790	6,431
Current liabilities		
Trade payables	330	312
Other payables [1]	31,284	29,630
Retention payable - current portion	2,933	2,778
Advance received from customer	9,130	8,647
	43,677	41,367
Total liabilities	43,677	41,367
Exchange reserve	14,042	13,122
Net liabilities	(36,887)	(34,936)
Deficit	(22,845)	(21,814)

(1) Include payables of RM20,813,000 (2021: RM19,712,000) in respect of the Nominated Subcontractors of the DRC Project.
* Based on exchanges rate as at 31 December 2022
# Based on exchanges rate as at 31 December 2021
^ Based on exchanges rate as at 13 July 2021
** Based on exchanges rate as at 15 July 2021
^^ Based on exchanges rate as at 21 October 2021

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

49. ARBITRATION AWARDS *cont'd*

(b) WCTB's Middle East Regional Office in Doha, Qatar had on 8 July 2017 received from the Court of Arbitration of the International Chamber of Commerce ("ICC") a request for arbitration dated 22 June 2017 filed by Trans Gulf International Electro-Mechanical WLL, Powermech Engineering WLL and Trans Gulf International Electro-Mechanical WLL – Powermech Engineering WLL JV (collectively referred to as "the Claimants"), naming WCTB, as the Respondent.

Trans Gulf International Electro-Mechanical WLL – Powermech Engineering WLL JV ("the Claimant") was WCTB's subcontractor under a subcontract in respect of certain mechanical, electrical and plumbing related works for the Ministry of Interior ("MOI") Project in Doha, Qatar ("TGI-PE Subcontract"), where WCTB was the main contractor.

The Claimants are claiming from WCTB a total estimate sum of QAR181,573,000 (equivalent to RM219,662,000*) being alleged sums due pursuant to and under the TGI-PE Subcontract and further unquantified sums for legal costs, arbitration costs, and charges.

On 12 March 2020, WCTB received from its solicitors in Doha, Qatar, the Arbitral Tribunal's Final Award whereby the Arbitral Tribunal had dismissed WCTB's counterclaim and further ordered and awarded a sum of QAR132,536,000 (equivalent to RM160,339,000*) in favor of the Claimants ("TGI Final Award"), comprising the following:

1) Release of Retention sums amounting to QAR39,443,000 (equivalent to RM47,717,000*);

2) Return of Performance Bond monies amounting to QAR24,731,000 (equivalent to RM29,919,000*);

3) Payment of a sum of QAR61,866,000 (equivalent to RM74,843,000*) being sums claimed and due pursuant to the TGI-PE Subcontract; and

4) Late payment interest of QAR6,496,000 (equivalent to RM7,859,000*).

In addition, the Arbitral Tribunal has further ordered that WCTB pays to the Claimants:

5) QAR24,018,000 (equivalent to RM29,057,000*) in respect of the Claimants' legal, expert and other costs of and incidental to the arbitration proceedings; and

6) USD469,000 (equivalent to RM2,067,000*) in respect of the arbitration costs as fixed by the ICC.

The total amount payable by the Group arising from the TGI Final Award and related incidental costs had amounted to QAR158,247,000 (equivalent to RM191,443,000) ("Total TGI Payable"). In the previous financial year, the Group had accrued up to the Total TGI Payable, an additional RM146,663,000 to existing accruals already made in trade and other payables of RM35,014,000.

On 25 March 2020, WCTB filed an application to the Qatar Court of Appeal challenging the TGI Final Award.

On 14 January 2021, WCTB initiated negotiations with the Claimants which resulted in both parties reaching an amicable settlement and thereafter entered into a settlement agreement on 24 January 2021 whereby the Claimants agreed to accept a sum of QAR115,000,000 (equivalent to RM139,124,000*) ("Settlement Sum") as the full and final settlement of all obligations arising from the TGI Final Award, to be paid in accordance with an agreed payment schedule over a period of 17 months from the date of the settlement agreement. As the settlement sum payable was lower than the Total TGI Payable, a reversal of RM49,284,000 (Note 37) was made in the previous financial year.

As at 31 December 2022, the Group has fully paid the Settlement Sum and this matter is considered closed.

* *Based on foreign exchange rate as at 31 December 2022*

50. MATERIAL LITIGATION

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").

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.

In the previous financial year, the Group has shared its portion of the additional losses (above the existing amount already accrued for fixed monthly charges) amounted to RM27,679,000 in relation to the final award of MAHB's Claim. Of the total amount payable amounting to RM74,753,000 (comprising RM73,832,000 final award of MAHB's Claim and incidental costs of RM921,000 which were accrued for during the financial year ended 31 December 2020), Segi Astana has paid a total of RM26,834,000 (2021: RM50,000,000) as at reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
cont'd

50. MATERIAL LITIGATION *cont'd*

On 22 November 2022, Segi Astana received the Arbitral Tribunal's Final Award in respect of SASB's Claim where the Tribunal has 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 yet to settle any of the above mentioned amounts.

Segi Astana has recognised a total of RM6,925,000 (2021: Nil) gain in relation to SASB's Award, of which the Group's share of the gain amounted to RM4,847,000.

51. SIGNIFICANT EVENTS

During the financial year:

(a) Disposal of lands

On 16 August 2021, Jubilant Courtyard Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a third party for the disposal of twelve parcels of vacant freehold land measuring approximately 602.5026 acres, located in Serendah, Daerah Ulu Selangor, State of Selangor for a total consideration of RM214,296,500. A deposit of RM21,429,650 was received on 16 August 2021. This transaction was completed during the current financial year.

(b) Additional issuance of Sukuk Murabahah

Details on issuance of Sukuk Murabahah are disclosed in Note 30.

52. SUBSEQUENT EVENTS

(a) Additional issuance of Sukuk Murabahah

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 days 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.

(b) Additional drawdown of term loan

On 28 March 2023, a subsidiary of the Company drawdown additional RM30,000,000 Term loan VI which bears interest rate at 10% per annum and repayable in one lump sum/bullet principal repayment on last day of the 12th month from date of first drawdown.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022
cont'd

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 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 2022
cont'd

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 2021						
Revenue						
Revenue from external customers	1,230,183	317,333	152,152	-	-	1,699,668
Inter-segment revenue	179,575	-	3,608	-	(183,183)	-
Total revenue	1,409,758	317,333	155,760	-	(183,183)	1,699,668
Result						
Profit from operations	301,994	61,811	66,489	-	-	430,294
Finance costs						(118,133)
Share of (loss)/profit of associates	(302)	2,091	-	2,552	-	4,341
Share of profit/(loss) of joint ventures	1,400	(7,869)	(32,158)	-	-	(38,627)
Taxation						(137,907)
Profit after taxation						139,968
Assets and liabilities						
Segment assets	2,806,958	2,688,202	2,315,052	6	-	7,810,218
Interest in						
- associates	2,352	53,817	-	99,745	-	155,914
- joint ventures	4,499	74,408	183,931	-	-	262,838
						8,228,970
Segment liabilities	3,204,190	305,960	957,578	-	20	4,467,748

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	2,089,279	1,677,648	7,770,389	7,502,580
Middle East	15,589	22,020	428,585	626,527
India	-	-	104,731	99,750
Others	-	-	39	113
Consolidated	2,104,868	1,699,668	8,303,744	8,228,970

53. SEGMENT INFORMATION *cont'd*

Geographical segments *cont'd*

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 (2021: 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 and transfer pricing

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 2022 RM
1.	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/6	Owner operated	Valuation : December 2022	1,141,836,092
2.	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	1,125,695,294
		Completed stock properties: residential condominiums	1,088 sf to 1,691sf Total = 74,364 sf	Freehold	For Sales	Completion: 18 June 2020	
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 and 4 levels of elevated car park floors	672,000 sf (Retail net lettable area)	Leasehold interest 99 years expiring on 9 February 2111/10	Owner operated	Valuation : December 2022	618,001,365
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/15	Leased to AEON Co. (M) Bhd	Valuation: December 2022	587,023,506
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	468,124,785
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 2022	252,000,000
7.	Nine (9) parcels of land at Mukim Pulai, 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	200,410,087

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 2022 RM
8.	No.2 , Persiaran Medini Utara 3, 79000 Nusajaya, Johor Darul Takzim.	Completed stock properties: residential condominiums, retail office, commercial office; sales gallery	655 sf to 20,328 sf Total = 481,833 sf	Leasehold interest 99 years expiring on 1 January 2111/5 to 7	For sales	Completion : June 2015 to March 2017	189,710,137
9.	The Ascent, Paradigm No.1 Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.	Corporate office tower together with 865 car park bays	520,596 sf (Net lettable area)	Lease period of 15 years expiring on 11 July 2032	Tenanted	Valuation : December 2022	139,042,590
10.	Three (3) parcels of land at Mukim and District of Klang, State of Selangor	For commercial use	19.53 acres	Freehold	Vacant	Acquisition : SPA date – May 2015	123,872,612

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

(A) ORDINARY SHARES AS AT 31 MARCH 2023

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	4,776	25.15	198,358	0.01
100 - 1,000	2,209	11.63	742,423	0.05
1,001 - 10,000	5,995	31.58	26,523,246	1.87
10,001 - 100,000	5,063	26.67	148,770,666	10.50
100,001 to less than 5% of issued shares	941	4.96	901,273,413	63.60
5% and above of issued shares	2	0.01	339,727,423	23.97
Total	**18,986**	**100.00**	**^1,417,235,529**	**100.00**

^excluding treasury shares of 914,942

(2) Thirty Largest Shareholders

No.	Names	No. of Shares	%*
1	UOBM Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account 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	68,847,060	4.86
4	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Tan Sri Lim Siew Choon (PB))*	43,436,137	3.06
5	Citigroup Nominees (Tempatan) Sdn Bhd *(UBS AG Singapore for Lee Vui Han)*	39,270,113	2.77
6	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia 2-Wawasan)*	35,217,170	2.48
7	AmanahRaya Trustees Berhad *(Amanah Saham Malaysia)*	34,990,076	2.47
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	Cimsec Nominees (Tempatan) Sdn Bhd *(CIMB for Choo Chuo Siong (PB))*	18,706,478	1.32

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023
cont'd

(2) Thirty Largest Shareholders *cont'd*

No.	Names	No. of Shares	%*
11	Cartaban Nominees (Asing) Sdn Bhd *(SSBT Fund J724 for SPDR S&P Emerging Markets ETF)*	16,476,326	1.16
12	Goh Chin Liong	14,948,005	1.05
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))*	13,234,100	0.93
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	0.85
17	Maybank Nominees (Tempatan) Sdn Bhd *(Etiqa Life Insurance Berhad (Growth))*	9,201,696	0.65
18	RHB Capital Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for Harry Lee Vui Khiun)*	8,450,000	0.60
19	Cimsec Nominees (Asing) Sdn Bhd *(CIMB for Stonecat Corporation (PB))*	8,306,265	0.59
20	CIMB Group Nominees (Tempatan) Sdn Bhd *(Aiiman Asset Management Sdn Bhd for Lembaga Tabung Haji)*	7,532,992	0.53
21	UOB Kay Hian Nominees (Asing) Sdn Bhd *(Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients))*	7,391,943	0.52
22	Citigroup Nominees (Tempatan) Sdn Bhd *(Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)*	7,282,891	0.51
23	Citigroup Nominees (Tempatan) Sdn Bhd *(Great Eastern Life Assurance (Malaysia) Berhad (LPF))*	7,117,400	0.50
24	Pintaras Jaya Bhd	6,593,602	0.47
25	Lean Hoen Sew	6,526,864	0.46
26	Citigroup Nominees (Tempatan) Sdn Bhd *(UBS AG Singapore for Maureen Sinsua)*	6,060,000	0.43
27	Maybank Nominees (Tempatan) Sdn Bhd *(Pledged Securities Account for TNTT Realty Sdn Bhd)*	5,424,339	0.38
28	Tiong Nam Logistics Holdings Berhad	5,141,276	0.36
29	HSBC Nominees (Tempatan) Sdn Bhd *(Exempt An for Credit Suisse (SG BR-TST-TEMP)*	5,000,000	0.35
30	Ooi Ee How	4,637,000	0.33

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2023
cont'd

(3) Substantial Shareholders as per Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name	**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 31 MARCH 2023

Directors' Interests in Ordinary Shares

	Direct Interest		Deemed Interest	
Name	**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	-	-	-	-
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 TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting ("12th 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, 15 June 2023 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 2022 together with the Reports of the Directors and Auditors thereon.

2. To declare and approve the payment of a final single tier cash dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2022. Resolution 1

3. 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. Tan Sri Lim Siew Choon Resolution 2

   (b) Y. Bhg. Dato' Ng Sooi Lin Resolution 3

   (c) Mr. Ng Soon Lai @ Ng Siek Chuan Resolution 4

4. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 5

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:

5. **Payment of Directors' fees**

   "THAT the Directors' fees for the period from 16 June 2023 until the next Annual General Meeting ("AGM") of the Company to be held in 2024, be and is hereby approved for payment." Resolution 6

6. **Payment of Directors' benefits**

   "THAT the Directors' benefits (excluding Directors' fees) for the period from 16 June 2023 until the next AGM of the Company to be held in 2024, be and is hereby approved for payment." Resolution 7

7. **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 8

NOTICE OF TWELFTH ANNUAL GENERAL MEETING
cont'd

8. **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 27 April 2023 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 9

9. **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 2022;

NOTICE OF TWELFTH 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 10

10. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN that a final single tier cash dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2022, if approved at the 12th AGM of the Company, will be payable on 17July 2023.

The entitlement date shall be fixed on 30 June 2023 and a Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 30 June 2023 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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
27 April 2023

NOTICE OF TWELFTH ANNUAL GENERAL MEETING
cont'd

NOTES:

A. VIRTUAL ANNUAL GENERAL MEETING

1. The Company's 12th 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 12th AGM, which is available at this link https://www.wct.com.my/12thAGM/, in order to register, participate and vote at the 12th AGM of the Company remotely via the RPEV facilities.

2. Shareholders who have duly registered online to participate in the 12th 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 12th AGM of the Company remotely. Shareholders may use the query box facility to submit questions in real time during the 12th AGM or e-mail questions to enquiries@wct.my prior to the meeting.

3. The Broadcast Venue of the 12th 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 12th 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 12th 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 email to bsr.helpdesk@boardroomlimited.com or via the BoardRoom Smart Investor Portal at https://investor.boardroomlimited.com before 10.00 a.m. on 14 June 2023. 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.

C. AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING
cont'd

D. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolutions 6 and 7

The proposed Ordinary Resolutions 6 and 7, 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 16 June 2023 until the next AGM of the Company to be held in 2024, 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)	-

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 12th 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 6 and 7 are passed at the 12th 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.

Resolution 8

The proposed Ordinary Resolution 8, 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 2022.

The proposed Ordinary Resolution 8 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 9

The proposed Ordinary Resolution 9, 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 27 April 2023 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.

Resolution 10

The proposed Ordinary Resolution 10, 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 27 April 2023.

NOTICE OF TWELFTH ANNUAL GENERAL MEETING
cont'd

E. STATEMENT ACCOMPANYING NOTICE OF 12TH AGM
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- **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 12th AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No, 2, 3 and 4 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 Malaysia Securities Berhad**

  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 8 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 12th AGM, the Company will obtain a General Meeting Record of Depositors as at 9 June 2023 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 12th AGM of the Company.

A copy of the Annual Report 2022, Circular to Shareholders, Notice of 12th AGM, Proxy Form, Administrative Details and Request Form are available for download at this link
https://www.wct.com.my/12thAGM/

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 Twelfth 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, 15 June 2023 at 10.00 a.m. or at any adjournment thereof in the manner indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To approve the final cash dividend for the financial year ended 31 December 2022.		
2	To re-elect Y. Bhg. Tan Sri Lim Siew Choon as Director of the Company.		
3	To re-elect Y. Bhg. Dato' Ng Sooi Lin as Director of the Company.		
4	To re-elect Mr. Ng Soon Lai @ Ng Siek Chuan as Director of the Company.		
5	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company.		
6	To approve the payment of Directors' fees.		
7	To approve the payment of Directors' benefits.		
8	To authorise the Allotment of New Shares and Waiver of Pre-emptive Rights.		
9	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions.		
10	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 ______________ 2023

No. of Ordinary Shares Held

____
Signature(s)/Common Seal of member(s)

Fold This Flap For Sealing

Notes:

A. VIRTUAL ANNUAL GENERAL MEETING

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3. If a member entitled to attend and vote at the meeting is not able to personally participate in the 12th 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 12th 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 email to bsr.helpdesk@boardroomlimited.com or via the BoardRoom Smart Investor Portal at https://investor.boardroomlimited.com before 10.00 a.m. on 14 June 2023. 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

Tel : +(603) 7806 6688
Fax : +(603) 7806 6610
Email : enquiries@wct.my