

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 30 June 2021**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2021 RM'000	PRECEDING YEAR QUARTER 30/6/2020 RM'000 (RESTATED)	CURRENT FINANCIAL YEAR 30/6/2021 RM'000	PRECEDING FINANCIAL YEAR 30/6/2020 RM'000 (RESTATED)
Revenue	181,679	44,526	181,679	44,526
Cost of sales (N1)	(179,674)	(42,858)	(179,674)	(42,858)
Gross profit	2,005	1,668	2,005	1,668
Other income (N2)	339	1,206	339	1,206
Other expenses (N3)	(30)	(139)	(30)	(139)
Administrative expenses	(736)	(515)	(736)	(515)
Profit from operations	1,578	2,220	1,578	2,220
Share of results of associates	5,008	(305)	5,008	(305)
Profit before interest and tax	6,586	1,915	6,586	1,915
Finance cost	(42,426)	(41,019)	(42,426)	(41,019)
Loss before tax	(35,840)	(39,104)	(35,840)	(39,104)
Income tax expenses	(336)	(96)	(336)	(96)
Loss for the period	(36,176)	(39,200)	(36,176)	(39,200)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(36,176)	(39,200)	(36,176)	(39,200)
Loss for the period attributable to:				
Owners of the Company	(27,804)	(30,890)	(27,804)	(30,890)
Non-controlling Interests	(8,372)	(8,310)	(8,372)	(8,310)
	(36,176)	(39,200)	(36,176)	(39,200)
Total comprehensive loss attributable to:				
Owners of the Company	(27,804)	(30,890)	(27,804)	(30,890)
Non-controlling Interests	(8,372)	(8,310)	(8,372)	(8,310)
	(36,176)	(39,200)	(36,176)	(39,200)
Loss per share attributable to Owners of the Company :				
- Basic (sen)	(1.43)	(2.37)	(1.43)	(2.37)
- Diluted (sen)	(1.43)	(2.37)	(1.43)	(2.37)

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2021 RM'000	PRECEDING YEAR QUARTER 30/6/2020 RM'000	CURRENT FINANCIAL YEAR 30/6/2021 RM'000	PRECEDING FINANCIAL YEAR 30/6/2020 RM'000
Notes: (Refer to B1 "Review of Performance" for more information)				
N1) Included in Cost of Sales				
- Amortisation of infrastructure development expenditure	(944)	(635)	(944)	(635)
- Depreciation	(72)	(22)	(72)	(22)
N2) Included in Other Income				
- Interest income	31	255	31	255
- Distribution income	84	375	84	375
- Fair value gain on other investments	34	-	34	-
- Amortisation of deferred income	152	106	152	106
- Others	38	470	38	470
	<u>339</u>	<u>1,206</u>	<u>339</u>	<u>1,206</u>
N3) Included in Other Expenses				
- Depreciation	(30)	(75)	(30)	(75)
- Fair value loss on other investments	-	(64)	-	(64)
	<u>(30)</u>	<u>(139)</u>	<u>(30)</u>	<u>(139)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30/6/2021 RM'000	AUDITED AS AT 31/3/2021 RM'000 (RESTATED)	AUDITED AS AT 1/4/2020 RM'000 (RESTATED)
ASSETS			
Non-current Assets			
Property, plant and equipment	3,018	2,761	3,260
Goodwill on consolidation	5,369	5,369	5,369
Infrastructure development expenditure	5,179,981	4,983,059	4,547,715
Investment in associates	228,696	223,689	200,899
Deferred tax asset	34,270	34,270	20,310
Total Non-Current Assets	5,451,334	5,249,148	4,777,553
Current Assets			
Trade and other receivables	21,616	32,059	33,319
Tax recoverable	737	144	604
Other investments	28,966	35,048	53,218
Deposits placed with licenced banks	617,572	751,658	717,946
Cash and bank balances	30,545	58,535	30,752
Total Current Assets	699,436	877,444	835,839
TOTAL ASSETS	<u>6,150,770</u>	<u>6,126,592</u>	<u>5,613,392</u>
EQUITY AND LIABILITIES			
Share capital	1,326,596	1,231,802	1,113,583
Redeemable Convertible Preference Shares ("RCPS")	153,879	232,400	330,325
Warrant reserve	90,246	90,246	90,246
Accumulated losses	(500,235)	(472,431)	(380,057)
Attributable to Owners of the Company	1,070,486	1,082,017	1,154,097
Non-controlling interests	(11,996)	(3,624)	24,636
Total Equity	1,058,490	1,078,393	1,178,733
Non-current Liabilities			
Loans and borrowings	3,567,840	3,520,137	3,128,508
Deferred income	784,417	784,569	748,635
Deferred taxation	44,066	43,730	24,296
Other payables	321,716	293,358	214,193
Total Non-Current Liabilities	4,718,039	4,641,794	4,115,632
Current Liabilities			
Trade and other payables	355,030	380,761	318,962
Contract liabilities	11,142	17,345	-
Loans and borrowings	20	26	32
Tax payable	8,049	8,273	33
Total Current Liabilities	374,241	406,405	319,027
TOTAL LIABILITIES	5,092,280	5,048,199	4,434,659
EQUITY AND LIABILITIES	<u>6,150,770</u>	<u>6,126,592</u>	<u>5,613,392</u>
Net assets per share attributable to Owners of the Company (RM)	0.5497	0.5998	0.8900

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity	
	Share Capital	RCPS	Warrants Reserve	Accumulated Losses			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Current financial period</u>							
At 1 April 2021	1,231,802	232,400	90,246	(472,055)	1,082,393	(3,624)	1,078,769
Effects of adoption of the Agenda Decision	-	-	-	(376)	(376)	-	(376)
At 1 April 2021(Restated)	1,231,802	232,400	90,246	(472,431)	1,082,017	(3,624)	1,078,393
Total comprehensive loss:							
Loss for the period	-	-	-	(27,804)	(27,804)	(8,372)	(36,176)
Transactions with owners:							
Conversion of RCPS	94,794	(78,521)	-	-	16,273	-	16,273
At 30 June 2021	1,326,596	153,879	90,246	(500,235)	1,070,486	(11,996)	1,058,490
<u>Preceding financial year</u>							
At 1 April 2020	1,113,583	330,325	90,246	(379,746)	1,154,408	24,636	1,179,044
Effects of adoption of the Agenda Decision	-	-	-	(311)	(311)	-	(311)
At 1 April 2020 (Restated)	1,113,583	330,325	90,246	(380,057)	1,154,097	24,636	1,178,733
Total comprehensive loss:							
Loss for the period (Restated)	-	-	-	(30,890)	(30,890)	(8,310)	(39,200)
Transactions with owners:							
Conversion of RCPS	5,428	(4,496)	-	-	932	-	932
At 30 June 2020 (Restated)	1,119,011	325,829	90,246	(410,947)	1,124,139	16,326	1,140,465

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 month ended 30/6/2021 RM'000	3 month ended 30/6/2020 RM'000 (RESTATED)
OPERATING ACTIVITIES:		
Loss before taxation:	(35,840)	(39,104)
Adjustments for :		
Share of results of associates	(5,008)	305
Amortisation of infrastructure development expenditure	944	635
Amortisation of deferred income	(152)	(106)
Depreciation of property, plant and equipment	101	97
Distribution income from other investments	(84)	(375)
Fair value (gain)/loss on other investments	(34)	64
Profit arising from IC Interpretation 12		
Service Concession Arrangements	(1,340)	(399)
Interest income	(31)	(255)
Interest expense	42,426	41,019
Operating cash flows before changes in working capital	982	1,881
Changes in Working Capital:		
Receivables	5,092	5,170
Payables	(87,125)	69
Net cash flows from operations	(81,051)	7,120
Income tax paid	(817)	(162)
Net cash flows from operating activities	(81,868)	6,958

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(cont'd)

	3 month ended 30/6/2021 RM'000	3 month ended 30/6/2020 RM'000 (RESTATED)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(399)	(1)
Infrastructure development expenditure	(121,644)	(68,404)
Upliftment of other investments	6,200	13,800
Changes in associate balances	-	(1)
(Placement)/Upliftment of fixed deposits	(10,067)	35,388
Interest received	31	255
Net cash flows used in investing activities	<u>(125,879)</u>	<u>(18,963)</u>
FINANCING ACTIVITIES		
Drawdown of term loan	39,856	15,373
Interest paid	(26,879)	(697)
Finance cost related to lease liability	(6)	-
Proceeds from conversion of RCPS	16,273	932
Issuance of murabahah loan stocks	6,360	-
Amount owing to a corporate shareholder	-	3,794
Net cash flows from financing activities	<u>35,604</u>	<u>19,402</u>
Net change in cash and cash equivalents	(172,143)	7,397
Cash and cash equivalents at beginning of financial period	610,278	516,241
Cash and cash equivalents at end of financial period	<u>438,135</u>	<u>523,638</u>

Note :

Cash and cash equivalents at the end of the financial period comprise of :

Cash and bank balances	30,545	27,687
Fixed deposits with licensed banks	617,572	693,020
Less: Deposits with maturity of more than 3 months	(209,982)	(197,069)
	<u>438,135</u>	<u>523,638</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO CONDENSED FINANCIAL STATEMENTS

PART A – Explanatory Notes Pursuant to MFRS 134

A1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The unaudited interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the unaudited interim financial statements.

These explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2021.

A2. Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021, except for the adoption of the following amendments/improvements to MFRSs and IFRS Interpretations Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”) for the current financial year:-

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments to MFRSs does not have any material impact on the financial statements of the Group except for the adoption of the Agenda Decision, which is discussed below.

Agenda Decision

In March 2019, IFRIC published the Agenda Decision on borrowing costs confirming that receivables, contract assets and inventories for unsold units under construction are not qualifying assets and accordingly an entity should not capitalise borrowing costs on those assets in accordance to the principles and the requirements in IAS 23 (MFRS 123). On 20 March 2019, the Malaysian Accounting Standards Board decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has adopted the Agenda Decision retrospectively in its financial position as at 1 April 2020 and throughout all comparative interim periods presented, as if these policies had always been in effect. Comparative information in these condensed consolidated financial statements have been restated to give effect to the above changes. As a result, the following comparatives in the interim financial reports have been restated.

The effects of the adoption of the Agenda Decision are as follows:

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NOTES TO CONDENSED FINANCIAL STATEMENTS

A2. Accounting Policies (Continued)

Agenda Decision (continued)

(i) **Impact on the Condensed Consolidated Statement of Financial Position**

	As previously reported RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Condensed Consolidated Statement of Financial Position At 31 March 2021			
ASSETS			
Non-current Assets			
Investment in associates	224,065	(376)	223,689
EQUITY AND LIABILITIES			
Equity			
Accumulated losses	(472,055)	376	(472,431)

**Condensed Consolidated Statement of
Financial Position At 1 April 2020**

ASSETS			
Non-current Assets			
Investment in associates	201,210	(311)	200,899
EQUITY AND LIABILITIES			
Equity			
Accumulated losses	(379,746)	311	(380,057)

(ii) **Impact on the Condensed Consolidated Statement of Comprehensive Income**

	As previously reported RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Condensed Consolidated Statement of Comprehensive Income 3 months ended 30 June 2020			
Share of results of associates	(306)	1	(305)
Loss for the period attributable to:			
Owners of the Company	(30,891)	1	(30,890)
Total comprehensive loss attributable to:			
Owners of the Company	(30,891)	1	(30,890)
Loss per share attributable owners of the Company			
- Basic (sen)	(2.37)	0.00	(2.37)
- Diluted (sen)	(2.37)	0.00	(2.37)

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NOTES TO CONDENSED FINANCIAL STATEMENTS

A3. Seasonality or Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items that have material effects on the financial statements in the current quarter.

A5. Material Changes in Estimates

There were no material changes in estimates that have a material effect in the current year quarter and current financial year.

A6. Debt and Equity Securities

In the quarter under review, the Company increased its:

- (i) share capital from RM1,231,802,095.52 to RM1,326,596,285.28 by way of conversion of 406,832,489 RCPS together with cash payment of RM0.04 each RCPS into 406,832,489 new shares.

There were no other issuances, cancellations, repurchases, resale and repayments of debt or equity securities in the current quarter.

A7. Dividend

No dividend has been paid in the current financial year.

A8. Segmental Results

Segmental results are included in Note B1.

A9. Material Subsequent Events

There were no material events subsequent to the financial period ended 30 June 2021.

A10. Changes in the Composition of the Group

There were no material changes in the composition of the Group in the current year quarter and financial year.

A11. Contingent Liabilities

There were no contingent liabilities at the end of this quarter and as at the date of this report.

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(The figures have not been audited)

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance****(a) Segmental Information**

	<u>Current quarter</u>				<u>Cumulative quarter</u>			
	<u>30/6/2021</u>	<u>30/6/2020</u>	<u>Changes</u>		<u>30/6/2021</u>	<u>30/6/2020</u>	<u>Changes</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
	<u>(Restated)</u>				<u>(Restated)</u>			
<u>Segmental Revenue</u>								
Toll concession	175,477	44,526	130,951	294%	175,477	44,526	130,951	294%
Construction	6,202	-	6,202	100%	6,202	-	6,202	100%
Investment holding, management services and others *	-	-	-	-	-	-	-	-
	<u>181,679</u>	<u>44,526</u>	<u>137,153</u>	<u>308%</u>	<u>181,679</u>	<u>44,526</u>	<u>137,153</u>	<u>308%</u>
<u>(Loss)/Profit before tax</u>								
Toll concession	(38,966)	(38,212)	(754)	2%	(38,966)	(38,212)	(754)	2%
Construction	25	-	25	100%	25	-	25	100%
Investment holding, management services and others *	3,101	(892)	3,993	-448%	3,101	(892)	3,993	-448%
	<u>(35,840)</u>	<u>(39,104)</u>	<u>3,264</u>	<u>-8%</u>	<u>(35,840)</u>	<u>(39,104)</u>	<u>3,264</u>	<u>-8%</u>

* includes share of results of associates, including results of Radiant Pillar Sdn Bhd, a company involved in property development.

(b) Overall Results Commentary:**For the quarter:**

The Group recorded higher revenue of RM181.7 million in the current quarter compared to RM44.5 million in the preceding year quarter. This is due to higher IC 12 construction revenue for the WCE Project of RM175.5 million compared to RM44.5 million in the preceding year quarter. In the preceding year quarter, construction activity for the WCE project was affected due to the implementation of the Movement Control Order (“MCO 1.0”) on 18 March 2020 in response to the COVID-19 pandemic. All construction activities were temporary halted during MCO 1.0 and only restarted during the Conditional Movement Control Order (“CMCO”) in early June 2020. During the current quarter, KEB Builders Sdn Bhd has also recognised construction revenue of RM6.2 million in respect for the construction works for the Seri Langat Project (as defined in Note B3 (c)).

The Group recorded a loss before tax of RM35.8 million in the current quarter compared to RM39.1 million in the preceding year quarter. The loss before tax was mainly due to the recognition of interest expense of RM41.7 million (preceding year quarter: RM40.3 million) in respect of financing cost for completed sections which are opened for traffic. The loss before tax was offset by the share of profit from associates of RM5.0 million in the current quarter. The share of profit from associates is higher as compared to a loss of RM0.3 million in the preceding year quarter mainly due to the completion of certain phase of the Bandar Rimbayu development and a temporary halt in construction activities as a result of the implementation of the MCO 1.0 in the preceding year quarter.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Immediate Preceding Quarter's Results

The Group recorded higher revenue of RM181.7 million in the current quarter compared to RM110.2 million recorded in the immediate preceding quarter due to a higher rate of construction activity of the WCE Project.

The Group recorded a loss before tax of RM35.8 million in the current quarter compared to RM7.3 million in the immediate preceding quarter. The loss before tax mainly arises from the recognition of interest expense of RM41.7 million (immediate preceding quarter: RM29.3 million) in respect of the financing cost for completed sections which are opened for traffic. The Group recorded a lower share of profit from associates of RM5.0 million in the current quarter as compared to RM14.3 million in the immediate preceding quarter mainly due to the implementation of the Total Lockdown ("FMCO") on 1 June 2021 which has disrupted construction activities in the current quarter.

B3. Prospects

The Government of Malaysia had implemented a nationwide Movement Control Order ("MCO") on 18 March 2020 which had a severe impact on most businesses including the WCE Project, whereby construction activities were temporarily halted and traffic volumes recorded a substantial decrease.

The situation improved once the Conditional Movement Control Order ("CMCO") was implemented on 4 May 2020 but recently, the Government re-introduced the MCO 2.0 on 13 January 2021, MCO 3.0 on 12 May 2021 and FMCO on 1 June 2021 following the significant spike in cases across the country. Whilst this is expected to have an adverse impact on traffic volume on the opened sections, the Group does not foresee that this would have a significant impact on either the ongoing construction activities or the financial position of the Group.

(a) Toll concession

The WCE Project involves the development of a 233 kilometres tolled highway from Banting, Selangor to Taiping, Perak (including 40 kilometres of highway to be constructed later). The WCE Project is a build-operate-transfer project with a concession period of up to a maximum of 60 years. The WCE Project is divided into 11 sections of which Section 8 (Hutan Melintang - Teluk Intan) opened for traffic on 31 May 2019 followed by Sections 9 (Kampung Lekir - Changkat Cermin) and 10 (Changkat Cermin - Beruas) on 23 September 2019. On 10 December 2019, Section 5 (Bandar Bukit Raja to Kapar) was also opened for traffic. To-date, a total of 4 out of 11 sections have been opened for traffic and commenced tolling.

To ensure the successful completion of the WCE Project, WCESB assembled a project management team to undertake the WCE Project and the appointment of IJMC-KEB Joint Venture as the Turnkey/Engineering and Procurement Contractor for the construction of the WCE Project has allowed our Group to leverage on the manpower, skills and technical resources of IJM, which has a proven track record in undertaking projects of this nature.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B3. Prospects (Cont'd)

(a) Toll concession (Cont'd)

The toll concession segment has reported a loss before tax in the current quarter mainly due to interest expense incurred in relation to the project financing for completed sections of the WCE Project. In accordance with MFRS 123, an entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use is complete. The interest expense was capitalised as part of the infrastructure development expenditure prior to the completion of the construction works. Upon the completion of sectional construction, the interest expense for these sections will be charged to the statement of profit or loss.

Following the gazette for tolling for Section 8, 9 and 10, West Coast Expressway Sdn Bhd has commenced tolling with effect on 30 January 2020 and correspondingly, the amortisation of infrastructure expenditure was charged to the statement of profit or loss.

Going forward, the Group is expected to incur losses in the early years of toll operations due to the cessation of capitalisation of interest expenses for completed sections and the non-cash expenditure in respect of the amortisation of infrastructure development expenditure. Nevertheless, the commencement of toll operations of the West Coast Expressway is expected to improve the future financial performance of the Group in terms of cash flows and is expected to provide the Group a stable recurrent income over the concession period.

(b) Property development

The property market is expected to remain challenging. The key issues of price affordability, the overhang of high priced properties, rising costs of living, tight financing and economic impact of COVID-19 continues to have a dampening effect.

Nonetheless, Bandar Rimbayu is expected to maintain its performance for the coming financial year on the back of the unbilled sales and satisfactory response from new launches.

(c) Construction

KEB Builders Sdn Bhd, a wholly owned subsidiary of the Company, has entered into a Memorandum of Agreement (“MOA”) to undertake, on a design, build and manage basis, the construction works of a proposed access from West Coast Expressway to a mixed development project in Kota Seri Langat. This Proposed Access will be known as the Kota Seri Langat “*Left-In and Left-Out Interchange*” and includes the construction works of a bridge, main drainage, water pipes and associated works for a total consideration of RM126.8 million (“the Seri Langat Project”). The Seri Langat Project is expected to contribute positively towards the future earnings of WCEHB Group.

B4. Profit Forecast and Guarantee

No profit forecast or guarantee was issued in respect of the current financial year.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B5. Taxation

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/6/2021 RM'000	Preceding Year Quarter 30/6/2020 RM'000	Current Year To-date 30/6/2021 RM'000	Preceding Year To-date 30/6/2020 RM'000
Deferred Tax				
Current year	336	96	336	96
Total	<u>336</u>	<u>96</u>	<u>336</u>	<u>96</u>

The effective tax rate for the current quarter is lower than the statutory tax rate mainly due to certain non-taxable income items.

B6. Status of Corporate Proposals

There was no corporate proposal announced and not completed as at the date of this report.

B7. Group Borrowings and Debt Securities

The Group's borrowings which are denominated in Ringgit Malaysia as at 30 June 2021 are as follows:

	RM'000
- secured	3,369,786
- unsecured	198,074
Total borrowings	<u>3,567,860</u>

The Group received a loan from the Malaysian government at an interest rate lower than the prevailing market rate. Using the prevailing market rate, the loan amount is adjusted to its fair value and the difference treated as deferred income.

B8. Off Balance Sheet Risk Financial Instruments

The Group did not contract for any financial instruments with off balance sheet risk as at the date of this announcement.

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(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS**B9. Material Litigation – Land Acquisition Claims**

On 15 October 2018, 14 December 2018, 28 February 2019, 19 April 2019 and 17 July 2019, West Coast Expressway Sdn Bhd (“WCESB”), a 80%-owned subsidiary of the Company, has filed nine (9) applications amounting to RM28.15 million in aggregate pursuant to Section 38(1) of the Land Acquisition Act 1960 (“Land Acquisition Act”) (“Applications”) with the land administrator of the Klang District and the Kuala Langat District respectively, requiring the said land administrators to refer WCESB’s objection to certain land compensation amounts awarded by them to land owners pursuant to the land acquisition for the WCE Project, to the High Court for determination.

Out of the nine (9) applications filed, the High Court has delivered its judgement on six (6) applications where a total sum of approximately RM0.5 million of the land compensation awards were successfully reduced.

The remaining three (3) applications have been fixed for hearing at the High Court in September and October 2021.

The Board is of the opinion that WCESB has a fair chance of success in its Applications.

B10. Dividend

No dividend has been declared for the current and preceding financial year.

B11. Loss Per Share**Basic**

The basic loss per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/6/2021	Preceding Year Quarter 30/6/2020 (RESTATED)	Current Financial Year 30/6/2021	Preceding Financial Year 30/6/2020 (RESTATED)
Loss attributable to owners of the company (RM'000)	<u>(27,804)</u>	<u>(30,890)</u>	<u>(27,804)</u>	<u>(30,890)</u>
Weighted average number of ordinary shares ('000)	<u>1,947,481</u>	<u>1,301,024</u>	<u>1,947,481</u>	<u>1,301,024</u>

Diluted

The diluted earnings per share is equivalent to the basic earnings per share. The potential ordinary shares arising from the exercise of warrants have an anti-dilutive effect.

WCE HOLDINGS BERHAD (534368-A)

Interim financial report for the quarter ended 30 June 2021

(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B12. Audit Report

The auditors' report of the financial statements for the year ended 31 March 2021 was not subject to any qualification.

B13. Authorisation for Issue

The interim financial reports were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 August 2021.

By order of the Board

Raw Koon Beng
Company Secretary