

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2019 RM'000	PRECEDING YEAR QUARTER 30/9/2018 RM'000	CURRENT FINANCIAL YEAR 30/9/2019 RM'000	PRECEDING FINANCIAL YEAR 30/9/2018 RM'000
Revenue	228,549	189,429	611,742	369,775
Cost of sales	(225,175)	(193,605)	(601,264)	(371,025)
Gross profit/(loss)	3,374	(4,176)	10,478	(1,250)
Other income (N1)	312	1,042	543	1,813
Other expenses (N2)	(32)	(32)	(63)	(51)
Administrative expenses (N3)	(820)	(605)	(1,974)	(3,270)
Finance cost	(17,367)	(2,409)	(20,416)	(2,910)
Share of results of associates	2,949	8,417	10,919	18,085
<b>(Loss)/Profit before tax</b>	<b>(11,584)</b>	<b>2,237</b>	<b>(513)</b>	<b>12,417</b>
Taxation	(518)	(483)	(1,613)	(1,041)
<b>(Loss)/Profit for the period</b>	<b>(12,102)</b>	<b>1,754</b>	<b>(2,126)</b>	<b>11,376</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income</b>	<b>(12,102)</b>	<b>1,754</b>	<b>(2,126)</b>	<b>11,376</b>
<b>(Loss)/Profit for the period attributable to:</b>				
Owners of the Company	(8,501)	1,443	725	10,710
Non-controlling Interests	(3,601)	311	(2,851)	666
	<b>(12,102)</b>	<b>1,754</b>	<b>(2,126)</b>	<b>11,376</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(8,501)	1,443	725	10,710
Non-controlling Interests	(3,601)	311	(2,851)	666
	<b>(12,102)</b>	<b>1,754</b>	<b>(2,126)</b>	<b>11,376</b>
<b>(Loss)/Earnings per share</b>				
<b>attributable to Owners of the Company :</b>				
- Basic (sen)	(0.85)	0.14	0.07	1.07
- Diluted (sen)	(0.85)	0.14	0.07	1.07

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER 30/9/2019 RM'000	PRECEDING YEAR QUARTER 30/9/2018 RM'000	CURRENT FINANCIAL YEAR 30/9/2019 RM'000	PRECEDING FINANCIAL YEAR 30/9/2018 RM'000

**Notes: ( Refer to B1 "Review of Performance" for more information)****N1) Included in Other Income**

- Interest income	124	826	195	1,543
- Distribution income	17	173	109	206
- Fair value gain on other investments	4	7	46	12
- Others	167	36	193	52
	<u>312</u>	<u>1,042</u>	<u>543</u>	<u>1,813</u>

**N2) Included in Other Expenses**

- Depreciation	(32)	(32)	(63)	(51)
	<u>(32)</u>	<u>(32)</u>	<u>(63)</u>	<u>(51)</u>

**N3) Included in Administrative Expenses**

- Professional fees on bridging loan	-	-	-	(1,125)
- Stamp duty on loan agreement	-	-	-	(750)
- Other administrative expenses	(820)	(605)	(1,974)	(1,395)
	<u>(820)</u>	<u>(605)</u>	<u>(1,974)</u>	<u>(3,270)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(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>30/9/2019</b>	<b>31/03/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	3,722	2,387
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	4,316,570	3,562,511
Investment in associates	181,769	170,850
<b>Total Non-Current Assets</b>	<b>4,507,430</b>	<b>3,741,117</b>
<b>Current Assets</b>		
Trade and other receivables	59,287	105,217
Tax recoverable	1,202	1,082
Other investments	5,052	23,271
Deposits placed with licenced banks	770,962	918,788
Cash and bank balances	26,990	2,346
<b>Total Current Assets</b>	<b>863,493</b>	<b>1,050,704</b>
<b>TOTAL ASSETS</b>	<b><u>5,370,923</u></b>	<b><u>4,791,821</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,045,081	1,045,081
Reserves	(344,099)	(344,824)
Attributable to Owners of the Company	700,982	700,257
Non-controlling interests	39,095	41,946
<b>Total Equity</b>	<b>740,077</b>	<b>742,203</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	2,907,689	2,720,207
Deferred income	748,710	652,382
Deferred taxation	9,208	7,594
Other payables	172,331	131,000
<b>Total Non-Current Liabilities</b>	<b>3,837,938</b>	<b>3,511,183</b>
<b>Current Liabilities</b>		
Trade and other payables	642,875	388,402
Loans and borrowings	150,000	150,000
Tax payable	33	33
<b>Total Current Liabilities</b>	<b>792,908</b>	<b>538,435</b>
<b>TOTAL LIABILITIES</b>	<b>4,630,846</b>	<b>4,049,618</b>
<b>EQUITY AND LIABILITIES</b>	<b><u>5,370,923</u></b>	<b><u>4,791,821</u></b>
Net assets per share attributable to Owners of the Company (RM)	<u>0.6991</u>	<u>0.6983</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Attributable to Owners of the Company</u>			<b>Non- Controlling Interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Current financial period</u></b>					
At 1 April 2019	1,045,081	(344,824)	700,257	41,946	742,203
<b>Total comprehensive income/(loss)</b>					
Profit/(Loss) for the financial period	-	725	725	(2,851)	(2,126)
At 30 September 2019	<u>1,045,081</u>	<u>(344,099)</u>	<u>700,982</u>	<u>39,095</u>	<u>740,077</u>
<b><u>Preceding financial year</u></b>					
At 1 April 2018	1,045,081	(365,291)	679,790	40,678	720,468
<b>Total comprehensive income</b>					
Profit for the financial period	-	20,467	20,467	1,268	21,735
At 31 March 2019	<u>1,045,081</u>	<u>(344,824)</u>	<u>700,257</u>	<u>41,946</u>	<u>742,203</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 2019 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 month ended 30/9/2019 RM'000</b>	<b>6 month ended 30/9/2018 RM'000</b>
<b>OPERATING ACTIVITIES:</b>		
(Loss)/Profit before taxation:	(513)	12,417
Adjustments for :		
Share of results of associates	(10,919)	(18,085)
Depreciation of property, plant and equipment	63	51
Distribution income from other investments	(109)	(206)
Fair value gain on other investment	(46)	(12)
Profit arising from IC Interpretation 12		
Services Concession Arrangements	(6,927)	(4,339)
Interest income	(195)	(1,543)
Interest expense	20,417	2,910
<b>Operating cash flows before changes in working capital</b>	<b>1,771</b>	<b>(8,807)</b>
Changes in Working Capital:		
Receivables	43,930	(7,424)
Payables	(37,464)	(199,507)
<b>Net cash flows from/(used in) operations</b>	<b>8,237</b>	<b>(215,738)</b>
Income tax paid	(120)	(213)
<b>Net cash flows from/(used in) operating activities</b>	<b>8,117</b>	<b>(215,951)</b>

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

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

	<b>6 month ended 30/9/2019 RM'000</b>	<b>6 month ended 30/9/2018 RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(1,529)	(443)
Infrastructure development expenditure	(435,568)	(493,167)
Proceeds from other investments	18,374	(9,150)
Changes in associate balances	(35)	5
Placement of fixed deposits	175,299	-
Interest received	195	1,543
<b>Net cash flows used in investing activities</b>	<u>(243,264)</u>	<u>(501,212)</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of government support loan	219,000	150,000
Drawdown of term loan	64,389	417,651
Interest paid	(6,426)	(2,910)
Amount owing to a corporate shareholder	10,302	-
<b>Net cash flows from financing activities</b>	<u>287,265</u>	<u>564,741</u>
Net change in cash and cash equivalents	52,117	(152,422)
Cash and cash equivalents at beginning of financial period	745,575	1,296,218
Cash and cash equivalents at end of financial period	<u><u>797,692</u></u>	<u><u>1,143,796</u></u>

**Note :**

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

Cash and bank balances	26,990	31,665
Fixed deposits with licence banks	770,962	1,112,131
Less: Deposits with maturity of more than 3 months	(260)	-
	<u><u>797,692</u></u>	<u><u>1,143,796</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 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 2019 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 2019.

#### **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 2019, except for the adoption of the following:

##### New MFRS

MFRS 16        Leases

##### Amendments to MFRSs

MFRS 9        Financial Instruments

MFRS 112     Income Taxes

MFRS 119     Employee Benefits

MFRS 123     Borrowing Costs

MFRS 128     Investments in Associates and Joint Ventures

##### New IC Interpretation (“IC Int”)

IC Int 23        Uncertainty over Income Tax Treatments

The initial adoption of the above MFRS, amendments to MFRSs and new IC Int does not have any material impact on the financial statements of the Group, except as mentioned below:

##### *MFRS 16 Leases*

The adoption of MFRS 16 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to identification of lease arrangements and accounting treatments for both lessors and lessees are amended to comply with MFRS 16.

Based on the assessment, the Group does not expect the application of MFRS 16 to have significant financial impact on the interim financial statements.

**WCE HOLDINGS BERHAD (534368-A)**

**Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

**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**

There were no 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 September 2019.

**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.



**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 30 September 2019**

(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**

	<b>Current quarter</b>				<b>Cumulative quarter</b>			
	<b>30/9/2019</b>	<b>30/9/2018</b>	<b>Changes</b>		<b>30/9/2019</b>	<b>30/9/2018</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b><u>Segmental Revenue</u></b>								
Toll concession	227,723	189,429	38,294	20%	610,091	369,775	240,316	65%
Investment holding, management services and others *	826	-	826	100%	1,651	-	1,651	100%
	<u>228,549</u>	<u>189,429</u>	<u>39,120</u>	<u>21%</u>	<u>611,742</u>	<u>369,775</u>	<u>241,967</u>	<u>65%</u>
<b><u>(Loss)/Profit before tax</u></b>								
Toll concession	(12,507)	2,009	(14,516)	-723%	(7,673)	4,329	(12,002)	-277%
Investment holding, management services and others *	923	228	695	305%	7,160	8,088	(928)	-11%
	<u>(11,584)</u>	<u>2,237</u>	<u>(13,821)</u>	<u>-618%</u>	<u>(513)</u>	<u>12,417</u>	<u>(12,930)</u>	<u>-104%</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 revenue of RM228.5 million in the current quarter compared to RM189.4 million in the preceding year quarter. The higher IC12 construction revenue recognised for WCE Project in the current quarter was mainly due to higher rate of construction activities and land acquisition progress payment for the Project.

The Group recorded a loss before tax of RM11.6 million in the current quarter compared to profit before tax of RM2.2 million in the preceding year quarter. During the current quarter, the loss before tax of RM11.6 million recorded in the current quarter is mainly arising from the recognition of interest expense of RM14.0 million in respect of the financing cost for completed sections which are opened for traffic. In addition, share of results of associates has also decreased to RM2.9 million in the current quarter compared to RM8.4 million in the preceding year quarter. In the current quarter, the lower profit registered by Bandar Rimbayu Sdn Bhd is mainly due to lower work progress, lower sales of the on-going projects and delay in the planned new launches due to product adjustments.

## **WCE HOLDINGS BERHAD (534368-A)**

### **Interim financial report for the quarter ended 30 September 2019**

(The figures have not been audited)

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

The Group recorded revenue of RM228.5 million in the current quarter compared to RM383.2 million recorded in the immediate preceding quarter. The higher IC12 construction revenue recognised for WCE Project in the immediate preceding quarter was mainly due to higher rate of construction activities and land acquisition progress payment for the Project.

The Group recorded a loss before tax of RM11.6 million in the current quarter compared to a profit before tax of RM11.1 million in the immediate preceding quarter. During the current quarter, the loss before tax of RM11.6 million recorded in the current quarter is mainly arising from the recognition of interest expense of RM14.0 million in respect of the financing cost for completed sections which are opened for traffic. In addition, share of results of associates has also decreased to RM2.9 million in the current quarter compared to RM8.0 million in the immediate preceding quarter. In the current quarter, lower profit registered by Bandar Rimbayu Sdn Bhd is mainly due to lower work progress, lower sales of the on-going projects and delay in the planned new launches due to product adjustments.

### **B3. Prospects**

#### **(a) Toll concession**

The West Coast Expressway (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 – Beraus) on 23 September 2019.

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.

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 statement of profit or loss.

The amortisation of infrastructure development expenditure will commence upon toll collection, which is expected to be in December 2019 subject to the gazetting of toll by the Government.

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 positive cash flows and is expected to provide the Group a stable recurrent income over the concession period.

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B3. Prospects (Cont'd)**

(b) Property development

The property market is expected to remain challenging despite improving consumer sentiments. The key issues of price affordability, the overhang of high priced properties, rising costs of living and tight financing 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.

**B4. Profit Forecast and Guarantee**

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

**B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/9/2019 RM'000	Preceding Year Quarter 30/9/2018 RM'000	Current Year To-date 30/9/2019 RM'000	Preceding Year To-date 30/9/2018 RM'000
Income Tax				
Current year	-	-	-	-
	-	-	-	-
Deferred Tax				
Current year	518	483	1,613	1,041
Total	<u>518</u>	<u>483</u>	<u>1,613</u>	<u>1,041</u>

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

**B6. Status of Corporate Proposals**

(a) **Status of corporate proposals announced but not completed**

On 26 March 2018, the Company announced that it proposes to undertake the proposed renounceable rights issue of five (5)-year, zero coupon redeemable convertible unsecured loan stocks to be issued at 100% of its nominal value of RM0.50 each (“**RCULS**”) together with free detachable warrants (“**Warrants**”), on the basis of five (5) RCULS for every six (6) existing ordinary shares in the Company (“**WCEHB Shares**”) and one (1) Warrant for every three (3) RCULS subscribed for, on an entitlement date to be determined later (“**RCULS Announcement**”) (“**Proposed Rights Issue of RCULS**”).

For information purposes, the proceeds to be raised from the Proposed Rights Issue of RCULS was intended for, among others, injection as equity, convertibles and/or subordinated advances into West Coast Expressway Sdn Bhd, an 80%-owned subsidiary of the Company, which will in turn be utilised to finance the project cost for the West Coast Expressway Project (“**WCE Project**”).

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### B6. Status of Corporate Proposals (cont'd)

#### (a) Status of corporate proposals announced but not completed (Cont'd)

On 28 November 2018, the Company announced to vary the Proposed Rights Issue of RCULS to the proposed renounceable rights issue of new redeemable convertible preference shares in the Company (“**RCPS**”) together with Warrants to raise gross proceeds of up to RM485 million (“**Proposed Rights Issue of RCPS**”), after taking into consideration the following:

- (i) the share price of WCEHB Shares which has been declining since the RCULS Announcement. For information purposes, the five (5)-day volume weighted average market price (“**VWAMP**”) of WCEHB Shares as at 13 March 2018, being the latest practicable date prior to the RCULS Announcement, was RM1.1299 while the five (5)-day VWAMP of WCEHB Shares up to and including 16 November 2018, being the latest practicable date prior to the announcement of the Proposed Rights Issue of RCPS, is RM0.6266; and
- (ii) the recent unanticipated increase in land acquisition cost for the WCE Project.

In order to facilitate the implementation of the Proposed Rights Issue of RCPS, the Company also proposed to undertake the amendments to the Constitution of the Company to amend and/or include certain clauses in the existing Constitution of the Company.

On 19 December 2018, the Company submitted an application to Bank Negara Malaysia to seek its approval for the issuance of the RCPS to non-resident shareholders of WCEHB. On 18 February 2019, the Company obtained the approval from Bank Negara Malaysia for the issuance of the RCPS to non-resident shareholders of WCEHB.

On 21 March 2019, the Company submitted an application to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) in respect of the admission of RCPS and Warrants to be Official List of Bursa Securities as well as the listing and quotation of the RCPS and Warrants to be issued pursuant to the Proposed Rights Issue of RCPS, and the new WCEHB Shares to be issued pursuant to the conversion of the RCPS and the exercise of the Warrants, on the Main Market of Bursa Securities. On 26 April 2019, the Company obtained the approval from Bursa Securities for the admission of RCPS and Warrants as well as the listing and quotation of the RCPS and Warrants.

The Company has obtained the shareholders’ approval on the Proposed Rights Issue of RCPS in the Extraordinary General Meeting held on 29 August 2019. On 3 October 2019, the Company announced the following:

- (i) the issue price of the RCPS has been fixed at RM0.24 per RCPS (“**Issue Price**”);
- (ii) the entitlement basis for the Rights Issue of RCPS has been fixed at two (2) RCPS for every one (1) existing WCEHB Share held on the entitlement date to be determined and one (1) Warrant for every four (4) RCPS subscribed for;
- (iii) the conversion prices of the RCPS have been fixed at RM0.28 and RM0.32 under Option 1 and Option 2 respectively (“**Conversion Prices**”); and
- (iv) the exercise prices for the Warrants have been fixed at RM0.39 and RM0.45 for the First Exercise Period and Second Exercise Period respectively (“**Exercise Prices**”).

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 30 September 2019**  
(The figures have not been audited)

**B6. Status of Corporate Proposals (cont'd)**

**(a) Status of corporate proposals announced but not completed (Cont'd)**

Based on the Issue Price and the Conversion Prices, the conversion ratios for the RCPS under Option 1 and Option 2 shall be as follows:

- (i) Option 1:  
By surrendering one (1) RCPS together with cash payment of RM0.04 for one (1) new WCEHB Share; and
- (ii) Option 2:  
By surrendering four (4) RCPS for three (3) new WCEHB Shares.

On 24 October 2019, the Company has announced the Abridged Prospectus of the Rights Issue of RCPS and the last day for acceptance and payment for the subscription will be on 11 November 2019. The target listing date for the Rights Securities will be on 25 November 2019.

**B7. Group Borrowings and Debt Securities**

The Group's borrowings which are denominated in Ringgit Malaysia as at 30 June 2019 are as follows:

	<b>RM'000</b>
- secured	2,920,629
- unsecured	137,060
Total borrowings	<u>3,057,689</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.

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 30 September 2019**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**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 28 February 2019 and 19 April 2019, West Coast Expressway Sdn Bhd (“WCESB”), a 80%-owned subsidiary of the Company, has filed five (5) applications amounting to RM9.37 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. WCESB is claiming for a reduction by RM5.05 million.

In accordance with Section 38(5) of the Land Acquisition Act, the said land administrators are required to refer WCESB’s objection to the High Court within six (6) months from the receipt of the Applications. In this regard, the land administrators of the Klang District and the Kuala Langat District had on 15 May 2019 filed their respective notice of appeal dated 6 May 2019 in respect of two (2) out of the five (5) Applications. Both appeals have been fixed for case management at the Shah Alam High Court on 11 November 2019.

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. Earnings Per Share**

**Basic**

The basic earnings per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/9/2019	Preceding Year Quarter 30/9/2018 (Restated)	Current Financial Year 30/9/2019	Preceding Financial Year 30/9/2018 (Restated)
Profit attributable to owners of the company (RM'000)	(8,501)	1,443	725	10,710
Weighted average number of ordinary shares ('000)	1,002,736	1,002,736	1,002,736	1,002,736
Basic earnings per share (sen)	(0.85)	0.14	0.07	1.07

**WCE HOLDINGS BERHAD (534368-A)**

**Interim financial report for the quarter ended 30 September 2019**

(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 2019 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 19 November 2019.

By order of the Board

Raw Koon Beng  
Company Secretary