

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 31 March 2021**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2021 RM'000	PRECEDING YEAR QUARTER 31/3/2020 RM'000	CURRENT FINANCIAL YEAR 31/3/2021 RM'000	PRECEDING FINANCIAL YEAR 31/3/2020 RM'000
Revenue	110,178	121,465	344,653	814,745
Cost of sales (N1)	(101,486)	(116,458)	(323,441)	(801,419)
Gross profit	8,692	5,007	21,212	13,326
Other income (N2)	7,262	1,024	10,017	2,682
Other expenses (N3)	(5,640)	(2,519)	(5,759)	(2,700)
Administrative expenses	(1,850)	(2,586)	(3,542)	(5,628)
<b>Profit from operations</b>	8,464	926	21,928	7,680
Share of results of associates	14,278	9,948	22,887	30,360
<b>Profit before interest and tax</b>	22,742	10,874	44,815	38,040
Finance cost	(30,052)	(34,640)	(149,681)	(93,867)
<b>Loss before tax</b>	(7,310)	(23,766)	(104,866)	(55,827)
Income tax (expenses)/credit	(14,752)	5,428	(15,703)	3,595
<b>Loss for the period</b>	(22,062)	(18,338)	(120,569)	(52,232)
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive loss</b>	(22,062)	(18,338)	(120,569)	(52,232)
<b>Loss for the period attributable to:</b>				
Owners of the Company	(16,971)	(11,994)	(92,309)	(34,922)
Non-controlling Interests	(5,091)	(6,344)	(28,260)	(17,310)
	(22,062)	(18,338)	(120,569)	(52,232)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(16,971)	(11,994)	(92,309)	(34,922)
Non-controlling Interests	(5,091)	(6,344)	(28,260)	(17,310)
	(22,062)	(18,338)	(120,569)	(52,232)
<b>Loss per share attributable to Owners of the Company :</b>				
- Basic (sen)	(1.24)	(1.12)	(6.76)	(3.25)
- Diluted (sen)	(1.24)	(1.12)	(6.76)	(3.25)

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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 31/3/2021 RM'000	PRECEDING YEAR QUARTER 31/3/2020 RM'000	CURRENT FINANCIAL YEAR 31/3/2021 RM'000	PRECEDING FINANCIAL YEAR 31/3/2020 RM'000
<b>Notes: ( Refer to B1 "Review of Performance" for more information)</b>				
<b>N1) Included in Cost of Sales</b>				
- Amortisation of infrastructure development expenditure	(1,066)	(441)	(4,264)	(441)
- Depreciation	(72)	(18)	(287)	(18)
<b>N2) Included in Other Income</b>				
- Interest income	48	274	725	1,217
- Distribution income	91	560	752	990
- Fair value gain on other investments	959	-	978	-
- Reversal of impairment on receivables	-	-	46	-
- Amortisation of deferred income	175	-	705	-
- Others	5,989	190	6,811	475
	<u>7,262</u>	<u>1,024</u>	<u>10,017</u>	<u>2,682</u>
<b>N3) Included in Other Expenses</b>				
- Bad debts written off	-	-	(36)	-
- Depreciation	(39)	(91)	(122)	(297)
- Fair value loss on other investments	-	(2,394)	-	(2,369)
- Provision for impairment on receivable	(2,384)	(34)	(2,384)	(34)
- Provision for tax penalty	(3,185)	-	(3,185)	-
- Loss on derecognition of an associate	(32)	-	(32)	-
	<u>(5,640)</u>	<u>(2,519)</u>	<u>(5,759)</u>	<u>(2,700)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31/3/2021</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	2,761	3,260
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	4,956,803	4,547,715
Investment in associates	224,065	201,210
Deferred tax asset	34,270	20,310
<b>Total Non-Current Assets</b>	<b>5,223,268</b>	<b>4,777,864</b>
<b>Current Assets</b>		
Trade and other receivables	31,826	33,319
Tax recoverable	1,020	604
Other investments	35,048	53,218
Deposits placed with licenced banks	751,658	717,946
Cash and bank balances	58,535	30,752
<b>Total Current Assets</b>	<b>878,087</b>	<b>835,839</b>
<b>TOTAL ASSETS</b>	<b>6,101,355</b>	<b>5,613,703</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,231,802	1,113,583
Redeemable Convertible Preference Shares ("RCPS")	232,400	330,325
Warrant reserve	90,246	90,246
Accumulated losses	(472,055)	(379,746)
Attributable to Owners of the Company	1,082,393	1,154,408
Non-controlling interests	(3,624)	24,636
<b>Total Equity</b>	<b>1,078,769</b>	<b>1,179,044</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	3,520,137	3,128,508
Deferred income	784,569	748,635
Deferred taxation	43,730	24,296
Other payables	293,858	214,193
<b>Total Non-Current Liabilities</b>	<b>4,642,294</b>	<b>4,115,632</b>
<b>Current Liabilities</b>		
Trade and other payables	353,773	318,962
Contract liabilities	17,344	-
Loans and borrowings	26	32
Tax payable	9,149	33
<b>Total Current Liabilities</b>	<b>380,292</b>	<b>319,027</b>
<b>TOTAL LIABILITIES</b>	<b>5,022,586</b>	<b>4,434,659</b>
<b>EQUITY AND LIABILITIES</b>	<b>6,101,355</b>	<b>5,613,703</b>
Net assets per share attributable to Owners of the Company (RM)	0.7929	0.8902

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 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				Total	Non-Controlling Interests	Total Equity
	Share Capital	RCPS	Warrants Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000			
<b>Current financial period</b>							
At 1 April 2020	1,113,583	330,325	90,246	(379,746)	1,154,408	24,636	1,179,044
<b>Total comprehensive loss</b>	-	-	-	(92,309)	(92,309)	(28,260)	(120,569)
<b>Transactions with owners:</b>							
Conversion of RCPS	118,219	(97,925)	-	-	20,294	-	20,294
At 31 March 2021	<u>1,231,802</u>	<u>232,400</u>	<u>90,246</u>	<u>(472,055)</u>	<u>1,082,393</u>	<u>(3,624)</u>	<u>1,078,769</u>
<b>Preceding financial year</b>							
At 1 April 2019	1,045,081	-	-	(344,824)	700,257	41,946	742,203
<b>Total comprehensive loss</b>	-	-	-	(34,922)	(34,922)	(17,310)	(52,232)
<b>Transactions with owners:</b>							
Rights issue of RCPS with warrants	-	391,067	90,246	-	481,313	-	481,313
Transaction costs of RCPS issuance	-	(4,000)	-	-	(4,000)	-	(4,000)
Conversion of RCPS	68,502	(56,742)	-	-	11,760	-	11,760
<b>Total transactions with owners</b>	<u>68,502</u>	<u>330,325</u>	<u>90,246</u>	<u>-</u>	<u>489,073</u>	<u>-</u>	<u>489,073</u>
At 31 March 2020	<u>1,113,583</u>	<u>330,325</u>	<u>90,246</u>	<u>(379,746)</u>	<u>1,154,408</u>	<u>24,636</u>	<u>1,179,044</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 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**

	<b>12 month ended 31/3/2021 RM'000</b>	<b>12 month ended 31/3/2020 RM'000</b>
<b>OPERATING ACTIVITIES:</b>		
Loss before taxation:	(104,866)	(55,827)
Adjustments for :		
Share of results of associates	(22,887)	(30,360)
Amortisation of infrastructure development expenditure	4,264	441
Amortisation of deferred income	(705)	-
Bad debts written off	36	-
Depreciation of property, plant and equipment	409	315
Distribution income from other investments	(752)	(990)
Fair value (gain)/loss on other investments	(978)	2,369
Gain on disposal of property	-	(176)
Impairment loss on trade and other receivables	2,384	34
Provision for tax penalty	3,185	-
Loss on derecognition of an associate	32	-
Profit arising from IC Interpretation 12		
Service Concession Arrangements	(3,457)	(8,727)
Property, plant and equipment written off	-	74
Reversal of impairment loss on other receivables	(46)	-
Interest income	(725)	(1,217)
Interest expense	149,681	93,867
<b>Operating cash flows before changes in working capital</b>	<b>25,575</b>	<b>(197)</b>
Changes in Working Capital:		
Receivables	(3,955)	64,660
Payables	62,523	(64,722)
<b>Net cash flows from operations</b>	<b>84,143</b>	<b>(259)</b>
Income tax (paid)/refund	(1,529)	465
<b>Net cash flows from operating activities</b>	<b>82,614</b>	<b>206</b>

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****(cont'd)**

	<b>12 month ended 31/3/2021 RM'000</b>	<b>12 month ended 31/3/2020 RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(93)	(1,882)
Infrastructure development expenditure	(333,094)	(994,320)
Proceeds from disposal of property	-	592
Upliftment/(placement) of other investments	19,900	(31,325)
Changes in associate balances	26	(38)
Upliftment/(placement) of fixed deposits	32,542	(56,898)
Interest received	725	1,217
<b>Net cash flows used in investing activities</b>	<u>(279,994)</u>	<u>(1,082,654)</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of government support loan	300,000	219,000
Drawdown of term loan	90,930	74,399
Interest paid	(136,092)	(9,251)
Finance cost related to lease liability	32	(19)
Proceeds from issuance of redeemable convertible preference shares ("RCPS")	-	481,313
Transaction costs from rights issuance of RCPS	-	(4,000)
Proceeds from conversion of RCPS	20,294	11,760
Issuance of murabahah loan stocks	7,164	7,009
Amount owing to a corporate shareholder	9,089	72,903
<b>Net cash flows from financing activities</b>	<u>291,417</u>	<u>853,114</u>
Net change in cash and cash equivalents	94,037	(229,334)
Cash and cash equivalents at beginning of financial period	516,241	745,575
Cash and cash equivalents at end of financial period	<u><u>610,278</u></u>	<u><u>516,241</u></u>

**Note :**

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

Cash and bank balances	58,535	30,752
Fixed deposits with licensed banks	751,658	717,946
Less: Deposits with maturity of more than 3 months	<u>(199,915)</u>	<u>(232,457)</u>
	<u><u>610,278</u></u>	<u><u>516,241</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 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 2020 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 2020.

#### **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 2020, except for the adoption of the following:

##### Amendments to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
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 upon their initial application.

#### **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.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **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 RM1,127,304,262.35 to RM1,231,802,095.52 by way of conversion of 448,478,052 RCPS together with cash payment of RM0.04 each RCPS into 448,478,052 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 31 March 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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**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>			
	31/3/2021	31/3/2020	Changes		31/3/2021	31/3/2020	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b><u>Segmental Revenue</u></b>								
Toll concession	102,118	121,465	(19,347)	-16%	336,593	814,745	(478,152)	-59%
Construction	8,060	-	8,060	100%	8,060	-	8,060	100%
Investment holding, management services and others *	-	-	-	-	-	-	-	-
	<u>110,178</u>	<u>121,465</u>	<u>(11,287)</u>	<u>-9%</u>	<u>344,653</u>	<u>814,745</u>	<u>(470,092)</u>	<u>-58%</u>
<b><u>(Loss)/Profit before tax</u></b>								
Toll concession	(21,164)	(32,809)	11,645	-35%	(112,846)	(78,054)	(34,792)	45%
Construction	(1,051)	-	(1,051)	100%	(1,051)	-	(1,051)	100%
Investment holding, management services and others *	14,905	9,043	5,862	65%	9,031	22,227	(13,196)	-59%
	<u>(7,310)</u>	<u>(23,766)</u>	<u>16,456</u>	<u>-69%</u>	<u>(104,866)</u>	<u>(55,827)</u>	<u>(49,039)</u>	<u>88%</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 lower revenue of RM110.2 million in the current quarter compared to RM121.5 million in the preceding year quarter. The lower IC12 construction revenue recognised for the WCE Project in the current quarter was mainly due to a lower rate of construction activity upon the completion of Sections 5, 8, 9 and 10 (i.e. 4 out of 11 sections) of the Project. During the current quarter, KEB Builders Sdn Bhd has commenced the construction works for the Seri Langat Project (as defined in Note B3 (c)) which contributed RM8.1 million to the Group's revenue.

The Group recorded a loss before tax of RM7.3 million in the current quarter compared to RM23.8 million in the preceding year quarter. The loss before tax was mainly due to the recognition of interest expense of RM29.3 million (preceding year quarter: RM33.9 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 RM14.3 million in the current quarter. The share of profit from associates is higher as compared to RM9.9 million in the preceding year quarter due to higher work progress achieved from the on-going projects during the current quarter as well as finalisation of development cost for completed phases which resulted in cost savings in the preceding year quarter.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **B2. Comparison with Immediate Preceding Quarter's Results**

The Group recorded higher revenue of RM110.2 million in the current quarter compared to RM78.1 million recorded in the immediate preceding quarter due to a higher rate of construction activity of the WCE Project and the commencement of the construction work for the Seri Langat Project (as defined in Note B3(c)) during the current quarter.

The Group recorded a loss before tax of RM7.3 million in the current quarter compared to RM28.4 million in the immediate preceding quarter. The loss before tax mainly arises from the recognition of interest expense of RM29.3 million (immediate preceding quarter: RM36.8 million) in respect of the financing cost for completed sections which are opened for traffic. The loss before tax was offset by the share of profit from associates of RM14.3 million in the current quarter. The Group recorded a higher share of profit from associates of RM14.3 million in the current quarter as compared to RM4.3 million in the immediate preceding quarter due to higher work progress achieved from the on-going projects during the current quarter as well as finalisation of development cost for completed phases which resulted in cost savings in the immediate preceding year 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 and MCO 3.0 on 12 May 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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(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS****B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2021 RM'000	Preceding Year Quarter 31/3/2020 RM'000	Current Year To-date 31/3/2021 RM'000	Preceding Year To-date 31/3/2020 RM'000
<u>Income Tax</u>				
Current year	2,590	-	2,590	-
Prior year	7,203	5	7,640	13
	<u>9,793</u>	<u>5</u>	<u>10,230</u>	<u>13</u>
<u>Deferred Tax</u>				
Current year	3,747	(4,983)	4,261	(3,158)
Prior year	1,212	(450)	1,212	(450)
Total	<u>14,752</u>	<u>(5,428)</u>	<u>15,703</u>	<u>(3,595)</u>

The tax expense for the current quarter and financial year ended 31 March 2021 is from profit recognised at Company level and certain subsidiaries. This is despite losses being recorded at Group level.

Included in the prior year income tax expense is an amount of RM7.08 million representing provision of taxation arising from additional tax payable for the Years of Assessment 2015 to 2018. To-date, the Company has successfully applied for a stay of execution on this tax payable and will continue to appeal against the additional assessment imposed by the Inland Revenue Board (“IRB”).

**B6. Status of Corporate Proposals****(a) Status of corporate proposals announced but not completed**

All corporate proposals announced have been completed as at the date of this announcement.

**(b) Status of utilisation of proceeds**

The Company has successfully raised a total of RM481.31 million from the Rights Issue of RCPS with free detachable warrants, which was completed on 25 November 2019. The status of utilisation of proceeds is as follows:-

	Proposed utilisation RM'000	Utilisation as at 31 Mar 2021 RM'000	Balance as at 31 Mar 2021 RM'000	Intended timeframe for utilisation from 31 Mar 2021 RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	320,000	(320,000)	-	Completed
- Repayment of the Bridging Loan				
- Principal amount	150,000	(150,000)	-	Completed
- Partial settlement of interest incurred	4,000	(4,000)	-	Completed
- General working capital	3,313	(3,313)	-	Completed
- Defray Rights Issue expenses	4,000	(4,000)	-	Completed
	<u>481,313</u>	<u>(481,313)</u>	<u>-</u>	

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### **B7. Group Borrowings and Debt Securities**

The Group's borrowings which are denominated in Ringgit Malaysia as at 31 December 2020 are as follows:

	<b>RM'000</b>
- secured	3,322,083
- unsecured	198,080
Total borrowings	<u>3,520,163</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.

### **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 case management/hearing at the High Court in June and July 2021.

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

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 March 2021**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**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 31/3/2021	Preceding Year Quarter 31/3/2020	Current Financial Year 31/3/2021	Preceding Financial Year 31/3/2020
Loss attributable to owners of the company (RM'000)	(16,971)	(11,994)	(92,309)	(34,922)
Weighted average number of ordinary shares ('000)	1,365,090	1,073,792	1,365,090	1,073,792
Basic loss per share (sen)	(1.24)	(1.12)	(6.76)	(3.25)

**Diluted**

The diluted earnings per share, assuming full conversion of the warrants, is equal to the basic earnings per share as the outstanding warrants are anti-dilutive due to the average market price of ordinary shares during the period being below the exercise price of the warrants.

**B12. Audit Report**

The auditors' report of the financial statements for the year ended 31 March 2020 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 25 May 2021.

By order of the Board

Raw Koon Beng  
Company Secretary