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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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WCT Holdings Berhad

(201101002327 / 930464-M)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

Part A

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Part B

STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The above proposals will be tabled as Special Business at the Company's Ninth Annual General Meeting ("9th AGM") to be conducted via a fully virtual meeting to be broadcast from the Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 5 August 2020 at 10.00 a.m. or any adjournment thereof. No physical general meeting with shareholders will be conducted by the Company.

The Notice of 9th AGM and the Form of Proxy are set out in the Annual Report 2019 of the Company. The completed Form of Proxy enclosed in the Company's Annual Report 2019 must be deposited at the Company's Share Registrar's office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or to submit the Form of Proxy electronically via Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my> on or before the date and time indicated below. Please refer to the procedures provided in the Administrative Details for the 9th AGM, which is available at this link <https://www.wct.com.my/9thAGM/>.

Last date and time for lodging the Form of Proxy: 4 August 2020, Tuesday, at 10.00 a.m.

Date and time of the 9th AGM: 5 August 2020, Wednesday, at 10.00 a.m.

Broadcast Venue of 9th AGM: Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm,
No. 1, Jalan SS7/26A, Kelana Jaya,
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/Statement:-

Act	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of WCT
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
Circular	:	Circular to shareholders of WCT dated 26 June 2020
Code	:	Malaysian Code on Take-Overs and Mergers, 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisition and any amendments made from time to time
Director(s)	:	A person defined in Section 2 (1) of the Capital Markets and Services Act, 2007 and for the purposes of Recurrent Related Party Transactions includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Director or a chief executive officer of the Company, its subsidiaries or holding company
Dato' LTF	:	Dato' Lee Tuck Fook
EPS	:	Earnings per share
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
LPD	:	29 May 2020, being the latest practicable date prior to the printing of this Circular/Statement
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of those shares is:-</p> <p>a) 10% or more of the aggregate of all the voting shares in the Company; or</p> <p>b) 5% or more of the aggregate of all the voting shares in the Company where such a person is the largest shareholder of the Company,</p> <p>including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company as defined above or any other company which is its subsidiary or holding company</p> <p>For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act</p>
NA	:	Net assets
Person(s) Connected	:	Person(s) connected with a Director or Major Shareholder as defined in Chapter 1.01 of the Listing Requirements

Proposed Renewal of Share Buy-back Authority	:	Proposed renewal of authority to purchase the Company's own shares for up to ten per cent (10%) of its total number of issued and paid-up ordinary shares at any point of time
Proposed Renewal of RRPT Mandate	:	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions as specified in Section 2, Part A of this Circular to be entered into by the WCT Group from the date of the forthcoming AGM until the conclusion of the next AGM of the Company
Purchased Shares	:	Any WCT Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-back Authority
Related Party or Related Parties	:	A Director, a Major Shareholder or Person(s) Connected
Recurrent Related Party Transactions or RRPT	:	Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for WCT Group's day-to-day operations and are entered into in the ordinary course of business
RM	:	Ringgit Malaysia
RRPT Contracts from Related Parties	:	Has the meaning as described in Section 2.5(i), Part A of the Circular
RRPT Contracts to Related Parties	:	Has the meaning as described in Section 2.5(ii), Part A of the Circular
Statement	:	Statement to shareholders of WCT in relation to the Proposed Renewal of Share Buy-back Authority
Substantial Shareholders	:	Has the meaning given in Section 136 of the Act
Tan Sri LSC	:	Tan Sri Lim Siew Choon
WCT or the Company	:	WCT Holdings Berhad (201101002327 / 930464-M)
WCT Group or the Group	:	WCT and its subsidiaries, collectively
WCT Share(s) or the Shares	:	Ordinary share(s) of WCT
WCTB	:	WCT Berhad (198101000433/66538-K), a wholly-owned subsidiary of the Company

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WCT Holdings Berhad

(201101002327 / 930464-M)
(Incorporated in Malaysia)

Registered Office

B-30-01, The Ascent, Paradigm
No. 1, Jalan SS7/26A
Kelana Jaya, 47301 Petaling Jaya
Selangor Darul Ehsan

26 June 2020

Board of Directors

Tan Sri Lim Siew Choon (*Executive Chairman*)
Dato' Lee Tuck Fook (*Group Managing Director*)
Goh Chin Liong (*Deputy Managing Director*)
Liang Kai Chong (*Executive Director*)
Tan Sri Marzuki Bin Mohd Noor (*Independent Non-Executive Director*)
Datuk Ab Wahab Bin Khalil (*Independent Non-Executive Director*)
Dato' Ng Sooi Lin (*Independent Non-Executive Director*)
Ng Soon Lai @ Ng Siek Chuan (*Independent Non-Executive Director*)
Rahana Binti Abdul Rashid (*Independent Non-Executive Director*)

To: The Shareholders of WCT Holdings Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the 8th AGM of WCT held on 12 June 2019, the shareholders, had inter-alia, granted a mandate for the WCT Group to enter into Recurrent Related Party Transactions with the Related Parties. The shareholders' mandate conferred at the 8th AGM shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 9th AGM unless renewed by an ordinary resolution passed by the shareholders.

On 16 March 2020, the Board announced its intention to seek the approval from the Company's shareholders for the Proposed Renewal of RRPT Mandate.

The purpose of Part A of this Circular is to provide you with the relevant information on the Proposed Renewal of RRPT Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of RRPT Mandate to be tabled at the forthcoming 9th AGM. The notice of the forthcoming 9th AGM and Form of Proxy are enclosed in the Company's Annual Report 2019.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF RRPT MANDATE.

2. DETAILS OF THE PROPOSED RENEWAL OF RRPT MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek its shareholders' mandate in respect of Recurrent Related Party Transactions subject to the following:

- (a) the transactions are in the ordinary course of business of the Group and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) 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 where the aggregate value is equal to or more than the threshold prescribed below:
 - (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
 - (ii) the percentage ratio of such Recurrent Related Party Transactions is 1% or more;whichever is higher;
- (c) the issuance of a circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information when submitting the circular to Bursa Securities;
- (d) in a meeting to obtain the shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected must not vote on the resolution approving the Recurrent Related Party Transactions; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the Recurrent Related Party Transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the Recurrent Related Party Transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Group exceeds the estimated value of the Recurrent Related Party Transactions disclosed in this Circular by 10% or more (where applicable) and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Validity Period of the Proposed Renewal of RRPT Mandate

The authority to be conferred pursuant to the Proposed Renewal of RRPT Mandate, if approved by the shareholders at the forthcoming AGM, shall take effect from the date of passing the ordinary resolution at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the resolution for the Proposed Renewal of RRPT Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;

- (b) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

Thereafter, if the Board decides that further renewal of such shareholders' mandate is required, shareholders' approval for the further renewal will be sought at each subsequent AGM of the Company.

Disclosures will be made in the annual report of the Company of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and in the annual reports for the subsequent financial year during which the shareholders' mandate is in force in the manner prescribed under the Listing Requirements based on the following information:

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

2.3 Classes of Related Parties

The Proposed Renewal of RRPT Mandate will apply to the following classes of Related Parties:

- (i) Directors;
- (ii) Major Shareholders; and
- (iii) Persons Connected.

2.4 Principal Business Activities of the WCT Group

The principal activities of WCT are investment holding and provision of management services to its subsidiaries. The principal activities of the WCT Group can be broadly categorised under the following:

- (i) Engineering & construction;
- (ii) Property development; and
- (iii) Property investment and management.

It is envisaged that, in the normal course of WCT Group's businesses, transactions of a revenue or trading nature between companies in WCT Group and the Related Parties, which are necessary for their day-to-day operations, will continue to occur.

2.5 Details of the Recurrent Related Party Transactions under the Proposed Renewal of RRPT Mandate

The Recurrent Related Party Transactions which are covered under the Proposed Renewal of RRPT Mandate comprise mainly the provision of construction and project management or construction related services by the WCT Group to the Related Parties and the receipt of such services by the WCT Group from the Related Parties.

In the course of the WCT Group's businesses, it is anticipated that:

- (i) the WCT Group may be awarded construction contracts by and/or may provide project management or construction-related services to certain companies or entities in which the Related Parties may have interests, directly or indirectly ("**RRPT Contracts from Related Parties**"); and
- (ii) the WCT Group may award construction contracts to and/or may procure any project management or construction-related services from certain companies or entities in which the Related Parties may have interests, directly or indirectly ("**RRPT Contracts to Related Parties**").

In this regard, the Proposed Renewal of RRPT Mandate, if approved, will facilitate such transactions between the WCT Group and the Related Parties that may arise in the normal course of operations of the WCT Group in a more expeditious manner.

The Recurrent Related Party Transactions which fall under the Proposed Renewal of RRPT Mandate shall comprise of the following:

Nature of Recurrent Related Party Transactions	Related Parties	Relationship	Interested Directors/ Major Shareholders/ Persons Connected	Proposed Renewal of Mandate	Existing Mandate	
				Estimated value from the date of the forthcoming 9 th AGM in 2020 to the date of next AGM in 2021 ⁽¹⁾	Estimated value of transaction approved at the 8 th AGM in 2019	Actual transacted value since the 8 th AGM in 2019 till LPD date
(A) RRPT Contracts from Related Parties						
Provision of construction, project management and construction related services by the WCT Group to the Related Parties	Related Parties which undertake property development, construction and/or project management or construction related services	Deemed as Related Parties by virtue of Tan Sri LSC and/or Dato' LTF having directorships or direct/indirect substantial shareholdings in the contracting Related Parties	Tan Sri LSC and Dato' LTF	Up to RM2.0 billion	Up to RM3.0 billion	RM1.2 ⁽²⁾ billion
(B) RRPT Contracts to Related Parties						
Provision of construction, project management and construction related services by the Related Parties to the WCT Group	Related Parties which provide construction and/or property management and construction related services	Deemed as Related Parties by virtue of Tan Sri LSC and/or Dato' LTF having directorships or direct/indirect substantial shareholdings in the contracting Related Parties	Tan Sri LSC and Dato' LTF	Up to RM1.0 billion	Up to RM1.0 billion	Nil

Notes:

- (1) The transaction values are estimated based on the information available at the point of estimation on projection of construction and properties works to be carried out in the coming year after taking into consideration the prevailing market rates and demand. Due to the nature of the transactions, the actual transacted value may vary from, exceed or be lower than the estimated aggregate value shown above.
- (2) On 19 March 2020, WCTB has accepted the award of a building construction contract from Jendela Mayang Sdn Bhd (a company in which Tan Sri LSC is a substantial shareholder and director) for a contract sum of approximately RM1.2 billion.

2.5.1 For the RRPT Contracts awarded by the Related Party, the amount due and/or owing to the WCT Group by the Related Party as at the end of the financial year ended 31 December 2019 is set out below:

Related Party	RRPT Contract	Amount owing to WCT Group
Impian Ekspresi Sdn Bhd	Pavilion Damansara Heights Project – Parcel 1 (Superstructures Works)	NIL
Domain Resources Sdn Bhd	Pavilion Bukit Jalil Mall – Sub-contract (Package 33A & 33B)	RM74,728-00

The amount owing from Domain Resources Sdn Bhd set out above is within the credit period of WCT Group therefore no late payment fee is chargeable.

2.6 Review and Approving Procedures for Recurrent Related Party Transactions

The WCT Group has established internal review and approving procedures to ensure the Recurrent Related Party Transactions are entered into on an arm's length basis which are not more favourable than those transacted with the public or third parties and are not detrimental to the interest of the minority shareholders of the Company summarised as follows:

(i) RRPT Contracts from Related Parties

Any tender, quotation or contract proposed to be submitted/entered into to/with the Related Parties shall be subject to the following policies and procedures:

- (a) The pricing for the contracts to be tendered by and/or services to be provided by the WCT Group to the Related Parties is determined in accordance with the Group's normal business practices and policies, consistent with the usual profit margin which would have been earned for the same or substantially similar type of transactions entered into by the WCT Group with unrelated third parties after adjusting for the then prevailing market conditions, the nature and complexity of the contract works and/or services required by the Related Parties; and
- (b) Where applicable, practical and feasible, the terms and pricing for at least 2 other contemporaneous or comparable transactions with unrelated third parties for similar contract works, services and/or quantities will be used as comparison to determine whether the price and terms offered to the Related Parties are fair and reasonable and comparable to those offered to the unrelated third parties for the same or substantially similar type of contract works, services and/or quantities.

(ii) RRPT Contracts to Related Parties

Any award letters or contract proposed to be executed with the Related Parties shall be subject to the following policies and procedures:

- (a) The pricing for the contracts to be awarded to the Related Parties and/or for services to be provided by the Related Parties to the WCT Group is determined in accordance with the Group's normal business practices and policies, consistent with the usual profit margin which would have been accorded for the same or substantially similar type of transactions involving unrelated third parties after adjusting for the then prevailing market conditions, the nature and complexity of the contract works and/or services required to be provided by the Related Parties; and
 - (b) Where applicable, practical and feasible, the terms and pricing for at least 2 other contemporaneous or comparable transactions with unrelated third parties for similar contract works, services and/or quantities will be used as comparison to determine whether the price and terms offered by the Related Parties are fair and reasonable and comparable to those offered by the unrelated third parties for the same or substantially similar type of contract works, services and/or quantities.
- (iii) The award of construction and/or project management or construction related services contracts to/by the Related Parties shall only be offered/accepted by the WCT Group after obtaining the approval of the Board of the Company with prior review by the Audit Committee. The interested Directors shall abstain from all deliberations and approval at all the relevant Board meeting. There is no specific threshold for approval for such RRPT as all of these transactions are subject to the approval of the Board of the Company with prior review by the Audit Committee.
 - (iv) All RRPT will be recorded in a register to be maintained by the Company Secretary. In the event where the actual value of the RRPT exceeds the estimated value by 10% or more, such RRPT and the reasons for such deviation will be immediately announced by the Company via Bursa Securities.
 - (v) The Audit Committee will undertake the following annual review (or as and when necessary):
 - (a) To ascertain whether the established guidelines and procedures for the RRPT have been complied with; and
 - (b) To ascertain whether the established guidelines and procedures for the RRPT have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or prejudice the interests of shareholders generally.
 - (vi) The Internal Auditors will conduct reviews on the RRPT to ensure that the review and approving procedures pertaining to the transactions are adhered to. Any divergence will be reported by the Internal Auditors to the Audit Committee and the Board accordingly.
 - (vii) Should the Audit Committee during its review form an opinion that the RRPT are not being conducted in accordance with the established guidelines and procedures or are not being conducted on an arm's length basis or on normal commercial terms, or are detrimental to the interests of shareholders, the Board will be advised to take the necessary actions to remedy the non-compliance, including to convene a general meeting of shareholders to seek shareholders' approval for the RRPT, if deemed necessary.

2.7 Statement by the Audit Committee

The Audit Committee of the Company has seen and reviewed the guidelines and procedures as mentioned in Section 2.6 above and is of the view that the terms of the said guidelines and procedures established are sufficient to ensure that the RRPT entered into by the Group can be conducted in a manner which is not more favourable to the Related Parties than those generally available to the public or third parties and are not to the detriment of the minority shareholders of the Company.

The Audit Committee of the Company is also of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner.

3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF RRPT MANDATE

In the ordinary course of business of the WCT Group, the Group may engage in RRPT Contracts from Related Parties, which include entering into certain construction contracts with or provide project management or construction related services to certain companies/entities which are involved in construction projects and/or property development activities which are deemed as Related Parties.

In addition to such RRPT Contracts from Related Parties, the property development subsidiaries of the WCT Group may also consider entering into transactions relating to RRPT Contracts to Related Parties, which entail engaging the construction and/or project management or construction related services of certain companies/entities which are deemed as Related Parties.

Where such contracting companies/entities are deemed as Related Parties, such RRPT Contracts from Related Parties and RRPT Contracts to Related Parties are therefore regarded as related party transactions. Accordingly, the Company would be required to, amongst others, make public announcements and/or, where applicable, seek its shareholders' approval before entering into such related party transactions in compliance with Chapter 10 of the Listing Requirements.

As these transactions may likely recur from time to time, it would not be practical for the Company to convene general meetings to approve such transactions on a frequent basis. The entering of such contracts with the Related Parties would also be constrained by the requirement to make announcements as it would not be practical for details of the contracts to be made public due to confidentially undertakings. Further, it would also compromise the competitiveness of our Group as a contractor or project manager if details of such contracts are made publicly available.

As long as the RRPT are entered into by the Group based on arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public or third parties, the entering into such RRPT Contracts from Related Parties would benefit the Group as it would further enhance the construction order book of the Group and its earnings base.

Where the pricing and terms offered by the Related Parties for the RRPT Contracts to Related Parties are on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public or third parties, the entering into such RRPT Contracts to Related Parties by the WCT Group, provides the Group with an alternative option to engage certain Related Parties as contractors and/or project management service providers which are also capable and competent, in addition to the Group's existing panel of third party contractors and service providers.

The Proposed Renewal of RRPT Mandate, if approved at the forthcoming AGM, would allow our Group to enter into such RRPT with the Related Parties without the need to make any public announcements and/or convene general meetings to approve such transactions whenever such transactions arise from time to time, thereby reducing the administrative time, efforts and costs associated with convening of such general meetings.

4. CONDITION FOR THE PROPOSED RENEWAL OF RRPT MANDATE

The Proposed Renewal of RRPT Mandate is conditional upon approval being obtained from the shareholders of WCT at the forthcoming 9th AGM.

No other regulatory approvals are required for the Proposed Renewal of RRPT Mandate.

5. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

Tan Sri LSC is the Executive Chairman and a Major Shareholder of WCT and Dato' LTF is the Group Managing Director of WCT. Currently, both of them sit on the boards and/or holds equity interests in certain public and private limited companies which are involved in construction and property development activities, which may enter into the RRPT Contracts from Related Parties and/or RRPT Contracts to Related Parties with the WCT Group.

As such, Tan Sri LSC and Dato' LTF are deemed interested in the Proposed Renewal of RRPT Mandate and have accordingly abstained and will continue to abstain from deliberating and voting at all the relevant Board meetings of WCT in relation to the Proposed Renewal of RRPT Mandate.

Tan Sri LSC and Dato' LTF shall undertake to abstain from voting in respect of their direct and indirect shareholdings (if any) in WCT on the resolution pertaining to the Proposed Renewal of RRPT Mandate to be tabled at the forthcoming AGM of the Company.

Tan Sri LSC undertakes to ensure that the Persons Connected to him (including Dominion Nexus Sdn Bhd and Legacy Pacific Limited) will abstain from voting in respect of their direct and indirect shareholdings in WCT on the resolution pertaining to the Proposed Renewal of RRPT Mandate. In addition, Dato' LTF also undertakes to ensure that any Persons Connected to him will abstain from voting in respect of their direct and indirect shareholdings in WCT on the resolution pertaining to the Proposed Renewal of RRPT Mandate.

Save as disclosed above, none of the other Directors, Major Shareholder and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of RRPT Mandate.

The shareholdings of the aforementioned interested Directors and Major Shareholders of WCT as at LPD are set out below:

Name	Direct interest		Indirect interest	
	No of shares	%	No of shares	%
Tan Sri LSC	83,065,146	5.95	252,151,827	18.06 ⁽¹⁾
Dato' LTF	-	-	-	-
Legacy Pacific Limited	-	-	252,151,827	18.06 ⁽¹⁾
Dominion Nexus Sdn Bhd	252,151,827	18.06	-	-

Note:

⁽¹⁾ Deemed interested pursuant to Section 8 of the Act.

6. OPINION AND RECOMMENDATION FROM THE DIRECTORS

The Board (save for Tan Sri LSC and Dato' LTF), having taken into consideration all aspects of the Proposed Renewal of RRPT Mandate, is of the opinion that the Proposed Renewal of RRPT Mandate is in the best interest of the Company and its shareholders.

Accordingly, the Board (save for Tan Sri LSC and Dato' LTF who have abstained from all deliberation and recommendation in respect of the Proposed Renewal of RRPT Mandate) recommends that you vote in favour of the resolution in respect of the Proposed Renewal of RRPT Mandate at the forthcoming 9th AGM.

7. AGM

The 9th AGM of the Company will be conducted via a fully virtual meeting to be broadcast from the Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Wednesday, 5 August 2020 at 10.00 a.m or any adjournment thereof for the purpose of, amongst others, considering and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Renewal of RRPT Mandate. No physical general meeting with shareholders will be conducted by the Company.

Shareholders may attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 9th AGM of the Company via the Remote Participation and Voting facilities provided by Boardroom Share Registrars Sdn. Bhd. via its online website at <https://web.lumiagm.com/>.

If you are unable to participate at the 9th AGM, you may appoint a proxy to participate on your behalf by completing the Form of Proxy enclosed in the Company’s Annual Report 2019 in accordance with the instructions printed therein and depositing the same at the Company’s Share Registrar’s office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or submitting it electronically via Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my>, as soon as possible before 10.00 a.m. on 4 August 2020. Please refer to the procedures provided in the Administrative Details for the 9th AGM, which are available at this link <https://www.wct.com.my/9thAGM/>.

8. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully,
For and on behalf of the Board
WCT HOLDINGS BERHAD

Tan Sri Marzuki Bin Mohd Noor
Senior Independent Non-Executive Director



WCT Holdings Berhad

(201101002327 / 930464-M)
(Incorporated in Malaysia)

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the 8th AGM of WCT held on 12 June 2019, a shareholders' mandate was obtained for the Company to purchase up to 10% of its total number of issued and paid-up ordinary share in the Company. Pursuant to the Listing Requirements, the said mandate shall lapse at the conclusion of the forthcoming 9th AGM unless renewed by an ordinary resolution passed by the shareholders.

The Board had on 16 March 2020 announced that the Company intends to seek its shareholders' approval at the forthcoming 9th AGM for the Proposed Renewal of Share Buy-back Authority.

The purpose of this Statement is to provide the relevant information and to seek the approval of the shareholders of WCT for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-back Authority to be tabled at the forthcoming 9th AGM.

The notice of the forthcoming 9th AGM and the Form of Proxy are enclosed in the Company's Annual Report 2019.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The maximum number of WCT Shares that may be bought back by the Company is 10% of the Company's total number of issued and paid-up ordinary shares at any point of time during the tenure of validity of the Proposed Renewal of Share Buy-back Authority, subject to compliance with the Act, Listing Requirements and any prevailing rules and regulations issued by the relevant authorities at the time of the purchase.

(a) Quantum

Under the Proposed Renewal of Share Buy-back Authority, the Board is seeking the authority to purchase up to 141,815,047 WCT Shares representing approximately 10% of the total of 1,418,150,471 WCT Shares as at LPD (inclusive of 22,307,958 WCT Shares already purchased and retained as treasury shares as at LPD).

The actual number of WCT Shares which may be purchased pursuant to the Proposed Renewal of Share Buy-back Authority and the total amount of funds involved will depend on, inter-alia, the market conditions, the availability of financial resources and the retained profits of the Company.

(b) **Funding**

The WCT Shares to be purchased under the Proposed Renewal of Share Buy-back Authority are intended to be financed through internally generated funds of the Company. The actual amount to be utilised will depend on the number of WCT Shares to be purchased, the prevailing market prices of WCT Shares and the availability of funds at the time of purchase.

The maximum amount of funds to be utilised by the Company for the Proposed Renewal of Share Buy-back Authority will not exceed the retained profits of the Company. Based on the latest audited financial statements of WCT for the financial year ended 31 December 2019, the audited retained profits of the Company as at 31 December 2019 amounted to RM230,756,925-26.

(c) **Purchase Price**

In compliance with the Listing Requirements, the Company may only purchase WCT Shares on Bursa Securities at a price which is not more than fifteen per cent (15%) above the weighted average market price of WCT Share for the five (5) market days immediately preceding the date of the purchase.

(d) **Treatment of Purchased Shares**

The Board may deal with the Purchased Shares in accordance with Section 127 of the Act in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares for distribution as dividends to the shareholders of the Company and/or resell on Bursa Securities in accordance with the rules of Bursa Securities and/or cancel subsequently; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

An immediate announcement will be made to Bursa Securities upon each purchase, resale and/or cancellation of WCT Shares pursuant to the Proposed Renewal of Share Buy-back Authority.

The Board had on 26 February 2020 announced a proposed share dividend for the financial year ended 31 December 2019 to the shareholders of the Company on the basis of one (1) treasury shares for every one hundred (100) existing ordinary shares held in the Company.

(d) **Resale / Transfer Price**

In the case of resale or transfer of the Purchased Shares pursuant to Section 127 of the Act, the Company may only resell or transfer the Purchased Shares on Bursa Securities at:

- (i) a price which is not less than the weighted average market price of WCT Shares for the five (5) market days immediately preceding the resale or transfer; or
- (ii) a discount not more than 5% to the weighted average market price of WCT Shares for the five (5) market days immediately preceding the resale or transfer provided that:
 - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of WCT Shares being resold or transferred.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-back Authority will enable the Company to utilise its surplus financial resources which is not immediately required for other uses, to purchase its own shares. Such share buy-back is also expected to stabilise the supply and demand as well as the market prices of WCT Shares.

If the Purchased Shares are held as treasury shares and subsequently resold on Bursa Securities at a higher price, there may be a potential gain without affecting the total issued and paid up shares in the Company. Alternatively, the treasury shares may be distributed as share dividends which would serve to reward the shareholders of the Company.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES

The potential advantages of the Proposed Renewal of Share Buy-back Authority are as follows:

- (i) If the Purchased Shares are subsequently cancelled, it is expected to enhance the EPS of the Company and therefore may benefit the shareholders of the Company.
- (ii) It allows the Company flexibility in attaining its desired capital structure.
- (iii) It will provide opportunity for the Company to improve its financial resources if the Purchased Shares are subsequently resold at prices higher than the purchase prices.

The potential disadvantages of the Proposed Renewal of Share Buy-back Authority are as follows:

- (i) The Proposed Renewal of Share Buy-back Authority will reduce the amount of financial resources available for distribution to the shareholders of the Company and may result in the Group having to forgo other investment opportunities that may emerge in the future, or deprive the Company and the Group of interest income that could have been earned on the funds which are utilised for any share buy-back.
- (ii) The working capital of the Group may also be affected, as any purchase of WCT Shares will reduce the Group's cash flow. However, the financial resources of the Group may be replenished if the WCT Shares so purchased and held as treasury shares are later resold in the open market.

The Board will be mindful of the interest of the Company, the Group and the shareholders in implementing any share buy-back under the Proposed Renewal of Share Buy-back Authority and the subsequent resale of the Purchased Shares.

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The financial effects of the Proposed Renewal of Share Buy-back Authority are as set out below:

(a) Share capital

The total number of issued and paid-up ordinary shares in WCT will reduce if the Purchased Shares are subsequently cancelled.

The proforma effect of the share buy-back under the Proposed Renewal of Share Buy-back Authority on the share capital of the Company assuming WCT buys back and subsequently cancels up to 10% of the issued WCT Shares as at LPD is as follows:

	Number of WCT Shares
As at LPD	1,418,150,471
Share purchased up to 10% of the total number of issued shares pursuant to the Proposed Renewal of Share Buy-back Authority and cancelled	(141,815,047)
After cancellation of the Purchased Shares under the Proposed Renewal of Share Buy-back Authority	1,276,335,424

The Proposed Renewal of Share Buy-back Authority will not have any effect on the issued and paid-up ordinary share capital of the Company if the Purchased Shares are not cancelled but retained as treasury shares, are subsequently resold or are distributed to the shareholders as share dividends. However, the rights attaching to all the Purchased Shares in relation to voting, dividends and participation in any other distributions will be suspended whilst they are held as treasury shares.

(b) **Earnings**

If the Purchased Shares are retained as treasury shares or cancelled subsequently, the number of shares applied in calculation of the EPS will be reduced, and accordingly the consolidated EPS of the Company should effectively be higher.

However, the effect of any share buy-back under the Proposed Renewal of Share Buy-back Authority on the EPS of the Group will depend on the actual purchase prices and the number of shares purchased, the effective cost of funding, or loss in interest income to the Group or opportunity cost in relation to other investment opportunity. If the shares so purchased are treated as treasury shares and subsequently resold, the extent of the effect on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain/loss arising therefrom.

(c) **NA**

For Purchased Shares which are retained as treasury shares, upon resale, the NA of the Company may increase or decrease depending on whether there is a gain or loss arising therefrom respectively. The quantum of the increase or decrease in NA will depend on the actual purchase price and selling price of the treasury shares and the number of treasury shares resold.

If the Purchased Shares are subsequently cancelled, it will reduce the NA per share of the Company if the purchase price exceeds the audited NA per share of the Company at the relevant point in time and will increase the NA per share of the Company if the purchase price is less than the audited NA per share of the Company at the relevant point in time.

(d) **Working capital**

Any share buy-back under the Proposed Renewal of Share Buy-back Authority is likely to reduce the working capital of the Group, the quantum of which will depend on the purchase price, the actual number of shares bought back and any associated costs incurred in making the purchase.

For shares so purchased which are kept as treasury shares, upon resale, the working capital of the Company may be replenished. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

(e) **Dividends**

Any share buy-back under the Proposed Renewal of Share Buy-back Authority may reduce the funds which would otherwise be available for payment of cash dividend in the future.

Nevertheless, the Purchased Shares which are held as treasury shares may be distributed as share dividends to the entitled shareholders of the Company in lieu of cash dividends.

(f) **Shareholdings of Directors and Substantial Shareholders**

The proforma effects of any share buy-back under the Proposed Renewal of Share Buy-back Authority on the percentage of the shareholdings of the Directors and Substantial Shareholders of WCT based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at LPD respectively, and assuming the share bought back under the Proposed Renewal of Share Buy-back Authority is carried out in full and cancelled, are set out in Table 1 and 2 below:-

	As at LPD				After the 10% share bought back and cancelled under the Proposed Renewal of Share Buy-back Authority			
	Direct		Indirect		Direct		Indirect	
	Number of WCT Shares held	%	Number of WCT Shares held	%	Number of WCT Shares held	%	Number of WCT Shares held	%
Tan Sri Lim Siew Choon	83,065,146	5.95	252,151,827	18.06 ⁽¹⁾	83,065,146	6.51	252,151,827	19.75 ⁽¹⁾
Dato' Lee Tuck Fook	-	-	-	-	-	-	-	-
Goh Chin Liong	14,653,471	1.05	-	-	14,653,471	1.15	-	-
Liang Kai Chong	3,847,783	0.27	272,166	0.02 ⁽²⁾	3,847,783	0.30	272,166	0.02 ⁽²⁾
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	-	-	-	-	-	-	-	-

SUBSTANTIAL SHAREHOLDERS	As at LPD				After the 10% share bought back and cancelled under the Proposed Renewal of Share Buy-back Authority			
	Direct		Indirect		Direct		Indirect	
	Number of WCT Shares held	%	Number of WCT Shares held	%	Number of WCT Shares held	%	Number of WCT Shares held	%
Tan Sri Lim Siew Choon	83,065,146	5.95	252,151,827	18.06 ⁽¹⁾	83,065,146	6.51	252,151,827	19.75 ⁽¹⁾
Legacy Pacific Limited	-	-	252,151,827	18.06 ⁽¹⁾	-	-	252,151,827	19.75 ⁽¹⁾
Dominion Nexus Sdn Bhd	252,151,827	18.06	-	-	252,151,827	19.75	-	-
AmanahRaya Trustees Berhad	80,881,625	5.79	-	-	80,881,625	6.34	-	-

Notes:

(1) Deemed interested pursuant to Section 8 of the Companies Act, 2016.

(2) Indirect interest held through spouse.

(3) The percentage shareholding as at LPD was computed after excluding 22,307,958 treasury shares.

6. WCT SHARES PURCHASED IN THE PREVIOUS TWELVE (12) MONTHS

Save as disclosed below, the Company has not purchased any of its issued shares from the open market in the preceding twelve (12) months up to the LPD:

Date of Purchase	Number of WCT Shares Purchased	Minimum price paid (RM)	Maximum price paid (RM)	Average price paid (RM)	Total consideration (RM)
11.02.2020	420,000	0.690	0.700	0.6937	291,750.24
12.02.2020	430,000	0.690	0.700	0.6957	299,557.85
13.02.2020	217,800	0.690	0.700	0.6946	151,489.63
18.02.2020	660,000	0.755	0.765	0.7604	502,546.53
19.02.2020	1,400,000	0.755	0.770	0.7651	1,072,596.76
20.02.2020	1,320,000	0.750	0.770	0.7561	999,409.35
21.02.2020	1,335,000	0.740	0.755	0.7491	1,001,408.57
24.02.2020	690,000	0.715	0.725	0.7189	496,715.62
17.03.2020	1,000,000	0.340	0.355	0.3495	349,975.32
19.03.2020	4,000,000	0.250	0.275	0.2547	1,020,185.57
20.03.2020	2,650,000	0.290	0.310	0.2970	788,120.39

As at the LPD, there are 22,307,958 WCT Shares held as treasury shares. There was no transfer, resale or cancellation of any treasury shares in the preceding twelve (12) months and up to the LPD.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of WCT Shares as traded on Bursa Securities for the past twelve (12) months from May 2019 to April 2020 are as follows:

Month	High (RM)	Low (RM)
2019		
May	1.100	0.870
June	1.090	0.925
July	1.220	1.060
August	1.170	0.970
September	0.985	0.865
October	0.970	0.870
November	0.930	0.840
December	0.910	0.805
2020		
January	0.875	0.755
February	0.780	0.645
March	0.685	0.245
April	0.525	0.365

The last transacted price of WCT Shares on LPD : RM0.535

8. IMPLICATIONS OF THE CODE

It is the intention of the Board to implement any share buy-back under the Proposed Renewal of Share Buy-back Authority in a manner that will not result in any of the shareholders of the Company having to undertake a mandatory take-over offer pursuant to the Code.

Based on Section 5(f) above, no substantial shareholder(s) are expected to trigger an obligation to undertake a mandatory offer assuming the Company fully purchases up to 10% of its issued shares pursuant to the Proposed Renewal of Share Buy-back Authority.

9. PUBLIC SHAREHOLDING SPREAD

As at LPD, the Company had a total of 1,418,150,471 WCT Shares in issue and its public shareholding spread stood at approximately 69%. Assuming the Company purchases up to 141,815,047 WCT Shares under the Proposed Renewal of Share Buy-back Authority and retains them as treasury shares, and assuming the number of Shares held by the substantial shareholders, Directors and persons connected with the substantial shareholders and/or Directors remain unchanged, the public shareholding spread of the Company would have been reduced to approximately 66% on a pro-forma basis which is still in compliance with the minimum public shareholding spread requirement of 25%.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company and/or persons connected with them, have any interest, direct or indirect, in the Proposed Renewal of Share Buy-back Authority.

11. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-back Authority, is of the opinion that the Proposed Renewal of Share Buy-back Authority is in the best interest of the Company and accordingly, amongst others, the Board recommends that you vote in favour of the ordinary resolution for the Proposed Renewal of Share Buy-back Authority to be tabled at the forthcoming 9th AGM.

12. AGM

The 9th AGM of the Company will be conducted via a fully virtual meeting to be broadcast from the Meeting Room, Level 3, New World Petaling Jaya Hotel, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, on Wednesday, 5 August 2020 at 10.00 a.m or any adjournment thereof for the purpose of, amongst others, considering and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Renewal of Share Buy-back Authority. No physical general meeting with shareholders will be conducted by the Company.

Shareholders may attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 9th AGM of the Company via the Remote Participation and Voting facilities provided by Boardroom Share Registrars Sdn Bhd. via its online website at <https://web.lumiagm.com/>.

If you are unable to participate at the 9th AGM, you may appoint a proxy to participate on your behalf by completing the Form of Proxy enclosed in the Company's Annual Report 2019 in accordance with the instructions printed therein and depositing the same at the Company's Share Registrar's office at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or submitting it electronically via Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my>, as soon as possible before 10.00 a.m. on 4 August 2020. Please refer to the procedures provided in the Administrative Details for the 9th AGM, which are available at this link <https://www.wct.com.my/9thAGM/>.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular and Statement have been seen and approved by the Directors of WCT who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false and misleading.

2. MATERIAL LITIGATION

Save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and to the best of the Board's knowledge or belief, the Board is not aware of any proceedings pending or threatened against the Group as at LPD:-

(a) Status update on the arbitration proceedings in relation to the cancellation of the Nad Al Sheba Racecourse, Dubai, U.A.E. contract ("the Contract"):

Pursuant to the cancellation of the Contract (previously awarded to WCTB Dubai Branch, a branch office of WCTB and Arabtec Construction LLC ("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 dispute and claims had been revised from time to time and the Group's share of the current revised claims is in excess of AED1,400,000,000.00 (or approximately RM1,659,700,000.00*).

On 27 February 2013, WCTB was informed by Arabtec that its board of directors had 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 to 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 2/2009. The arbitration proceedings then continued as between WCTB and Meydan in respect of WCTB Dubai Branch's rights in its share of the Joint Venture's claims namely approximately AED1,400,000,000.00 (or approximately RM1,659,700,000.00*).

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 Tribunal has 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 Bond and must repay the same.

Consequently, the Tribunal awarded to and in favour of WCTB Dubai Branch, and ordered Meydan to pay WCTB, a total of AED1,152,651,192.68 (or approximately RM1,366,467,989.00*). WCTB Dubai Branch has filed an application for an order to recognise the Award with the local Dubai Civil Courts. On 8 May 2019, the Dubai Civil Court of Appeal issued its decision ratifying the Award.

However, on 16 June 2019, the Government of Dubai, through His Highness' Ruler's Court, issued a Royal Decree instructing all actions by or against Meydan to be stayed pending referral to a special committee to resolve all such claims. The special committee has since been set up and this matter has been transferred to the special committee.

Concurrently, Meydan had also filed an application in the local Dubai Civil Courts to annul the Award. With the issuance of the Royal Decree (see above), this application has now also been referred to the special committee.

Although the eventual ultimate outcome of the legal proceedings by WCTB Dubai Branch and Meydan is unknown as of the date of this Circular/Statement, the Board believes, based on continuing legal opinion received, that the prospects of successfully enforcing the Award are good as the grounds for annulment of an arbitration award are relatively limited and are not applicable to the above Award.

**Based on exchange rate as at 29 May 2020*

(b) In the matter of an arbitration under the Asian International Arbitration Centre (AIAC) (AIAC ref: AIAC/D/ADM-688-2019) Segi Astana Sdn Bhd ("SASB") v Malaysia Airports Holdings Berhad ("MAHB")

SASB had on 21 March 2019 through its solicitors served a Notice of Arbitration dated 21 March 2019 on MAHB, claiming against MAHB a sum of RM70.0 million 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. The sums are payable pursuant to the Concession Agreement dated 22 September 2011 executed between SASB, WCTB and MAHB ("Concession Agreement").

The parties are currently going through pre-trial procedural steps.

The Board is, after consultation with its solicitors, of the view that SASB 's chances of success in the arbitration proceedings are good.

(c) In the matter of an arbitration under the Asian International Arbitration Centre (AIAC) (AIAC ref: AIAC/D/ADM-687-2019) Malaysia Airports Holdings Berhad ("MAHB") v Segi Astana Sdn Bhd ("SASB") & WCT Berhad ("WCTB")

SASB and WCTB had on 21 March 2019, received a Notice of Arbitration from MAHB through its solicitors, whereby MAHB is claiming from SASB and WCTB fixed monthly charges of RM958,849.00 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").

SASB and WCTB are disputing MAHB's Claim and taking the necessary legal actions to defend and oppose MAHB's Claim.

The parties are currently going through pre-trial procedural steps.

The Board is, after consultation with its solicitors, of the view that SASB and WCTB have a strong defence against MAHB's Claim and SASB's and WCTB's chances of success in the arbitration proceedings are good.

3. MATERIAL CONTRACTS

There were no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or any of its subsidiaries within the two (2) years immediately preceding LPD.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at B-30-01, The Ascent, Paradigm, No. 1, Jalan SS7/26A, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular/Statement up to the time stipulated for the holdings of the forthcoming 9th AGM:

- (a) the Constitution of the Company;
- (b) the audited financial statements of the Company and the Group for the past two (2) financial years ended 31 December 2018 and 31 December 2019; and
- (c) the relevant cause papers in respect of the material litigations referred to in Section 2 above.

APPENDIX II – EXTRACT OF ORDINARY RESOLUTION FOR THE PROPOSED RENEWAL OF RRPT MANDATE

“THAT approval be and is hereby given to the Company and its subsidiaries (“WCT Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature and with all classes of related parties as set out in Section 2, Part A of the Circular to Shareholders dated 26 June 2020 which are necessary for the Group’s day-to-day operations, provided that:

- a) 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
- b) 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:
 - (i) the type of the recurrent related party transactions made; and
 - (ii) 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:

- (i) 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
- (ii) 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 (the “Act”) (but shall not extend to such extension as may allowed pursuant to Section 340(4) of the Act); or
- (iii) 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.”

APPENDIX II – EXTRACT OF ORDINARY RESOLUTION FOR THE 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 in 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 2019;
- (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.”