

Unless otherwise stated, all defined terms and abbreviations used in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your WCEHB Shares, you should hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "Documents") to the purchaser/transferee or the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue of RCPS should be addressed to our Share Registrar, Metra Management Sdn Bhd, at 35<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur.

The Documents are despatched only to our Entitled Shareholders whose names appear in our Record of Depositors as at 5:00 p.m. on 24 October 2019 at their registered address in Malaysia or who have provided our Share Registrar with an address in Malaysia in writing on or before 5:00 p.m. on 24 October 2019. The Documents are not intended to be and should not be issued, circulated or distributed in any country or jurisdiction other than Malaysia, whereby doing so might constitute a violation of the securities laws or regulations of such countries or jurisdictions. No action has been or will be taken to ensure that either the Rights Issue of RCPS or the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their renounees and/or transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance, renunciation, sale or transfer (as the case may be) of all or any part of their Provisional RCPS with Warrants, the subscription, offer, sale, resale, pledge or other transfer of the RCPS with Warrants, or the application for the Excess RCPS with Warrants would result in the contravention of any law of such countries or jurisdictions. Neither we, our Board, RHB Investment Bank nor any other adviser to the Rights Issue of RCPS will accept any responsibility or liability in the event that any acceptance, renunciation, sale or transfer (as the case may be) of the Provisional RCPS with Warrants, the subscription, offer, sale, resale, pledge or other transfer of the RCPS with Warrants, or the application for the Excess RCPS with Warrants made by any Entitled Shareholder and/or their renounees and/or transferees (if applicable) shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or their renounees and/or transferees (if applicable) is a resident. For further information, please refer to "Laws of foreign countries or jurisdictions" as set out in Section 12.8 of this Abridged Prospectus.

Approval has been obtained from our shareholders for the Rights Issue of RCPS at our EGM convened on 29 August 2019. BNM had vide its letter dated 18 February 2019 approved the issuance of the RCPS to our non-resident shareholders pursuant to the Rights Issue of RCPS. Approval has been obtained from Bursa Securities vide its letter dated 26 April 2019 for the admission of the RCPS and Warrants to the Official List of Bursa Securities, as well as the listing and quotation of the RCPS, Warrants and 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. The admission of the RCPS and Warrants to the Official List of Bursa Securities, as well as the listing and quotation of the RCPS, Warrants and 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 are not to be taken as an indication of the merits of the Rights Issue of RCPS. The admission of the RCPS and Warrants to the Official List of Bursa Securities, as well as the listing and quotation of the RCPS and Warrants will commence after, among others, receipt of confirmation from Bursa Depository that all the RCPS and Warrants have been duly credited into the CDS Accounts of the successful Entitled Shareholders and/or their renounees and/or transferees (if applicable) and notices of allotment have been despatched to them.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of RCPS or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue of RCPS. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after six (6) months from the date of this Abridged Prospectus.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 8 OF THIS ABRIDGED PROSPECTUS.**



## WCE HOLDINGS BERHAD

(Company No. 534368-A)  
(Incorporated in Malaysia)

**RENOUNCEABLE RIGHTS ISSUE OF 2,005,471,176 NEW REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN WCE HOLDINGS BERHAD ("WCEHB") ("RCPS") AT AN ISSUE PRICE OF RM0.24 PER RCPS, TOGETHER WITH 501,367,794 FREE DETACHABLE WARRANTS ("WARRANTS"), ON THE BASIS OF TWO (2) RCPS FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN WCEHB HELD BY OUR ENTITLED SHAREHOLDERS AS AT 5:00 P.M. ON 24 OCTOBER 2019 AND ONE (1) WARRANT FOR EVERY FOUR (4) RCPS SUBSCRIBED FOR**

*Principal Adviser and Joint Underwriter*



**RHB Investment Bank Berhad**

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Financial Adviser*



**Newfields Advisors Sdn Bhd**

(Company No. 296051-V)

(A Corporate Finance Adviser licensed by the Securities Commission Malaysia)

*Joint Underwriters*

**Alliance Investment Bank Berhad**

(Company No. 21605-D)

**Inter-Pacific Securities Sdn Bhd**

(Company No. 12738-U)

**Malacca Securities Sdn Bhd**

(Company No. 16121-H)

**MIDF Amanah Investment Bank Berhad**

(Company No. 23878-X)

### IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date for the Rights Issue of RCPS	: Thursday, 24 October 2019 at 5:00 p.m.
Last date and time for the sale of the Provisional RCPS with Warrants	: Friday, 1 November 2019 at 5:00 p.m.
Last date and time for the transfer of the Provisional RCPS with Warrants	: Tuesday, 5 November 2019 at 4:30 p.m.
Last date and time for the acceptance of and payment for the Provisional RCPS with Warrants	: Monday, 11 November 2019 at 5:00 p.m.
Last date and time for the application and payment for the Excess RCPS with Warrants	: Monday, 11 November 2019 at 5:00 p.m.

This Abridged Prospectus is dated 24 October 2019

***Unless otherwise stated, all defined terms and abbreviations used herein are defined in the "Definitions" section of this Abridged Prospectus.***

**OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF RCPS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.**

**RHB INVESTMENT BANK, BEING OUR PRINCIPAL ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF RCPS.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE OF RCPS AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE.**

**YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF RCPS, FOR WHICH ANY PERSON AS SET OUT IN SECTION 236 OF THE CMSA IS RESPONSIBLE.**

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RCPS WITH WARRANTS BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RCPS WITH WARRANTS IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND ARE PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF RCPS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

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**ADVISER'S DIRECTORY**

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- PRINCIPAL ADVISER** : RHB Investment Bank Berhad  
Level 10, Tower One  
RHB Centre, Jalan Tun Razak  
50400 Kuala Lumpur  
  
Tel: +603 9287 3888
- FINANCIAL ADVISER** : Newfields Advisors Sdn Bhd  
Suite 16.1, Level 16, Menara Weld  
No. 76, Jalan Raja Chulan  
50200 Kuala Lumpur  
  
Tel: +603 2031 2888
- LEGAL ADVISER FOR THE RIGHTS ISSUE OF RCPS** : Lee Hishammuddin Allen & Gledhill  
Level 6, Menara 1 Dutamas  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
  
Tel: +603 6208 5888
- SHARE REGISTRAR** : Metra Management Sdn Bhd  
35<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
  
Tel: +603 2698 3232
- JOINT UNDERWRITERS** : Alliance Investment Bank Berhad  
*(in alphabetical order)*  
Level 17, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
  
Tel: +603 2604 3333
- Inter-Pacific Securities Sdn Bhd  
West Wing, Level 13  
Berjaya Times Square  
No. 1, Jalan Imbi  
55100 Kuala Lumpur  
  
Tel: +603 2117 1888
- Malacca Securities Sdn Bhd  
No. 1, 3 & 5, Jalan PPM 9  
Plaza Pandan Malim (Business Park)  
Balai Panjang  
75250 Melaka  
  
Tel: +606 337 1533

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**ADVISER'S DIRECTORY (Cont'd)**

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**JOINT UNDERWRITERS**  
**(Cont'd)**  
*(in alphabetical order)*

: MIDF Amanah Investment Bank Berhad  
Level 10, Menara MIDF  
82, Jalan Raja Chulan  
50200 Kuala Lumpur

Tel: +603 2173 8888

RHB Investment Bank Berhad  
Level 10, Tower One  
RHB Centre, Jalan Tun Razak  
50400 Kuala Lumpur

Tel: +603 9287 3888

**STOCK EXCHANGE LISTED** : Main Market of Bursa Securities

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**DEFINITIONS**

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Abridged Prospectus:

<b>Abridged Prospectus</b>	: This abridged prospectus dated 24 October 2019 issued by our Company in relation to the Rights Issue of RCPS
<b>Act</b>	: Companies Act 2016
<b>BNM</b>	: Bank Negara Malaysia
<b>Board</b>	: Board of Directors of WCEHB
<b>Bridging Loan</b>	: A bridging loan amounting to RM150.00 million obtained by our Company on 23 April 2018 for the purpose of equity injection into WCESB pending the completion of the fund raising exercise by our Company
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad
<b>CDS</b>	: Central Depository System, a system established, administered and operated by Bursa Depository for the handling of securities deposited with Bursa Depository
<b>CDS Account</b>	: Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
<b>Closing Date</b>	: 11 November 2019 at 5:00 p.m., being the last date and time for the acceptance, application and payment for the Provisional RCPS with Warrants and the Excess RCPS with Warrants
<b>CMSA</b>	: Capital Markets and Services Act 2007
<b>Concession Agreement</b>	: A concession agreement entered into between WCESB and the Government on 2 January 2013 in relation to the WCE Project, which was supplemented by supplemental agreements dated 11 December 2014, 15 May 2015 and 30 November 2017
<b>Constitution</b>	: Constitution of our Company
<b>Conversion Price(s)</b>	: RM0.28 and RM0.32, being the conversion prices of the RCPS into new WCEHB Shares under Option 1 and Option 2 respectively
<b>Deed Poll</b>	: The deed poll constituting the Warrants dated 10 October 2019
<b>Documents</b>	: This Abridged Prospectus and the accompanying NPA and RSF, collectively
<b>EGM</b>	: Extraordinary general meeting
<b>Entitled Shareholders</b>	: Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
<b>Entitlement Date</b>	: 24 October 2019 at 5:00 p.m., being the date and time on which the names of our shareholders must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue of RCPS
<b>EPS</b>	: Earnings per Share

**DEFINITIONS (Cont'd)**

Excess RCPS with Warrants	:	RCPS with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounees and/or transferees (if applicable) by the Closing Date
Exercise Price(s)	:	RM0.39 and RM0.45, being the exercise prices per Warrant into one (1) new WCEHB Share during the First Exercise Period and Second Exercise Period respectively, subject to such adjustments as may be allowed under the Deed Poll
First Exercise Period	:	The exercise period commencing from the issue date of the Warrants up to the Market Day immediately before the 5 <sup>th</sup> anniversary of the issue date of the Warrants
Foreign Addressed Shareholders	:	Our Entitled Shareholders who have not provided an address in Malaysia for the service of the Documents to be issued for purposes of the Rights Issue of RCPS
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Government	:	Government of Malaysia
GSL	:	A Government support loan with a maximum principal amount of RM2.24 billion at an interest rate of 4% per annum
GSL Facility Agreement	:	A term loan facility agreement entered into between WCESB and the Government on 30 June 2015 for the provision of the GSL, which was supplemented by supplemental agreements dated 24 February 2017 and 2 March 2018
High Court	:	High Court of Malaya
IJM	:	IJM Corporation Berhad
IJM Group	:	IJM and its subsidiaries, collectively
Issue Price	:	RM0.24, being the issue price for each RCPS
Joint Underwriters	:	Alliance Investment Bank Berhad, Inter-Pacific Securities Sdn Bhd, Malacca Securities Sdn Bhd, MIDF Amanah Investment Bank Berhad and RHB Investment Bank, collectively
km	:	kilometres
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	27 September 2019, being the latest practicable date prior to the date of this Abridged Prospectus
Market Day	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that (i) the RCPS will be fully converted into new WCEHB Shares under Option 1 by surrendering one (1) RCPS together with cash payment of RM0.04 such that in aggregate it amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share; and (ii) the Warrants will be fully exercised into new WCEHB Shares in the First Exercise Period at RM0.39 per Warrant

**DEFINITIONS (Cont'd)**

Minimum Scenario	:	Assuming that (i) the RCPS will be fully converted into new WCEHB Shares under Option 2 at the Conversion Price of RM0.32, by surrendering four (4) RCPS for three (3) new WCEHB Shares; and (ii) the Warrants will be fully exercised into new WCEHB Shares in the First Exercise Period at RM0.39 per Warrant
MWE	:	MWE Holdings Sdn Bhd (formerly known as MWE Holdings Berhad)
NA	:	Net assets
Newfields or Financial Adviser	:	Newfields Advisors Sdn Bhd
NPA	:	Notice of provisional allotment of RCPS with Warrants in relation to the Rights Issue of RCPS
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
Option 1	:	The option given to RCPS holders to convert their RCPS into new WCEHB Shares by surrendering one (1) RCPS together with cash payment of RM0.04 such that in aggregate it amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share
Option 2	:	The option given to RCPS holders to convert their RCPS into new WCEHB Shares by surrendering four (4) RCPS for three (3) new WCEHB Shares such that the aggregate issue price is equivalent to the Conversion Price of RM0.32
Price-Fixing Date	:	3 October 2019, being the date on which our Board determined and fixed the Issue Price, entitlement basis for the Rights Issue of RCPS, the Conversion Prices and the conversion ratios for the RCPS as well as the Exercise Prices
Provisional RCPS with Warrants	:	The RCPS with Warrants provisionally allotted to our Entitled Shareholders
RCPS	:	New redeemable convertible preference shares in WCEHB to be issued pursuant to the Rights Issue of RCPS
RCPS Announcement	:	The announcement made by our Company on 28 November 2018 in relation to, among others, the Rights Issue of RCPS
RCULS	:	Five (5)-year, zero coupon redeemable convertible unsecured loan stocks which were proposed to be issued under the initial fund raising exercise of our Company at 100% of its nominal value of RM0.50 each
RCULS Announcement	:	Initial fund raising exercise announced by our Company on 26 March 2018 in relation to the proposed renounceable rights issue of RCULS together with free detachable warrants on the basis of five (5) RCULS for every six (6) existing WCEHB Shares held and one (1) free detachable warrant for every three (3) RCULS subscribed for, which was subsequently varied to the Rights Issue of RCPS
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad

**DEFINITIONS (Cont'd)**

Rights Issue of RCPS	: Renounceable rights issue of 2,005,471,176 RCPS at the Issue Price, together with 501,367,794 Warrants, on the basis of two (2) RCPS for every one (1) existing WCEHB Share held by our Entitled Shareholders on the Entitlement Date and one (1) Warrant for every four (4) RCPS subscribed for
RPSB	: Radiant Pillar Sdn Bhd, a 40%-owned associate of our Company
RSF	: Rights subscription form in relation to the Rights Issue of RCPS
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA
SC	: Securities Commission Malaysia
Second Exercise Period	: The exercise period commencing from the 5 <sup>th</sup> anniversary of the issue date of the Warrants up to the Market Day immediately before the 10 <sup>th</sup> anniversary of the issue date of the Warrants
Share Registrar	: Metra Management Sdn Bhd
SICDA	: Securities Industry (Central Depositories) Act 1991
UFHL	: United Frontiers Holdings Limited
Undertaking Shareholders	: IJM, MWE and UFHL collectively, being the substantial shareholders of our Company
Undertakings	: Written irrevocable undertakings provided by the Undertaking Shareholders, namely IJM, MWE and UFHL vide their letters dated 17 May 2019, 28 May 2019 and 10 May 2019 respectively, to subscribe in full for their respective entitlements under the Rights Issue of RCPS and to apply for Excess RCPS with Warrants in the manner as set out in Section 3.1 of this Abridged Prospectus
Underwriting Agreement	: Underwriting agreement dated 10 October 2019 entered into between our Company and the Joint Underwriters in relation to the Rights Issue of RCPS
VWAMP	: Volume weighted average market price
Warrants	: Free detachable warrants to be issued pursuant to the Rights Issue of RCPS
WCE Project	: West Coast Expressway Project
WCEHB or Company	: WCE Holdings Berhad
WCEHB Group or Group	: WCEHB and its subsidiaries, collectively
WCEHB Shares or Shares	: Ordinary shares in WCEHB



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**DEFINITIONS (Cont'd)**

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WCESB : West Coast Expressway Sdn Bhd, an 80%-owned subsidiary of our Company. The remaining 20% equity interest in WCESB is held by Road Builder (M) Holdings Bhd, a wholly-owned subsidiary of IJM

**Currency**

RM and sen : Ringgit Malaysia and sen, the legal tender of Malaysia

References to “**our Company**” in this Abridged Prospectus are to WCEHB and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and where the context otherwise requires, shall include our subsidiaries.

All references to “**you**” or “**your**” in this Abridged Prospectus are to our Entitled Shareholders and where the context otherwise requires, shall include their renounees and/or transferees (if applicable).

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any reference to a time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in quarterly results or annual reports, is due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our Company’s and/or our Group’s plans and objectives will be achieved.

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## SUMMARY OF RIGHTS ISSUE OF RCPS

**THIS SUMMARY OF RIGHTS ISSUE OF RCPS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.**

- Basis of allotment : Two (2) RCPS for every one (1) existing WCEHB Share held on the Entitlement Date and one (1) Warrant for every four (4) RCPS subscribed for.
- Number of RCPS with Warrants to be issued : 2,005,471,176 RCPS together with 501,367,794 Warrants.
- Issue Price : RM0.24 per RCPS. The Warrants will be issued free to our Entitled Shareholders who have successfully subscribed for the RCPS. Please refer to Section 2.2(i) of this Abridged Prospectus for the basis and justification for the Issue Price.
- Conversion Price(s) : The conversion prices of the RCPS into new WCEHB Shares are RM0.28 under Option 1 and RM0.32 under Option 2. Please refer to Section 2.2(i) of this Abridged Prospectus for the basis and justification for the Conversion Prices.
- Conversion Modes : The RCPS may be converted into new WCEHB Shares in any of the following manner:
- (i) **Option 1:** By surrendering one (1) RCPS together with cash payment of RM0.04 such that the total value in aggregate amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share; and/or
  - (ii) **Option 2:** By surrendering four (4) RCPS for three (3) new WCEHB Shares such that the aggregate issue price is equivalent to the Conversion Price of RM0.32.
- Exercise Price(s) : The exercise prices per Warrant into one (1) new WCEHB Share are RM0.39 during the First Exercise Period and RM0.45 during the Second Exercise Period. Please refer to Section 2.2(ii) of this Abridged Prospectus for the basis and justification for the Exercise Prices.
- Shareholders' undertakings and underwriting arrangement : The Undertaking Shareholders, namely IJM, MWE and UFHL have provided their respective Undertakings for the Rights Issue of RCPS and have undertaken, among others, that:
- (i) they will subscribe in full for their respective entitlements under the Rights Issue of RCPS; and
  - (ii) they will, through the subscription for their respective entitlements under the Rights Issue of RCPS and application for Excess RCPS with Warrants, subscribe/apply for such number of RCPS such that the total proceeds to be raised by our Company from their subscription/application for the RCPS under the Rights Issue of RCPS shall not exceed 80% of the actual gross proceeds raised from the Rights Issue of RCPS.

The remaining portion of the RCPS with Warrants for which no written undertakings to subscribe has been obtained by our Company, representing approximately 20% of the total RCPS with Warrants to be issued pursuant to the Rights Issue of RCPS, will be fully underwritten by the Joint Underwriters. Please refer to Sections 3.1 and 3.3 of this Abridged Prospectus for further details on the Undertakings and underwriting arrangement.

**SUMMARY OF RIGHTS ISSUE OF RCPS (Cont'd)**

Use of proceeds : The gross proceeds of RM481.31 million to be raised from the Rights Issue of RCPS is intended to be used in the following manner:

Details of use of proceeds	RM'000	Timeframe for the use of proceeds *
Injection as equity, convertibles and/or subordinated advances into WCESB	320,000	Within 12 months
Repayment of the Bridging Loan		
- Principal amount	150,000	Within one (1) month
- Partial settlement of interest incurred	4,000	Within one (1) month
General working capital	3,313	Within 12 months
Estimated expenses in relation to the Rights Issue of RCPS	4,000	Within three (3) months
<b>Total proceeds</b>	<b>481,313</b>	

**Note:**

\* From the date of completion of the Rights Issue of RCPS.

Please refer to Section 5 of this Abridged Prospectus for further details on the use of proceeds.

Risk factors : You should carefully consider, among others, the following risk factors before subscribing for the Rights Issue of RCPS:

- (i) As our Group is involved in the WCE Project, our Group is exposed to risks associated with the WCE Project which include delays in completion of construction works and commencement of toll collections, increase in land acquisition cost as well as lower toll rates, delay in toll rates revision and/or acquisition of tolled highways by the Government; and
- (ii) Arising from our Company's 40% equity interest in RPSB, our Group is also, to a certain extent, subject to risks inherent in the property development sector which include, among others, timely commencement and/or completion of projects, availability of labour and building materials and fluctuations in the prices of raw materials.

Please refer to Section 8 of this Abridged Prospectus for further details on the risk factors.

Procedures for acceptance of the Provisional RCPS with Warrants and application for the Excess RCPS with Warrants : If you wish to accept the Provisional RCPS with Warrants, either in full or in part, please complete **Parts I(A) and II** of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment in the reply envelope enclosed with this Abridged Prospectus must be despatched by COURIER, ORDINARY POST OR DELIVERED BY HAND (at your own risk) to our Share Registrar at the address as set out in Section 12.3 of this Abridged Prospectus, so as to arrive by the Closing Date.

If you wish to apply for additional RCPS with Warrants in excess of your entitlement, you may do so by completing **Part I(B)** of the RSF (in addition to **Parts I(A) and II**) and forward it (together with a **separate remittance** made in RM for the full and exact amount payable in respect of the Excess RCPS with Warrants applied for) to our Share Registrar at the address as set out in Section 12.3 of this Abridged Prospectus, so as to arrive by the Closing Date.

Please refer to Section 12 of this Abridged Prospectus for further details on the instructions for acceptance, payment, sale/transfer and excess application.



**WCE HOLDINGS BERHAD**  
(Company No. 534368-A)  
(Incorporated in Malaysia)

**Registered office**  
Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

24 October 2019

**Board of Directors**

Datuk Ir. Hamzah bin Hasan (*Chairman/Independent Non-Executive Director*)  
Datuk Oh Chong Peng (*Senior Independent Non-Executive Director*)  
Datuk Wira Hj. Hamza bin Taib (*Independent Non-Executive Director*)  
Tan Chor Teck (*Independent Non-Executive Director*)  
Lee Chun Fai (*Non-Independent Non-Executive Director*)  
Tang King Hua (*Non-Independent Non-Executive Director*)  
Vuitton Pang Hee Cheah (*Non-Independent Non-Executive Director*)

**To: Our Entitled Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF 2,005,471,176 RCPS AT THE ISSUE PRICE, TOGETHER WITH 501,367,794 WARRANTS, ON THE BASIS OF TWO (2) RCPS FOR EVERY ONE (1) EXISTING WCEHB SHARE HELD BY OUR ENTITLED SHAREHOLDERS ON THE ENTITLEMENT DATE AND ONE (1) WARRANT FOR EVERY FOUR (4) RCPS SUBSCRIBED FOR**

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**1. INTRODUCTION**

On 26 March 2018, RHB Investment Bank had on behalf of our Board, announced that our Board proposes to undertake a renounceable rights issue of RCULS together with free detachable warrants on the basis of five (5) RCULS for every six (6) existing WCEHB Shares held and one (1) free detachable warrant for every three (3) RCULS subscribed for, to raise funds for, among others, injection as equity, convertibles and/or subordinated advances into WCESB, which will in turn be used to finance the project cost for the WCE Project.

On 28 November 2018, RHB Investment Bank had on behalf of our Board, announced that our Board had decided to vary the abovementioned proposal to the Rights Issue of RCPS.

In order to facilitate the implementation of the Rights Issue of RCPS, our Company had also proposed to undertake the amendments to the Memorandum and Articles of Association of our Company ("**M&A**") to amend and/or include certain clauses in the M&A of our Company.

On 18 February 2019, RHB Investment Bank had on behalf of our Board, announced that BNM had vide its letter dated 18 February 2019 approved the issuance of the RCPS to our non-resident shareholders pursuant to the Rights Issue of RCPS, subject to the following condition:

No.	Condition	Status of compliance
1.	WCEHB is required to obtain BNM's prior approval for any change to the information or terms of the RCPS as set out in BNM's approval letter.	Complied.

On 29 April 2019, RHB Investment Bank had on behalf of our Board, announced that Bursa Securities had vide its letter dated 26 April 2019, granted its approval for the following:

- (i) the admission of the RCPS and Warrants to the Official List of Bursa Securities; and
- (ii) the listing and quotation of:
  - (a) up to 2,020,833,333 RCPS together with up to 501,367,794 Warrants to be issued pursuant to the Rights Issue of RCPS;
  - (b) up to 2,020,833,333 new WCEHB Shares to be issued pursuant to the conversion of the RCPS; and
  - (c) up to 501,367,794 new WCEHB Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities, subject to, among others, the following conditions:

No.	Conditions	Status of compliance
1.	WCEHB and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of RCPS;	Noted.
2.	WCEHB and RHB Investment Bank to inform Bursa Securities and make immediate announcement on the issue price of the RCPS, discount of the issue price, entitlement basis, number of RCPS and Warrants to be issued, conversion price and conversion ratio of the RCPS, once it has been decided;	Complied.
3.	WCEHB and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue of RCPS;	To be complied.
4.	WCEHB and RHB Investment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of RCPS is completed;	To be complied.
5.	WCEHB to furnish Bursa Securities on a quarterly basis a summary of the total number of WCEHB Shares listed pursuant to the conversion of RCPS and exercise of Warrants as at the end of each quarter together with a detailed computation of the listing fees payable; and	To be complied.
6.	If applicable, payment of additional listing fee based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable.	To be complied.

Our shareholders had at our EGM convened on 29 August 2019 approved the Rights Issue of RCPS and the amendments to the M&A of our Company to facilitate the implementation of the Rights Issue of RCPS. The M&A of our Company was subsequently altered and replaced with the Constitution with effect from 29 August 2019.

On 3 October 2019, RHB Investment Bank had on behalf of our Board, announced that the following has been fixed:

(i)	Issue Price	:	RM0.24 per RCPS
(ii)	Entitlement basis	:	Two (2) RCPS for every one (1) existing WCEHB Share held and one (1) Warrant for every four (4) RCPS subscribed for
(iii)	Conversion Prices:		
	• Option 1	:	RM0.28
	• Option 2	:	RM0.32
(iv)	Conversion ratios:		
	• Option 1	:	By surrendering one (1) RCPS together with cash payment of RM0.04 for one (1) new WCEHB Share
	• Option 2	:	By surrendering four (4) RCPS for three (3) new WCEHB Shares
(v)	Exercise Prices:		
	• First Exercise Period	:	RM0.39, for the period commencing from the issue date of the Warrants up to the Market Day immediately before the 5 <sup>th</sup> anniversary of the issue date of the Warrants
	• Second Exercise Period	:	RM0.45, for the period commencing from the 5 <sup>th</sup> anniversary of the issue date of the Warrants up to the Market Day immediately before the 10 <sup>th</sup> anniversary of the issue date of the Warrants

On 8 October 2019, RHB Investment Bank had on behalf of our Board, announced that Bursa Securities had vide its letter dated 7 October 2019 granted an extension of time until 31 December 2019 for our Company to complete the implementation of the Rights Issue of RCPS.

On 10 October 2019, RHB Investment Bank had on behalf of our Board, announced that:

- (i) our Company had entered into the Underwriting Agreement with the Joint Underwriters; and
- (ii) the Entitlement Date has been fixed at 5:00 p.m. on 24 October 2019.

For information purpose, our Board had appointed Newfields as the Financial Adviser for the Rights Issue of RCPS to formulate the overall funding strategies for our Company in respect of the WCE Project. This includes conceptualising and formulating the terms of the Rights Issue of RCPS as well as assisting our Company with the overall coordination of work streams with other advisers to ensure timely implementation of the Rights Issue of RCPS. As the Financial Adviser, Newfields' role also includes the formulation of interim funding strategies for our Company to enable us to meet our funding requirements in relation to the WCE Project pending the completion of the Rights Issue of RCPS.

No person is authorised to give any information or make any representation not contained in the Documents in connection with the Rights Issue of RCPS and if given or made, such information or representation must not be relied upon as having been authorised by us or our Principal Adviser.

**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.**



## **2. DETAILS OF THE RIGHTS ISSUE OF RCPS**

### **2.1 Introduction**

In accordance with the terms of the Rights Issue of RCPS as approved by the relevant authorities and our shareholders at the EGM of our Company convened on 29 August 2019 and subject to the terms of the Documents, our Company shall provisionally allot 2,005,471,176 RCPS together with 501,367,794 Warrants to our Entitled Shareholders on the basis of two (2) RCPS for every one (1) existing WCEHB Share held by our Entitled Shareholders on the Entitlement Date at the Issue Price and one (1) Warrant for every four (4) RCPS subscribed for.

Shareholders whose names appear in our Record of Depositors on the Entitlement Date are entitled to participate in the Rights Issue of RCPS. However, only our Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing before the Entitlement Date will receive the Documents.

The Rights Issue of RCPS is renounceable in full or in part provided that any renunciation is done on or before the last day for the sale or transfer of the Provisional RCPS with Warrants. However, the RCPS and the Warrants are not separately renounceable. Accordingly, our Entitled Shareholders can subscribe for and/or renounce and/or transfer their entitlements to the Provisional RCPS with Warrants in full or in part. Our Entitled Shareholders who renounce all their entitlements to the Provisional RCPS with Warrants will not be entitled to the Warrants. However, our Entitled Shareholders who accept part of their entitlements to the Provisional RCPS with Warrants will be entitled to the Warrants in proportion of their acceptance of their entitlements to the Provisional RCPS with Warrants.

The Warrants are attached to the RCPS without any cost and will be issued only to our Entitled Shareholders and/or their renounees and/or transferees (if applicable) who have successfully subscribed for the RCPS. The Warrants will be immediately detached from the RCPS upon issuance and will be separately traded on Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.

Fractional entitlements of the RCPS and/or Warrants, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its absolute discretion deems fit or expedient or in the best interest of our Company.

The RCPS with Warrants which are not taken up or not validly taken up by the Closing Date will be made available for excess applications by the other Entitled Shareholders and/or their renounees and/or transferees (if applicable). It is the intention of our Board to allot the Excess RCPS with Warrants, if any, to other Entitled Shareholders and/or their renounees and/or transferees (if applicable), in a fair and equitable manner, and in such manner as set out in Section 12.5 of this Abridged Prospectus.

Any dealing in the RCPS with Warrants which are prescribed securities under the CDS will be subject to the provisions of the SICDA and the Rules of Bursa Depository. Accordingly, upon issuance and allotment by our Company, the RCPS with Warrants will be credited directly into the respective CDS Accounts of our Entitled Shareholders and/or their renounees and/or transferees (if applicable) who have successfully subscribed for such RCPS with Warrants. No physical certificates will be issued to our Entitled Shareholders and/or their renounees and/or transferees (if applicable) but notices of allotment will be issued to the successful applicants.

If you wish to accept the Provisional RCPS with Warrants (in full or in part) as specified in the NPA and/or apply for the Excess RCPS with Warrants, please refer to the instructions for acceptance, payment, sale/transfer and excess application as set out in Section 12 of this Abridged Prospectus.

The RCPS, which can be converted into new WCEHB Shares at any time over a period of two (2) years, entails the following conversion features:

- (i) different modes of conversion which allow the RCPS holders to convert their RCPS into new WCEHB Shares via Option 1 and/or Option 2; and
- (ii) different conversion prices, whereby the Conversion Price under Option 2 of RM0.32 is higher than the Conversion Price under Option 1 of RM0.28.

The Warrants, which can be exercised into one (1) new WCEHB Share at any time over a period of ten (10) years, similarly entails a step-up pricing mechanism, whereby the Exercise Price during the Second Exercise Period of RM0.45 is higher than the Exercise Price during the First Exercise Period of RM0.39.

The tenure of the RCPS has been fixed at two (2) years to coincide with the funding requirements of our Company for the WCE Project, the construction of which is presently expected to be completed by August 2021 except for a stretch measuring approximately 10 km known as Section 7b which is expected to complete by December 2022. Further details of the WCE Project is set out in Section 4 of this Abridged Prospectus.

The salient terms of the RCPS and the Warrants are set out in Appendix I and Appendix II of this Abridged Prospectus respectively.

## **2.2 Basis and justification for the pricing of the RCPS and Warrants**

### **(i) Basis and justification for the Issue Price and Conversion Prices**

#### **Issue Price**

The Issue Price of RM0.24 per RCPS represents a discount of 52.63% to the five (5)-day VWAMP of WCEHB Shares up to and including 2 October 2019, being the Market Day immediately preceding the Price-Fixing Date of RM0.5066. The Issue Price was determined by our Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (a) the five (5)-day VWAMP of WCEHB Shares immediately preceding the Price-Fixing Date;
- (b) the historical share price of WCEHB Shares;
- (c) the overall funding requirements of our Company for the WCE Project over the three (3) years period commencing from the date of the RCPS Announcement;
- (d) the dilutive effects arising from the conversion of the RCPS and the exercise of the Warrants, on among others, the NA per Share and EPS of our Company;
- (e) a discount of at least 40% to the five (5)-day VWAMP of WCEHB Shares immediately preceding the Price-Fixing Date; and
- (f) the resulting issue price must enable our Company to:
  - (i) fix the Conversion Prices under both Option 1 and Option 2 at a discount of at least 15% to the theoretical ex-rights price of WCEHB Shares (after the conversion of the RCPS under Option 2) of RM0.39, calculated based on the five (5)-day VWAMP of WCEHB Shares up to and including 2 October 2019, being the Market Day immediately preceding the Price-Fixing Date of RM0.5066 ("TERP"); and
  - (ii) fix the Conversion Price under Option 2 at least 10% higher than the Conversion Price under Option 1.

**Conversion Prices**

The Conversion Prices of RM0.28 under Option 1 and RM0.32 under Option 2 represent a discount of 28.21% and 17.95% respectively, to the TERP of RM0.39.

The Conversion Prices were determined by our Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (a) the overall funding requirements of our Company for the WCE Project over the three (3) years period commencing from the date of the RCPS Announcement;
- (b) the TERP of RM0.39;
- (c) the Conversion Prices under both Option 1 and Option 2 will be at a discount of at least 15% to the TERP; and
- (d) the Conversion Price under Option 2 will be at least 10% higher than the Conversion Price under Option 1.

The RCPS may be converted into new WCEHB Shares in the following manner:

<b>Modes of conversion</b>	<b>Conversion Prices (RM)</b>
<b><u>Option 1</u></b> By surrendering one (1) RCPS together with cash payment of RM0.04 such that the total value in aggregate amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share	0.28
<b><u>Option 2</u></b> By surrendering four (4) RCPS for three (3) new WCEHB Shares such that the aggregate issue price is equivalent to the Conversion Price of RM0.32	0.32

The RCPS entails different modes of conversion and different Conversion Prices. The different modes of conversion provide the RCPS holders with the flexibility to determine the manner they wish to convert their RCPS and if they wish to pay additional cash for the conversion. In addition, the Conversion Price under Option 1 is priced lower than Option 2 to make it more attractive for the RCPS holders to convert the RCPS under Option 1 since our Company would be able to raise additional gross proceeds from the RCPS converted under Option 1 for the future funding requirements of the WCE Project.

Assuming that you hold 1,000 WCEHB Shares on the Entitlement Date, your RCPS entitlement under the Rights Issue of RCPS and the number of new WCEHB Shares you will receive upon the full conversion of the RCPS are set out below:

<b>RCPS entitlement</b>		<b>No. of WCEHB Shares to be received upon the full conversion of the RCPS</b>	
<b>No. of RCPS</b>	<b>RM</b>	<b>Option 1: With cash top-up of RM80</b>	<b>Option 2: Without cash top-up</b>
2,000	480	2,000	1,500

Based on the Issue Price and Conversion Prices, the gross proceeds to be raised by our Company upon completion of the Rights Issue of RCPS and full conversion of the RCPS are as follows:

<b>Gross proceeds to be raised</b>	<b>RM'000</b>
Upon completion of the Rights Issue of RCPS	481,313
Upon full conversion of the RCPS:	
- Assuming full conversion by way of Option 1	80,219
- Assuming full conversion by way of Option 2	-

**(ii) Basis and justification for the Exercise Prices**

The Exercise Price for the First Exercise Period of RM0.39 is equivalent to the TERP of RM0.39, while the Exercise Price for the Second Exercise Period of RM0.45 represents a premium of 15.38% to the TERP.

The Exercise Prices were determined by our Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (i) the TERP of RM0.39;
- (ii) the historical share price of WCEHB Shares;
- (iii) the overall funding requirements of our Company for the WCE Project over the three (3) years period commencing from the date of the RCPS Announcement; and
- (iv) the Exercise Price for the First Exercise Period will be equivalent to the TERP while the Exercise Price for the Second Exercise Period will be at a premium of at least 15% to the TERP.

The Warrants may be exercised into new WCEHB Shares at the following exercise prices:

<b>Exercise periods</b>	<b>Exercise Prices (RM)</b>
<b><u>First Exercise Period</u></b> Commencing from the issue date of the Warrants up to the Market Day immediately before the 5 <sup>th</sup> anniversary of the issue date of the Warrants	0.39
<b><u>Second Exercise Period</u></b> Commencing from the 5 <sup>th</sup> anniversary of the issue date of the Warrants up to the Market Day immediately before the 10 <sup>th</sup> anniversary of the issue date of the Warrants	0.45

The Warrants entail a step-up pricing mechanism whereby the Exercise Price during the Second Exercise Period is higher than the Exercise Price during the First Exercise Period. The step-up pricing mechanism is to encourage the Warrant holders to exercise the Warrants during the First Exercise Period (which has a lower Exercise Price than the Second Exercise Period) to enable our Company to raise additional gross proceeds from the exercise of the Warrants during the First Exercise Period for the future funding requirements of the WCE Project and/or for our Group's working capital requirements.

Based on the Exercise Prices, the gross proceeds to be raised by our Company upon the full exercise of the Warrants are as follows:

<b>Gross proceeds to be raised</b>	<b>RM'000</b>
Assuming full exercise in the First Exercise Period	195,533
Assuming full exercise in the Second Exercise Period	225,616

### **2.3 Ranking of the RCPS and new WCEHB Shares to be issued pursuant to the conversion of the RCPS and the exercise of the Warrants**

The RCPS are unsecured and shall upon issuance and allotment, rank equally among themselves and in priority to the WCEHB Shares and all other classes of shares (if any) in our Company, except that:

- (i) they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared by our Company; and
- (ii) save for matters as set out under the "Rights of the holders of the RCPS" in Appendix I of this Abridged Prospectus, they carry no right to vote at any general meeting of our Company.

However, in the event of liquidation or winding-up of our Company:

- (i) the assets of our Company shall be distributed first to the holders of the RCPS in priority to the holders of other classes of shares in our Company, the amount of which shall be equal to the full issue price for each RCPS, provided that there shall be no further right to participate in any surplus profits of our Company; and
- (ii) in the event that our Company has insufficient assets to permit payment of the full issue price to the holders of the RCPS, the assets of our Company shall be distributed on a pro rata basis to the holders of the RCPS in proportion to the amount that each RCPS holder would otherwise be entitled to receive.

The new WCEHB Shares to be issued pursuant to the conversion of the RCPS and the exercise of the Warrants shall upon issuance and allotment, rank equally in all respects with the then existing WCEHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to shareholders, of which the entitlement date is prior to the date of allotment of the new WCEHB Shares to be issued pursuant to the conversion of the RCPS or the exercise of the Warrants.

## **3. DETAILS OF THE UNDERTAKINGS AND UNDERWRITING ARRANGEMENT**

### **3.1 Undertakings**

The Rights Issue of RCPS will be undertaken on a full subscription basis.

In this regard, the Undertaking Shareholders, namely IJM, MWE and UFHL have provided their respective Undertakings for the Rights Issue of RCPS and have undertaken that:

- (i) they will subscribe in full for their respective entitlements under the Rights Issue of RCPS;
- (ii) the number of WCEHB Shares which they hold on the Entitlement Date shall not fall below their respective shareholdings as at the date of their respective Undertakings, as set out in the table below;

- (iii) they will, through the subscription for their respective entitlements under the Rights Issue of RCPS and application for Excess RCPS with Warrants, subscribe/apply for such number of RCPS such that the total proceeds to be raised by our Company from their subscription/application for the RCPS under the Rights Issue of RCPS shall not exceed 80% of the actual gross proceeds raised from the Rights Issue of RCPS; and
- (iv) they will each apply for Excess RCPS with Warrants in proportion to their respective shareholdings in our Company over the total WCEHB Shares held by them on the Entitlement Date, subject to Section 3.1(iii) of this Abridged Prospectus.

As at the date of their respective Undertakings, the shareholdings of the Undertaking Shareholders in our Company were as follows:

<b>Undertaking Shareholders</b>	<b>No. of Shares</b>	<b>(1) %</b>
IJM	265,368,574	26.46
MWE	256,565,500	25.59
UFHL	93,415,100	9.32

**Note:**

- (1) Based on the total number of issued shares of our Company as at the date of their Undertakings of 1,002,735,588 WCEHB Shares.

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For illustrative purposes, based on the shareholdings of the Undertaking Shareholders in our Company as at LPD, their respective entitlements under the Rights Issue of RCPS and the number of Excess RCPS with Warrants which they will apply for pursuant to their Undertakings are as follows:

	Shareholdings as at LPD		Entitlements under the Rights Issue of RCPS				
	No. of Shares ('000)	(1) %	No. of RCPS ('000)	(2) %	Amount (RM'000)	No. of Warrants ('000)	(2) %
IJM	265,369	26.46	530,737	26.46	127,377	132,684	26.46
MWE	256,566	25.59	513,131	25.59	123,151	128,283	25.59
UFHL	93,415	9.32	186,830	9.32	44,839	46,708	9.32
	<b>615,350</b>	<b>61.37</b>	<b>1,230,698</b>	<b>61.37</b>	<b>295,367</b>	<b>307,675</b>	<b>61.37</b>

	Excess RCPS with Warrants to be applied for pursuant to the Undertakings <sup>(3)</sup>				Total RCPS with Warrants to be subscribed/applied for pursuant to the Undertakings				
	No. of RCPS ('000)	(2) %	Amount (RM'000)	No. of Warrants ('000)	(2) %	No. of RCPS ('000)	Amount (RM'000)	No. of Warrants ('000)	(2) %
IJM	161,148	8.03	38,676	40,287	8.03	691,885	166,053	172,971	34.49
MWE	155,803	7.77	37,393	38,951	7.77	668,934	160,544	167,234	33.36
UFHL	56,728	2.83	13,615	14,182	2.83	243,558	58,454	60,890	12.15
	<b>373,679</b>	<b>18.63</b>	<b>89,684</b>	<b>93,420</b>	<b>18.63</b>	<b>1,604,377</b>	<b>385,051</b>	<b>401,095</b>	<b>80.00</b>

**Notes:**

- (1) Based on the total number of issued shares of our Company as at LPD of 1,002,735,588 WCEHB Shares.
- (2) Based on the total number of 2,005,471,176 RCPS and 501,367,794 Warrants to be issued pursuant to the Rights Issue of RCPS.
- (3) Assuming that save for the Undertaking Shareholders, none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue of RCPS and the Undertaking Shareholders apply for Excess RCPS with Warrants pursuant to their respective Undertakings (in proportion to their respective shareholdings in our Company over the total WCEHB Shares held by them as at LPD) such that the total proceeds to be raised by our Company from the subscription for their respective entitlements under the Rights Issue of RCPS and application for Excess RCPS with Warrants shall not exceed 80% of the actual gross proceeds raised from the Rights Issue of RCPS.

The Undertaking Shareholders have confirmed through their respective Undertakings that they have sufficient financial resources to fulfil their commitment under their respective Undertakings and will make full payment for the RCPS upon subscription/application. RHB Investment Bank has verified the sufficiency of financial resources of the Undertaking Shareholders to subscribe/apply for the RCPS as set out in the table above.

### 3.2 Obligations under the Rules

The issuance and allotment of the RCPS and Warrants will not give rise to any obligation under the Rules as the RCPS and Warrants do not carry any voting right in our Company until and unless the RCPS are converted or the Warrants are exercised into new WCEHB Shares.

However, depending on the timing and actual number of RCPS being converted by the RCPS holders and/or Warrants being exercised by the Warrant holders into new WCEHB Shares as well as the mode of conversion of the RCPS, the conversion of the RCPS and/or exercise of the Warrants by the substantial shareholders of our Company namely, IJM and MWE, into new WCEHB Shares may result in their individual shareholdings exceeding 33% of the enlarged issued shares in WCEHB. Pursuant to the Rules, IJM and MWE (as the case may be) would, in such event be obliged to extend a mandatory take-over offer for all the remaining WCEHB Shares and convertible securities not already owned by them and any person(s) acting in concert with them.

However, IJM and MWE have undertaken that they will observe and comply at all times with the provisions of the Rules in respect of the conversion of their RCPS and/or exercise of their Warrants into new WCEHB Shares as it is not their intention to undertake a mandatory take-over offer for all the remaining WCEHB Shares and convertible securities not already owned by them and any person(s) acting in concert with them.

### 3.3 Underwriting arrangement

Pursuant to the Underwriting Agreement, the Joint Underwriters have agreed to severally and not jointly (nor jointly and severally) subscribe and/or procure subscriptions for 401,094,237 RCPS with 100,273,560 Warrants ("**Underwritten Securities**") representing approximately 20.00% of the total RCPS with Warrants to be issued pursuant to the Rights Issue of RCPS, in the following agreed proportions, subject to the terms and conditions of the Underwriting Agreement:

Joint Underwriters	No. of RCPS	(1)%	Amount (RM)	No. of Warrants
Alliance Investment Bank Berhad	82,699,842	20.62	19,847,962.08	20,674,960
Inter-Pacific Securities Sdn Bhd	103,374,803	25.77	24,809,952.72	25,843,700
Malacca Securities Sdn Bhd	82,699,842	20.62	19,847,962.08	20,674,960
MIDF Amanah Investment Bank Berhad	62,024,882	15.46	14,885,971.68	15,506,220
RHB Investment Bank	70,294,868	17.53	16,870,768.32	17,573,720
<b>Total</b>	<b>401,094,237</b>	<b>100.00</b>	<b>96,262,616.88</b>	<b>100,273,560</b>

**Note:**

(1) Based on the total number of Underwritten Securities.

The underwriting commission of 2% of the value of the Underwritten Securities based on the Issue Price will be borne by our Company.

For the avoidance of doubt, the obligations of the Joint Underwriters under the Underwriting Agreement will only apply to the remaining RCPS with Warrants not validly taken up by our Entitled Shareholders and/or their renounees and/or transferees (if applicable) and/or the Undertaking Shareholders in accordance with the terms of their respective Undertakings.



#### 4. BRIEF DETAILS ON THE WCE PROJECT

##### The West Coast Expressway

On 2 January 2013, WCESB entered into the Concession Agreement with the Government in relation to the WCE Project.

The WCE Project involves the development of 233 km of tolled highway from Banting, Selangor to Taiping, Perak (including 40 km to be constructed later). The construction of the WCE Project commenced in August 2014 and is presently expected to be completed by August 2021 except for a stretch measuring approximately 10 km known as Section 7b which is expected to complete by December 2022. The West Coast Expressway (excluding 40 km to be constructed later) is divided into 11 sections of which Section 8 opened to traffic on 31 May 2019 followed by Sections 9 and 10 on 23 September 2019. However, toll collections for Sections 8, 9 and 10 are expected to commence by December 2019, subject to the gazette of the Government.

For information purpose, the construction of the additional 40 km of highway refers to upgrading works for the existing nine (9) km federal road from Parit to Seputih in Perak and construction works for a 31 km single carriageway highway which will connect Changkat Keruing and Parit in Perak. Such construction will only be carried out by WCESB (i) if the level of service for the relevant part of the federal road known as Federal Road 5 falls below the level of service stipulated in the Concession Agreement; or (ii) on the 10<sup>th</sup> anniversary of the date of issuance of *Sijil Kesempurnaan Pembinaan Lebuhraya*, whichever is earlier; and is subject to a separate agreement to be entered into between WCESB and the Government. Nonetheless, if WCESB and the Government are unable to agree on the terms and conditions of the agreement, the Government shall have discretion to appoint any party to undertake the construction.

##### Increase in project cost for the WCE Project

The project cost for the WCE Project (excluding 40 km to be constructed later and land acquisition cost of up to RM980 million which will be borne by the Government) was estimated to be RM5.94 billion, of which RM1.20 billion was to be funded through equity, convertibles and/or subordinated advances from the shareholders of WCESB on a pro-rata basis ("**Equity Contribution**") and the balance through borrowings, including the GSL, borrowings from licensed financial institutions and the issuance of debt securities.

As at the date of the RCULS Announcement, the management of our Company had anticipated that the project cost for the WCE Project would increase by approximately RM0.18 billion to RM6.12 billion due to higher estimated land acquisition cost which was partially offset by savings in project cost amounting to RM0.40 billion. Land acquisition cost was estimated at RM1.56 billion as at the date of the RCULS Announcement and pursuant to the terms of the Concession Agreement, the Government will bear land acquisition cost of up to RM980.00 million for the WCE Project. Any land acquisition cost in excess of RM980.00 million will be borne by WCESB and funded by the shareholders of WCESB on a pro-rata basis. Thus, the Equity Contribution was expected to increase from RM1.20 billion to RM1.38 billion and based on our Company's 80% equity interest in WCESB, our Company was required to inject RM1.10 billion in the form of equity, convertibles and/or subordinated advances into WCESB, in order to fulfil our share of the Equity Contribution.

However, in view that the land acquisition exercise for the WCE Project was still ongoing, the Company continued receiving notification letters from the relevant land administrators on amounts to be paid for the land acquisitions. As at 16 November 2018, being the latest practicable date prior to the RCPS Announcement ("**RCPS Announcement LPD**"), the Government had completed the acquisition of 3,171.38 acres of land out of the total of 3,913.99 acres of land estimated to be acquired for the WCE Project, for a total cost of RM1.47 billion. However, the compensation for land acquisitions had been higher than WCESB's estimates. As at the RCPS Announcement LPD, WCESB had received notification letters (the majority of which were received subsequent to the RCULS Announcement) for the acquisition of 382.71 acres of land amounting to RM0.33 billion and this would result in the land acquisition cost exceeding the earlier estimated land acquisition cost of RM1.56 billion.

In view of the higher land compensations awarded, WCESB reviewed their cost for the remaining 359.90 acres of land to be acquired and expected that the remaining land acquisition cost will amount to RM0.33 billion. This would bring the total land acquisition cost to RM2.13 billion, representing an increase of approximately RM0.57 billion from the original estimate of RM1.56 billion.

In view of the above, the project cost for the WCE Project was expected to increase further from RM6.12 billion to RM6.69 billion. As the increase would be funded by the shareholders of WCESB on a pro-rata basis, the Equity Contribution will increase from RM1.38 billion to RM1.95 billion. Based on our Company's 80% equity interest in WCESB, our Company is now required to inject RM1.56 billion in the form of equity, convertibles and/or subordinated advances into WCESB, in order to fulfil our share of the Equity Contribution.

The management of our Company is of the view that the higher land acquisition cost is mainly due to the following:

- (i) delays in the land acquisition exercise for the WCE Project due to, among others:
  - (a) the delay in the finalisation of the alignment for Section 7 of the West Coast Expressway (measuring approximately 29.5 km from Assam Jawa Interchange to Tanjung Karang Interchange);
  - (b) the delay caused by the change in the tendering process for Section 11 of the West Coast Expressway (measuring approximately 35.5 km from Beruas Interchange to Taiping South Interchange); and
- (ii) higher compensation for land acquisitions due to:
  - (a) appreciation in land values;
  - (b) high severance cost relating to partial acquisition of lands which diminishes the value of the remaining piece of adjoining land held by the affected land owners; and
  - (c) high injurious affection cost relating to compensation paid for damages expected to be incurred by land owners on their remaining land after the acquisition i.e. loss of earnings and use of the remaining land.

A summary of the variations of the total estimated project cost for the WCE Project and the manner of funding are set out below:

	<b>Original estimates (RM bil)</b>	<b>As at the RCULS Announcement (RM bil)</b>	<b>As at the RCPS Announcement LPD ^ (RM bil)</b>
Project cost for the WCE Project	5.94	6.12	6.69
- Land acquisition cost	0.98	1.56	2.13
Funding of the WCE Project through the Equity Contribution	1.20	1.38	1.95
Amount required to be injected by our Company into WCESB based on our 80% equity interest in WCESB to fulfil our share of the Equity Contribution	0.96	1.10	1.56

**Note:**

<sup>^</sup> As at LPD, the total estimated project cost for the WCE Project and the manner of funding as at the RCPS Announcement LPD remains the same.

**Dispute of land compensation amounts**

As the land compensation amounts awarded by the relevant land administrators for the land acquisitions have been higher than WCESB's estimates, WCESB had either on its own or through *Lembaga Lebuhraya Malaysia* filed applications to the High Court to dispute certain amounts awarded by the relevant land administrators. Notwithstanding this, WCESB is required to make payment equivalent to 75% of such amounts awarded based on the notification letters received from the relevant land administrators when they become due. In the event the High Court's decision is favourable to WCESB, WCESB will seek to recover the amounts from the relevant parties, where applicable. As at LPD, applications have been filed to the High Court to dispute certain land compensation amounts awarded and to claim for a reduction in the aggregate award sum by RM324.54 million, of which disputes for an aggregate award sum of RM89.06 million have been heard and decided by the High Court, while the remaining RM235.48 million have not been heard by the High Court. For disputes which have been heard and decided by the High Court, WCESB has been successful in reducing the aggregate award sum by RM49.10 million and WCESB has commenced the recovery of the relevant amounts from the relevant parties. It is the intention of our Company to use such amounts, as and when recovered for the future funding requirements of the WCE Project and/or for our Group's working capital requirements.

For information purpose, approximately 210.12 acres of land remains to be acquired for the WCE Project as at LPD and WCESB expects the remaining land acquisition cost to be within its remaining budget of RM0.18 billion. Any successful recovery by WCESB of the disputed land compensation awards as mentioned above will have the effect of reducing the remaining land acquisition cost.

**5. USE OF PROCEEDS**

Based on the Issue Price, the Rights Issue of RCPS is expected to raise gross proceeds of RM481.31 million. Our Company intends to use the total gross proceeds in the following manner:

<b>Details of use of proceeds</b>	<b>Note</b>	<b>RM'000</b>	<b>%</b>	<b>Timeframe for the use of proceeds *</b>
Injection as equity, convertibles and/or subordinated advances into WCESB	(i)	320,000	66.5	Within 12 months
Repayment of the Bridging Loan				
- Principal amount	(ii)	150,000	31.2	Within one (1) month
- Partial settlement of interest incurred	(ii)	4,000	0.8	Within one (1) month
General working capital	(iii)	3,313	0.7	Within 12 months
Estimated expenses in relation to the Rights Issue of RCPS	(iv)	4,000	0.8	Within three (3) months
<b>Total proceeds</b>		<b>481,313</b>	<b>100.0</b>	

**Notes:**

- \* From the date of completion of the Rights Issue of RCPS.
- (i) Based on our Company's 80% equity interest in WCESB, our Company is currently required to inject RM1.56 billion in the form of equity, convertibles and/or subordinated advances into WCESB, in order to fulfil our share of the Equity Contribution.

As at LPD, our Company has injected RM729.31 million into WCESB, of which RM681.38 million has been recognised as Equity Contribution. The remaining RM47.93 million which was used by WCESB for, among others, pre-operating expenses for the WCE Project do not fall under the Government's list of allowable pre-operating expenses for the WCE Project.

For information purpose, the total cash injection into WCESB amounting to RM729.31 million was funded through the following:

	RM million
Proceeds raised through our Company's private placement exercise which was completed on 31 July 2013	57.37
Proceeds raised through our Company's rights issue exercise which was completed on 3 September 2014 (" <b>2014 Rights Issue</b> ")	357.00
Proceeds raised from our Company's disposal of 500,000,000 ordinary shares held in Talam Transform Berhad (" <b>TTB Shares</b> ") which was completed on 18 April 2016	32.20
Term loan which was subsequently repaid using the proceeds raised from the following:	70.00
(a) the disposal by KEB Builders Sdn Bhd, a wholly-owned subsidiary of KEB Plantations Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of our Company, of its 10% equity interest held in RPSB to IJM Properties Sdn Bhd, which was completed on 24 January 2014; and	
(b) the 2014 Rights Issue	
The Bridging Loan	150.00
Advances from a jointly controlled entity	32.74
Proceeds raised from our Company's disposal of 400,000,000 TTB Shares which was completed on 30 April 2019	30.00
<b>Total</b>	<b>729.31</b>

Our Board intends to fund the remaining RM878.62 million in the following manner:

- (a) approximately RM320.00 million through the proceeds to be raised from the Rights Issue of RCPS; and
- (b) the remaining balance of RM558.62 million through a combination of proceeds to be raised from the following:
  - (1) conversion of the RCPS under Option 1 and the exercise of the Warrants, if any;
  - (2) our Company's proportionate share in the amounts successfully recovered by WCESB pursuant to its applications to dispute certain land compensation amounts awarded (details of which are set out in Section 4 of this Abridged Prospectus); and
  - (3) other sources of funds which are deemed suitable and appropriate at that juncture.

For information purpose, our Company will be able to raise additional gross proceeds of up to RM80.22 million and RM195.53 million respectively, in the event all the RCPS are converted under Option 1 and all the Warrants are exercised in the First Exercise Period.

- (ii) Our Company obtained the Bridging Loan on 23 April 2018 for the purpose of equity injection into WCESB pending the completion of the fund raising exercise by our Company. Based on the terms of the Bridging Loan, the Bridging Loan will be due for payment within six (6) months from the first draw down, with an option to extend for a further six (6) months, or upon the completion of the fund raising exercise of our Company, whichever is earlier. For information purpose, the first draw down date of the Bridging Loan was 4 June 2018. Subsequently on 30 October 2018 and 30 May 2019, our Company had obtained extensions for the repayment of the Bridging Loan from 3 December 2018 to 3 June 2019 and from 3 June 2019 to 3 December 2019 respectively.

Our Company intends to use RM150.00 million of the proceeds to be raised from the Rights Issue of RCPS for the repayment of the Bridging Loan and RM4.00 million to partially settle interest incurred on the Bridging Loan. The remaining interest thereon will be settled using our Company's internal funds. As at LPD, our Company has incurred interest of approximately RM11.84 million and has settled approximately RM11.20 million including the portion which was intended to be settled using the proceeds to be raised from the Rights Issue of RCPS. As a result, RM4.00 million of the proceeds from the Rights Issue of RCPS which is earmarked for the partial settlement of interest will instead be used to replenish the internal funds of our Company. The repayment of the Bridging Loan is expected to result in annual gross interest savings of approximately RM9.41 million to our Group, based on the actual interest rate of the Bridging Loan of approximately 6.27% per annum as at LPD.

As at LPD, the total borrowings of our Group stood at RM3.06 billion. Further details of our Group's borrowings are set out in Section 11.2 of this Abridged Prospectus.

In view that the Bridging Loan is obtained from RHB Bank Berhad (being the holding company of RHB Investment Bank), the declaration of conflict of interest by RHB Investment Bank is also set out in Section 2 of Appendix IV of this Abridged Prospectus.

- (iii) Represents gross proceeds allocated for general working capital purposes to finance the day-to-day operations of our Group, the breakdown of which is as follows:

	<b>RM'000</b>
Payment of basic salary, employer's contribution to the Employees Provident Fund Board (EPF) and Social Security Organisation (SOCSO), directors' fees and other emoluments and other staff related expenses	2,900
Administrative and general expenses which include professional fees such as audit fees, company secretarial fees and tax agent fees as well as office expenses such as utilities and general upkeep of properties	413
<b>Total</b>	<b>3,313</b>

- (iv) The estimated expenses in relation to the Rights Issue of RCPS consist of the following:

	<b>RM'000</b>
Professional fees <sup>(1)</sup>	1,317
Fees payable to the authorities <sup>(2)</sup>	282
Underwriting commission	2,041
Printing and despatch costs	120
Miscellaneous charges <sup>(3)</sup>	240
<b>Total</b>	<b>4,000</b>

**Notes:**

- (1) Comprising fees payable to our Principal Adviser, Financial Adviser, Legal Adviser for the Rights Issue of RCPS, Share Registrar and other professionals.
- (2) Comprising fees payable to Bursa Securities, SC and the Registrar of Companies.
- (3) Comprising expenses to convene the EGM, advertisement costs and other ancillary expenses.

In the event there is any excess in the amount allocated for the defrayment of estimated expenses in relation to the Rights Issue of RCPS, such excess will be adjusted to the gross proceeds which have been earmarked for injection as equity, convertibles and/or subordinated advances into WCESB.

On the other hand, if there is any shortfall in the amount allocated for the defrayment of estimated expenses in relation to the Rights Issue of RCPS, such shortfall will be adjusted from the gross proceeds which have been earmarked for general working capital.

Pending the use of the proceeds to be raised from the Rights Issue of RCPS, such proceeds will be placed in interest-bearing deposits with financial institution(s) and/or short-term money market instrument(s). The interest derived from the deposits with financial institution(s) and/or any gain arising from the short-term money market instrument(s) will be used for our Group's working capital requirements.

The actual gross proceeds to be raised from the conversion of the RCPS cannot be determined at this juncture as it is dependent on the actual number and mode of conversion of the RCPS by the RCPS holders. Nevertheless, any proceeds arising from the conversion of the RCPS in the future will be used for the future funding requirements of the WCE Project.

The Warrants will not raise any immediate proceeds as the Warrants will be issued free to our Entitled Shareholders who have successfully subscribed for the RCPS under the Rights Issue of RCPS. The actual gross proceeds to be raised from the exercise of the Warrants cannot be determined at this juncture as it is dependent on the actual timing and number of Warrants being exercised by the Warrant holders. Nevertheless, any proceeds arising from the exercise of the Warrants in the future will be used for the future funding requirements of the WCE Project and/or for our Group's working capital requirements.

## 6. SALIENT TERMS OF THE CONCESSION AGREEMENT

The salient terms of the Concession Agreement are as follows:

- (i) The WCE Project is a build-operate-transfer project with a concession period of 50 years ("**Concession Period**"). The Concession Period will be extended for another ten (10) years if the agreed targeted internal rate of return ("**IRR**") is not achieved (calculation of actual IRR will be in year 49).
- (ii) The key roles and responsibilities of WCESB under the Concession Agreement include the following:
  - (a) undertake the design and construction of the West Coast Expressway (including upgrading works);
  - (b) supply and install tolling and other equipment (including telecommunication equipment) at the toll plazas and manage, operate and maintain the same on the West Coast Expressway during the Concession Period;

- (c) demand, collect and retain toll for its own benefit from all vehicles liable to pay toll using the West Coast Expressway during the operating period as specified in the Concession Agreement;
  - (d) subject to all prevailing relevant laws in respect thereof, exclusively design, construct, manage, operate and maintain the facilities or buildings for commercial purposes, constructed or to be constructed, as approved by the Government ("**Ancillary Facilities**") during the Concession Period and to retain the income received or receivable and derived therefrom;
  - (e) operate, manage and maintain (including, without limitation, utility charges incurred thereby) the West Coast Expressway during the Concession Period;
  - (f) design, construct, operate, manage and maintain the office to be built by WCESB for the operation, management and maintenance of the West Coast Expressway and the supervision buildings;
  - (g) undertake all other activities incidental to the performance of the construction works, the Ancillary Facilities, the management, operation and maintenance referred to in the Concession Agreement; and
  - (h) WCESB shall be responsible for obtaining the necessary financing for the purposes of construction, operation, management and maintenance of the West Coast Expressway and the Ancillary Facilities.
- (iii) For the purpose of supporting the WCE Project, the Government agreed to provide WCESB the GSL subject to a separate agreement to be executed between the Government and WCESB.
- (iv) The land acquisition cost of up to RM980 million for the WCE Project will be borne by the Government. WCESB shall submit its land acquisition plans to the Government for the concession area ("**Land Acquisition Plans**") and the Government shall make available the land required in the manner set out in the Concession Agreement. If the Government requests for any amendment to the Land Acquisition Plans, the Government shall use its best endeavours to make available any additional land which may be required by the amended plans.

If any delay by the Government in making available the land required and the delay is not more than 18 months after the submission of the Land Acquisition Plans or the date the land required is gazetted under Section 8 of the Land Acquisition Act 1960, the Concession Period shall not be extended and WCESB shall not be entitled to any form of compensation. However, if the delay is more than 18 months after the submission of the Land Acquisition Plans or the date the land required is gazetted under the said Section 8, then the Government may extend the Concession Period for a period it deems reasonable or the Government may provide WCESB with other remedy or relief as may be determined by the Government provided that:

- (a) such extension of the Concession Period shall not be applicable in relation to:
  - (aa) any acquisition of additional land requested by WCESB; or
  - (bb) any land previously identified and included in the Land Acquisition Plans but subsequently discovered to be land to be compulsorily acquired by the Government under the Land Acquisition Act 1960 due to WCESB's fault or negligence; and
- (b) WCESB shall not be entitled to any form of remedy or relief whatsoever if the delay by the Government does not result in delay of completion of the whole West Coast Expressway.

- (v) The construction works of the WCE Project will be implemented by WCESB through an open tender presided over by a tender committee.
- (vi) WCESB shall, before the commencement of the construction works for any section of the West Coast Expressway ("**Relevant Section(s)**"), provide a performance bond to the Government in an amount which is equivalent to 5% of the contract value of the Relevant Section(s) ("**Performance Bond**"). If WCESB appoints any contractor to carry out the construction works, WCESB shall ensure that such contractor provide a similar Performance Bond to WCESB provided that WCESB shall assign the same to the Government, to guarantee the due performance of the construction works.

If a demand is made under any Performance Bond which results in the amount available under the Performance Bond being less than 5% of the contract value of the Relevant Section(s), a further Performance Bond shall be issued to the Government before continuing further with the construction works.

- (vii) Liquidated and ascertained damages of RM100,000 shall be paid by WCESB to the the Government for each day of delay of construction if the construction is not completed by the agreed completion date.
- (viii) Any savings to the costs of the construction works shall be utilised to review the GSL amount, if the GSL amount has not been fully disbursed, or for other purposes as may be determined by the Government.
- (ix) Toll revenue in excess of the agreed projected toll revenue (as set out in the Concession Agreement) will be shared as follows:
  - (a) during the period of repayment or prepayment of the GSL, 70% of the excess revenue will be utilised as repayment or prepayment of the GSL; and
  - (b) after the settlement of the GSL, on the basis of 30:70 between the Government and WCESB if the targeted IRR is not achieved and 70:30 if the actual IRR is more than the targeted IRR.
- (x) Toll revenue in excess of the agreed projected toll revenue shall be utilised to repay the GSL and other financing facilities obtained by WCESB prior to payment of dividends to WCESB's shareholders.
- (xi) Further toll increment is subject to a toll review mechanism (as set out in the Concession Agreement).
- (xii) Penalties will be imposed in the event WCESB fails to fulfil its maintenance obligations (based on certain key performance indicators) as specified in the Concession Agreement.
- (xiii) WCESB shall, on or before the date any existing roads or any part thereof which, before the completion of the construction works, are within the limit of the construction works area ("**Existing Roads**") is made available to WCESB, provide to the Government a maintenance bond (in the form as set out in the Concession Agreement) as security for the due performance of WCESB's maintenance obligations in respect of the Existing Roads. In addition, WCESB shall, on or before the issuance of *Sijil Kesempurnaan Pembinaan* or *Sijil Kesempurnaan Pembinaan Lebuhraya* (as the case may be), provide to the Government the maintenance bond (in the form as set out in the Concession Agreement) as security for the due performance of WCESB's obligations under the Concession Agreement particularly on the maintenance and structural overlay obligations in respect of the West Coast Expressway or any section(s). The total maintenance bond to be provided to the Government under this paragraph amounts to approximately RM18.698 million.
- (xiv) If the road service volume is below acceptable level, WCESB is required to carry out upgrading works at its own cost and expenses to ease traffic congestion.



(xv) The following events may lead to the termination of the Concession Agreement:

(a) Termination by the Government

The Government shall be entitled to terminate the Concession Agreement if the following event(s) are not remedied within the remedy period as set out in the Concession Agreement:

- (aa) WCESB fails to commence the construction work of any section(s) of the West Coast Expressway on the relevant construction commencement date;
- (bb) WCESB suspends or abandons the whole of the construction works or any part thereof for a continuous period of 60 days;
- (cc) WCESB fails to complete the construction works by the date of completion of the construction works (which shall not be later than the relevant construction completion date of the last section) or any extension allowed by the Government;
- (dd) WCESB fails to show satisfactory progress of the construction works in accordance with the programme for the undertaking of the construction works, as approved by the Government based on the master implementation programme;
- (ee) WCESB fails to carry out the construction works in accordance with the approved design, approved plan and the approval;
- (ff) WCESB fails to carry out the maintenance works;
- (gg) WCESB fails to upgrade the West Coast Expressway after one (1) year from the date the level of service was identified to have dropped below the level of service stipulated in the Concession Agreement;
- (hh) WCESB is in breach of any of its obligations or fails to comply with or perform any of the terms and conditions of the Concession Agreement;  
or
- (ii) WCESB refuses, fails, neglects or ceases to carry on or suspends its obligation under the Concession Agreement.

The Government shall have the right to terminate the Concession Agreement with immediate effect if:

- (aa) WCESB assigns the whole or any part of the Concession Agreement save and except in relation to an assignment as security for the GSL and other financing facilities obtained by WCESB (with the prior approval of the Government);
- (bb) WCESB is subject to an order made or a resolution is passed for the winding up of WCESB (except for the purpose of reconstruction or amalgamation not involving the realisation of assets in which the interest of creditors are protected);
- (cc) WCESB enters into liquidation or a receiver is appointed over the assets of WCESB or WCESB makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or stops payment or is unable to pay its debt;

- (dd) WCESB has an execution levied against a substantial portion of WCESB's assets, unless it has instituted proceedings in good faith to set aside such execution;
- (ee) WCESB has defaulted its agreement in respect of the GSL; or
- (ff) WCESB, its personnel, servants or employees is convicted by a court of law for corruption or unlawful or illegal activities in relation to the Concession Agreement or any other agreement that WCESB may have with the Government.

(b) Termination by WCESB

If the Government, without any reasonable cause, fails to perform or fulfil any of its obligations which adversely affects the right and authority of WCESB to demand, collect and retain toll for WCESB's own benefit (and such event is not remedied within the remedy period), then WCESB may terminate the Concession Agreement.

(c) Expropriation

The Government may also terminate the Concession Agreement, if the Government considers that expropriation of the concession is in the national or public interest or national security.

(d) Termination as a result of force majeure

Neither the Government nor WCESB shall be in breach of its obligations under the Concession Agreement if it is unable to perform or fulfill any of its obligations under the Concession Agreement as a result of the occurrence of an event of force majeure not within the control of the party affected, which that party is unable to prevent, avoid or remove. If an event of force majeure has occurred, then the Government and WCESB may mutually terminate the Concession Agreement and neither party shall have any claim against each other upon such termination.

The payment obligations of the parties, where relevant, shall be in accordance to the manner as set out in the Concession Agreement.

- (xvi) The Government shall have the right to assume the operational responsibility of WCESB upon the occurrence and during the continuance of any of the events of default by WCESB as set out in the Concession Agreement.

- (xvii) There shall be no changes to the:

- (a) shareholders and the shareholding structure of WCESB; and
- (b) shareholders and the shareholding structure of the respective shareholders of WCESB save and except where the shareholders are listed and quoted on Bursa Securities,

for a period of five (5) years from the date the *Sijil Kesempurnaan Pembinaan Lebuhraya* is issued to WCESB.

Any intention to change the shareholder and the shareholding structure shall require the prior written approval of the Government.

Notwithstanding the above, WCESB may, subject to the prior written approval of the Government and all relevant authorities and the renegotiation of the terms and conditions of the Concession Agreement, apply for its shares to be listed and quoted on the official list of Bursa Securities and to make any change to WCESB's shareholding structure for such purpose.

The Concession Agreement also requires WCESB to have an issued and paid-up share capital of not less than RM200 million throughout the Concession Period. In this respect, WCESB had increased its issued and paid-up share capital to RM200 million on 17 September 2013.

On 23 December 2013, WCESB received a written confirmation from the Government that the conditions precedent of the Concession Agreement have been fulfilled and the effective date of the Concession Agreement shall be 20 December 2013 ("**Effective Date**").

In respect of Section 6(v) of this Abridged Prospectus, the Government had on 19 May 2014, approved the appointment of a consortium comprising of IJM Construction Sdn Bhd ("**IJMC**") and our Company (known as the "**IJMC-KEB Joint Venture**") as the Turnkey/Engineering and Procurement Contractor for the construction of the WCE Project for a fixed sum contract not exceeding RM5.044 billion. Within this sum, the construction works amounting to RM2.216 billion will be carried out on an open tender basis. The remaining construction works amounting to RM2.828 billion will be executed by IJMC and the value of construction thereof will be adjudicated by an independent cost consultant approved by the Government.

On 30 June 2015, WCESB had entered into the GSL Facility Agreement.

In addition, on 30 November 2017, the Concession Agreement was further amended to allow for the construction works in respect of Section 11 of the West Coast Expressway to be awarded to contractors by way of a selective tender.

## 7. RATIONALE FOR THE RIGHTS ISSUE OF RCPS

The Rights Issue of RCPS will enable our Company to raise the requisite funds for, among others, injection as equity, convertibles and/or subordinated advances into WCESB, which will in turn be used to finance the project cost for the WCE Project.

Our Board is of the view that the Rights Issue of RCPS is an appropriate avenue to raise the necessary funding for our Group premised on the following reasons:

- (i) the RCPS will be classified as equity as it does not entail any fixed terms of repayment and hence will not affect the gearing of our Group upon issuance;
- (ii) the RCPS will enable our Company to raise the requisite funds without incurring additional interest expense as compared to bank borrowings;
- (iii) the issuance of the RCPS, conversion of the RCPS under Option 1 and/or the exercise of the Warrants into new WCEHB Shares during the tenure of the RCPS and Warrants respectively, will enable our Company to raise additional funds to meet the funding requirements of our Company for the WCE Project over the three (3) years period commencing from the date of the RCPS Announcement;
- (iv) the issuance of the RCPS and Warrants will not have an immediate dilutive effect on the EPS of our Group, which would otherwise arise from the issuance of new WCEHB Shares, as the conversion of the RCPS and exercise of the Warrants are expected to occur over a period of time;
- (v) the issuance of the RCPS, conversion of the RCPS under Option 1 and/or the exercise of the Warrants would increase our Group's shareholders' funds and strengthen our Company's balance sheet while the enlarged share base arising from the conversion of the RCPS and/or the exercise of the Warrants is also expected to enhance the liquidity of WCEHB Shares on the Main Market of Bursa Securities;
- (vi) the Warrants attached to the RCPS are expected to provide our Entitled Shareholders with an incentive to subscribe for the RCPS. Our Entitled Shareholders who subscribe for the RCPS may also benefit from the potential capital appreciation of the Warrants which will be traded separately from the RCPS on the Main Market of Bursa Securities; and

- (vii) the RCPS and Warrants will provide our Entitled Shareholders with an option to further participate in the equity of our Company at pre-determined conversion and exercise prices during the tenure of the RCPS and the Warrants respectively.

## 8. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for the Rights Issue of RCPS.

### 8.1 Risks relating to our Group

#### 8.1.1 Risks associated with the WCE Project

(i) **Delays in completion of construction works and commencement of toll collections**

The construction works for the WCE Project may face delays which could be due to external factors beyond our control such as obtaining timely approvals from the relevant regulatory authorities, sourcing and securing the required construction materials, timely completion of the land acquisition process and satisfactory performance of our sub-contractors. Delays in the completion of construction works will affect our Group's ability to begin generating revenue from toll collections. Any failure or delay in completing the construction works by the agreed completion date or by any extended time granted by the Government will also result in payment of liquidated and ascertained damages ("LAD") by WCESB to the Government amounting to RM100,000 for each day of delay of the construction. Notwithstanding this, pursuant to the terms of the Engineering, Procurement and Construction Contract entered into between WCESB and IJMC-KEB Joint Venture for the appointment of IJMC-KEB Joint Venture as the Turnkey/Engineering and Procurement Contractor for the WCE Project, WCESB has the right to claim any resultant LAD from IJMC-KEB Joint Venture, which will in turn make corresponding claims from its appointed sub-contractors.

As at LPD, WCESB had experienced delays to the construction works for the West Coast Expressway due to, among others, delays in the land acquisition process and obtaining the design approval for construction works by/from the relevant authorities and the occurrence of flooding of a section of the West Coast Expressway which required WCESB to reassess the construction design for that section. However, as such delays were beyond the control of WCESB, WCESB had successfully sought for extensions of time from the Government to complete the construction works for the West Coast Expressway (save for Sections 4 and 11 which remains pending as at LPD). WCESB had also on 5 July 2019 and 23 August 2019 submitted applications for extension of time for the completion of Sections 4 and 11 of the West Coast Expressway respectively, on the same grounds and the decision of the Government remains pending as at LPD.

As at LPD, while Sections 8, 9 and 10 of the West Coast Expressway have been opened to traffic, the completion of Section 9 was 41 days behind schedule and WCESB is appealing to the Government to waive its LAD claims as the delays were due to factors beyond its control. As at LPD, the decision of the Government remains pending. Toll collections for Sections 8, 9 and 10 of the West Coast Expressway are expected to commence by December 2019, subject to the gazette of the Government.

While WCESB remains confident that it will be successful in its applications for the extensions of time sought for the completion of Sections 4 and 11 and its appeal against LAD payment for Section 9, any failure to do so would result in LAD payment and WCESB would be required to make corresponding claims from IJMC-KEB Joint Venture. The inability of (i) WCESB to recover all or part of such claims from IJMC-KEB Joint Venture; and/or (ii) IJMC-KEB Joint Venture to recover corresponding amounts from its sub-contractors, could have an adverse impact on the financial performance of our Group.

While there can be no assurance that the construction works for the WCE Project will not face further delays due to external factors beyond our control, our Group will continue to closely monitor the progress of the WCE Project through our appointed Turnkey/Engineering and Procurement Contractor for the construction of the WCE Project namely, IJMC-KEB Joint Venture, a 70%:30% joint venture between IJMC and our Company, as well as work closely with the sub-contractors, suppliers and regulatory authorities to ensure the timely completion of the construction works.

**(ii) Increase in land acquisition cost**

Pursuant to the terms of the Concession Agreement, the Government will bear land acquisition cost of up to RM980.00 million for the WCE Project. Any land acquisition cost in excess of RM980.00 million will be borne by WCESB and funded by the shareholders of WCESB on a pro-rata basis. Hence, any increase in land acquisition cost would result in additional cash outflows by our Group for which we would be required to raise funding for.

As set out in Section 4 of this Abridged Prospectus, the land compensation amounts awarded by the relevant land administrators to the land owners had been higher than WCESB's estimates. As a result, the land acquisition cost for the WCE Project has increased by approximately RM0.57 billion from the original estimate of RM1.56 billion to RM2.13 billion as at LPD. Since any of such increase would be funded by the shareholders of WCESB on a pro-rata basis, the total Equity Contribution increased from RM1.38 billion to RM1.95 billion. This resulted in a corresponding increase in our share of the Equity Contribution.

While applications have been and will continue to be made to the High Court to dispute certain land compensation amounts awarded, WCESB is required to make payment equivalent to 75% of such amounts awarded based on the notification letters received from the relevant land administrators when they become due, to ensure the construction works for the WCE Project is not delayed.

As at LPD, WCESB had either on its own or through *Lembaga Lebuhraya Malaysia* filed applications to the High Court to dispute certain land compensation amounts awarded and to claim for a reduction in the aggregate award sum by RM324.54 million, of which disputes for an aggregate award sum of RM89.06 million have been heard and decided by the High Court, while the remaining RM235.48 million have not been heard by the High Court. For disputes which have been heard and decided by the High Court, WCESB has been successful in reducing the aggregate award sum by RM49.10 million and WCESB has commenced the recovery of the relevant amounts from the relevant parties. It is the intention of our Company to use such amounts, as and when recovered for the future funding requirements of the WCE Project and/or for our Group's working capital requirements.

As at LPD, there are approximately 210.12 acres (of the total 3,913.99 acres) of land which remains to be acquired and while WCESB is confident that the remaining land acquisition cost will be within its remaining budget of RM0.18 billion, there can be no assurance that the remaining land acquisition cost will not exceed WCESB's budget since WCESB has no control over the awards of land compensation amounts.

**(iii) Non-fulfilment of obligations under the Concession Agreement**

WCESB is required to fulfil certain obligations under the Concession Agreement throughout the concession period, which includes timely submissions of progress reports on construction works, results of quality control tests, environmental monitoring reports, details of progress expenditure and maintenance, inspection and survey reports to the Government at various intervals (as stipulated in the Concession Agreement) as well as any other information relating to construction works which the Government may request for. Any delays in the fulfilment of such obligations would result in penalties ranging between RM500 to RM1,000 payable by WCESB to the Government, for each day of delay.

As at LPD, WCESB has been fulfilling the above obligations within the stipulated timeframe and have not been subjected to any penalty. Our Group will continue to closely monitor the obligations of WCESB under the Concession Agreement and ensure that such obligations are fulfilled within the stipulated timeframe.

**(iv) Lower toll rates, delay in toll rates revision and/or acquisition of tolled highways by the Government**

WCESB will derive its revenue from the West Coast Expressway through the collection of toll charges from vehicles using the expressway. Like other toll-road concessionaires, WCESB is exposed to the risk that the Government may defer the commencement of toll collection or subsequent toll rates revision or gazetted toll rates which are lower than agreed rates. Such risks could arise from various reasons including economic uncertainties in Malaysia. However, pursuant to the Concession Agreement, the Government would be obliged to provide compensation to WCESB in the event the gazetted toll rates are lower than the agreed rates. Nevertheless, any such compensation provided to WCESB may not be sufficient to compensate WCESB for the actual loss in revenue. Hence, the occurrence of any such events could adversely affect the financial performance of our Group.

Our Company also notes that the Government has been exploring the possibility of acquiring certain existing tolled highways and conditional offers have been made by the Government on 21 June 2019 to acquire highway concessionaires such as Kesas Sdn Bhd, Sistem Penyuraian Trafik KL Barat Sdn Bhd, Lingkaran Trans Kota Sdn Bhd and Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd with the intention of reducing the burden of highway users using the congestion charge model. The conditional offers are subject to, among others, satisfactory due diligence findings, the approval of the shareholders of the highway concessionaires as well as the approval of the Cabinet of Malaysia.

While the acquisition of tolled highways by the Government is a risk inherent for all toll concessionaires, our Board is of the view that such risk is mitigated vide the Concession Agreement which contains provisions that would protect WCESB's interests and rights in the West Coast Expressway including compensation provisions.

**(v) Traffic volume**

Along with the toll rates, traffic volume is one of the primary determinants of WCESB's revenue moving forward, which to a large extent is dependent on factors outside our control. The leading factors affecting traffic volume has historically been, and is expected to continue to be, the level of economic activity in Malaysia, prevalence of automobile ownership in Malaysia, price of petrol and other transportation fuels and alternative routes or modes of transportation.

While the management of our Company expects traffic growth rate to remain positive, there can be no assurance that any significant adverse trend affecting any of the factors above as well as those set out in Section 9.3.1 of this Abridged Prospectus will not have a significant adverse effect on traffic volume along the West Coast Expressway.

**(vi) Repayment of borrowings and fluctuations in interest rates**

As at LPD, our Group has long-term and short-term borrowings amounting to RM3.06 billion including the Bridging Loan which has been taken for the purpose of equity injection into WCESB pending the completion of the fund raising exercise by our Company. Further details on our Group's borrowings are set out in Section 11.2 of this Abridged Prospectus. In the event of a delay in the completion of the WCE Project or the commencement of toll collections or if the eventual gazetted toll rates are lower than the agreed toll rates, our Group may not be able to generate sufficient cash flows or obtain alternative sources of funds to meet our repayment obligations as and when they become due. This may result in additional interest charges, penalties and default under our Group's financing arrangements.

In addition to the above, our Group is also exposed to fluctuations in interest in respect of our floating rate borrowings. Interest rates may vary or fluctuate over time based on, among others, the base rates quoted by the relevant financial institutions. A higher base rate quoted by the relevant financial institutions will translate to an increase in interest expense and consequently the repayment obligations of our Group.

In order to mitigate such risk, our Group will closely monitor and review our Group's debt portfolio, which includes taking into consideration our Group's gearing level, interest costs as well as cash flows generated.

**(vii) Operating and maintenance cost**

Upon completion of construction works for the WCE Project, WCESB would be required to operate and maintain the West Coast Expressway in the manner as specified in the Concession Agreement.

WCESB's operating costs relating to the operation and maintenance of the expressway and capital expenditure requirements may increase due to, among others, the standards of maintenance of road safety applicable to the expressway as prescribed by the relevant regulatory authorities becoming more stringent, extensive or frequent restoration of the expressway being required in the event of higher axle loading, traffic volume or environmental stress as well as any increase in the cost of materials, labour and supplies.

In order to mitigate such risk, our Group will take all necessary steps to minimise and manage costs including carrying out tendering processes for major expenses and obtaining quotations for all other expenses before orders are placed.

**(viii) Events of default which may lead to termination of the Concession Agreement**

Section 6(xv)(a) of this Abridged Prospectus sets out a list of events of default which could lead to the Concession Agreement being terminated by the Government. Such events include, among others, (i) WCESB failing to commence and complete the construction works of any sections of the West Coast Expressway on the relevant construction commencement and completion dates; (ii) WCESB failing to show satisfactory progress of the construction works in accordance with the construction works programme; (iii) WCESB being in breach of any of its obligations or fails to comply with or perform any of the terms and conditions of the Concession Agreement; and (iv) WCESB, its personnel, servants or employees being convicted by a court of law for corruption or unlawful or illegal activities in relation to the Concession Agreement.

For information purpose, WCESB has also been accorded similar rights under the Concession Agreement whereby WCESB may terminate the Concession Agreement if the Government, without any reasonable cause, fails to perform or fulfil any of its obligations which adversely affect the right and authority of WCESB to demand, collect and retain toll for WCESB's own benefit (and such event is not remedied within the remedy period).

The Concession Period for the WCE Project is 50 years from the Effective Date and will be extended for another ten (10) years if the agreed targeted IRR is not achieved. Early termination of the Concession Agreement as a result of a default by either WCESB or the Government will have a material adverse impact on the earnings of our Group as we may be unable to recover all or part of our cost of investment and generate sufficient cash flows for the repayment of borrowings.

In order to mitigate such risk, our Group will closely monitor the progress of the WCE Project and will continue to engage in constant communication with the relevant authorities in order to keep abreast with any potential developments affecting the WCE Project. WCESB will also be able to leverage on the expertise of IJM Group on the construction and management of the WCE Project. IJM Group has developed a reputable track record in the construction, management and operations of infrastructure projects and expressways through its involvement in the New Pantai Expressway, the Besraya Expressway and the Kajang-Seremban Expressway.

**8.1.2 Risks associated with our investment in RPSB**

Our Company has a 40% equity interest in RPSB which through its wholly-owned subsidiary namely, Bandar Rimbayu Sdn Bhd undertakes property development activities and is the developer of a township known as Bandar Rimbayu. The remaining 60% stake in RPSB is held by IJM Properties Sdn Bhd, a wholly-owned subsidiary of IJM Land Berhad, which in turn is a wholly-owned subsidiary of IJM. Hence, our Group recognises our proportionate share of RPSB's profits/losses through the share of earnings in RPSB. For the past three (3) FYEs 31 March 2017 to 31 March 2019, our Group's share of profits from RPSB were RM23.73 million, RM29.59 million and RM43.89 million respectively. However, as the development of the Bandar Rimbayu township remains capital intensive, RPSB has not declared any dividend.

RPSB is subject to risks inherent in the property development sector which include, among others, timely commencement and/or completion of projects, satisfactory performance by building contractors appointed to complete the development projects, availability of labour and building materials, fluctuations in the prices of raw materials, competition with respect to selling prices and types of properties, demand and supply for properties, changes in the general economic conditions as well as the legal and environmental framework in the property development industry. Any adverse developments to one or more of these factors could adversely affect the financial performance of RPSB and consequently our share of earnings in RPSB.



Notwithstanding the above, our Board is confident that these business risks can be mitigated through, among others, efficient project management, close monitoring of work progress in order to ensure timely completion of the property development projects, continued fostering of long-term relationships with reliable suppliers or building contractors, effective human resource planning and developing innovative marketing strategies to remain competitive.

Further, as at LPD, IJM has an effective equity interest of approximately 70.58% in RPSB vide its 60% indirect equity interest held through IJM Properties Sdn Bhd and 10.58% indirect equity interest held through its shareholdings in our Company. IJM Group has vast experience and expertise in property development, having undertaken a wide array of diverse property development projects including townships and integrated developments, comprising residential, retail and office properties as well as recreational facilities. In view of IJM's majority interest in our property development business, our Board believes that our Group will be able to leverage on the experience and expertise of IJM Group in the property development business. For information purpose, IJM Group does not have any other property development projects within the vicinity of Bandar Rimbayu.

#### **8.1.3 Dependence on key personnel**

Our Group's success depends to a significant extent on the abilities and continuing efforts of our Directors and key management. The loss of any of these persons without a suitable replacement, or our inability to attract and retain qualified and skilled key management, could adversely affect our continued ability to remain competitive which would in turn adversely affect our businesses, financial conditions, results of operations and prospects.

Nonetheless, our Group will endeavour to offer a competitive compensation package and provide relevant training to retain our key personnel as well as attract and retain qualified experienced personnel who are essential towards addressing our succession plan. Notwithstanding this, there can be no assurance that these measures will always prove to be successful in retaining key management and personnel or ensuring a smooth transition should changes occur.

#### **8.1.4 Political, economic and regulatory risk**

Political and economic conditions as well as regulatory developments in Malaysia could have a material effect on the financial performance of our Group. These political, economic and/or regulatory conditions or development include risk of war, change in political leadership and environment, unfavourable changes in Government policies, nationalisation and changes in interest rate or legislation.

While our Group continues to take measures to mitigate these risks including close monitoring of the Government's masterplan in respect of long-term economic and development policies so that we can stay ahead as well as capitalise on any regulatory changes in the industry in which our Group operates, there can be no assurance that any adverse changes to the political, economic and regulatory factors will not have a material and adverse effect on the business and prospects of our Group.

### **8.2 Risks relating to the Rights Issue of RCPS**

#### **8.2.1 Delay in or termination of the Rights Issue of RCPS**

The Rights Issue of RCPS may be delayed or terminated if force majeure events or circumstances which are beyond the control of our Company and our Principal Adviser and/or other advisers, including without limitation, acts of Government, acts of God (including without limitation, the occurrence of a tsunami, flooding, landslide and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of war, epidemic or accidents, any change in law, regulation, policy or ruling, arise prior to the completion of the Rights Issue of RCPS.

In the event of a failure in the implementation of the Rights Issue of RCPS, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest, in respect of any application for the subscription of the RCPS with Warrants including the Excess RCPS with Warrants within 14 days after our Company becomes liable to do so, in accordance with the provisions of the CMSA. If such monies are not refunded within 14 days after our Company becomes liable, our Company will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the RCPS with Warrants have been allotted to the successful Entitled Shareholders and/or their renounees and/or transferees (if applicable) and the Rights Issue of RCPS is subsequently cancelled/terminated, a return of the monies to the successful applicants can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation may be carried out with the approval of our shareholders by way of special resolution in a general meeting, consent of our creditors (where applicable) and may require the confirmation by the High Court. There can be no assurance that such monies can be recovered within a short period of time under such circumstances.

### **8.2.2 Capital market risk**

The RCPS and Warrants will be traded on the Main Market of Bursa Securities at prices which are dependent upon market forces and is beyond the control of our Company. The market prices of the RCPS and Warrants, like all listed securities traded on Bursa Securities, are subject to, among others, fluctuation in tandem with the overall outlook of the Malaysian and global stock markets and will also be influenced by, among others, the market price and volatility of WCEHB Shares as well as the remaining conversion period of the RCPS and the remaining exercise period of the Warrants.

The RCPS and Warrants are new classes of securities issued by our Company for which there are no prior market for them and are subject to price discovery by investors. There can be no assurance that an active market for the RCPS and Warrants will develop upon or subsequent to the listing and quotation of the RCPS and Warrants on the Main Market of Bursa Securities or if developed, that such a market is sustainable or adequately liquid during the tenure of the RCPS and Warrants.

There is also no assurance that the market prices of the RCPS and Warrants will be at a level that meets the specific investment objective or targets of any subscriber for the RCPS with Warrants. In addition, there is no assurance that the market price of the RCPS will trade at or above the Issue Price upon or subsequent to the listing and quotation of the RCPS on the Main Market of Bursa Securities and that the Warrants will be "in-the-money" during the tenure of the Warrants. "In-the-money" refers to a market situation where the trading price of WCEHB Shares is higher than the Exercise Prices of the Warrants.

### **8.2.3 Potential dilution**

Entitled Shareholders who do not or are not able to accept their Provisional RCPS with Warrants will have their proportionate ownership and voting interests in our Company reduced, and the percentage of our enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly.

### 8.3 Forward-looking statements

This Abridged Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Abridged Prospectus, including without limitation, those regarding the financial position, business strategies, prospects, plans and objectives for future operations of our Group, are forward-looking statements. Such forward-looking statements are made based on estimates and assumptions made by our Board, and although believed to be reasonable as at LPD, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, our Principal Adviser and/or other advisers in relation to the Rights Issue of RCPS that the plans and objectives of our Group will be achieved.

## 9. FINANCIAL REVIEW, INDUSTRY OVERVIEW AND PROSPECTS

### 9.1 Financial review

Our Group is involved in the design, construction and development of the WCE Project and upon completion of the relevant sections of the WCE Project and commencement of toll operations, our Group will be involved in the management of toll operations of the WCE Project through WCESB. Our Company also has a 40% equity interest in RPSB which through its wholly-owned subsidiary is the developer of a township known as Bandar Rimbayu.

Our Group's revenue is mainly derived from the construction activities of the West Coast Expressway which is measured based on the level of construction progress during the financial year. The revenue for each financial year includes the construction cost, land acquisition cost, operating cost incurred for the WCE Project and a construction margin. For the FYE 31 March 2019, our Group recorded revenue of RM759.64 million, representing a decrease of 12.49% from the FYE 31 March 2018. Although construction activities continued at a higher rate in the FYE 31 March 2019, the drop in revenue is mainly due to higher land acquisition cost incurred in the FYE 31 March 2018 which contributed to higher revenue recognised in the FYE 31 March 2018.

Our Group recorded profit before tax of RM23.00 million for the FYE 31 March 2019, representing a decrease of 20.12% from the FYE 31 March 2018 mainly due to the following:

- (i) a net loss of RM14.91 million incurred pursuant to the global settlement agreement dated 27 March 2019 entered into between our Company and TTB, a former associate, relating to the settlement of the net amount owing by TTB and its related corporations and the amount claimed by TTB for losses incurred on a land auctioned by a bank, further details of which are set out in Section 6(ii) of Appendix III of this Abridged Prospectus; and
- (ii) the increase in finance costs by RM8.38 million mainly due to additional interest incurred on the Bridging Loan.

However, the impact was cushioned by an increase in the share of results of associates from RPSB amounting to RM43.89 million, representing an increase of RM14.30 million or 48.33% over the FYE 31 March 2018 of RM29.59 million. RPSB achieved better results for the FYE 31 March 2019 mainly due to higher profit margins derived from its on-going commercial projects, the profit arising from the finalisation of development cost for certain completed phases of Bandar Rimbayu as well as the profit from the sale of a parcel of commercial land in the FYE 31 March 2019.

For the three (3) months FPE 30 June 2019, our Group recorded revenue of RM383.19 million, more than double the revenue of RM180.35 million recorded in the three (3) months FPE 30 June 2018. The increase was attributable to the higher level of construction activities and land acquisitions for the WCE Project.

Profit before tax for the three (3) months FPE 30 June 2019 was RM11.07 million, representing an increase of 8.74% as compared to the three (3) months FPE 30 June 2018 of RM10.18 million. Despite the increase in revenue, the marginal improvement in profit before tax was due to the higher finance cost of RM3.05 million during the quarter as compared to RM0.50 million in the preceding year quarter as a result of higher borrowings by our Group as well as a decrease in the share of results of associates to RM7.97 million during the current quarter as compared to RM9.67 million in the preceding year quarter. The decrease in the share of results of associates was mainly due to higher profit recorded in the preceding year quarter attributable to the finalisation of development cost for certain completed phases of Bandar Rimbayu.

## 9.2 Overview and outlook of the Malaysian economy

Gross domestic product (“GDP”) registered a higher growth of 4.9% in the 2<sup>nd</sup> quarter (“2Q”) of 2019 (1<sup>st</sup> quarter (“1Q”) 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Domestic demand expanded by 4.6% in 2Q 2019 (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment. Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during 2Q 2019. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to the overall household spending.

After a strong growth in 1Q 2019 of 6.3%, public consumption expanded marginally by 0.3% due to lower spending on supplies and services. Growth in gross fixed capital formation registered a smaller contraction of 0.6% (1Q 2019: -3.5%), driven by a slightly higher private investment growth amid a continued decline in public investment. By type of assets, investment in structures turned around to register a positive growth of 1.2% (1Q 2019: -1.3%), reflecting some improvement in the residential property segment. Capital expenditure on machinery and equipment recorded a smaller decline of 4.2% (1Q 2019: -7.4%), as a result of higher spending on information and communications technology.

Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance. Public investment registered a smaller contraction of 9.0% (1Q 2019: -13.2%), mainly reflecting higher fixed asset spending by the Federal Government which partially offsets the continued weak investment by public corporations.

The services sector expanded by 6.1% in 2Q 2019 (1Q 2019: 6.4%). Growth in the wholesale and retail trade subsector was relatively sustained across the wholesale, retail and motor vehicle segments amid firm household spending.

Growth in the manufacturing sector registered a marginal improvement at 4.3% (1Q 2019: 4.2%) amid better performance in the domestic-oriented industries. Higher production of motor vehicles mainly reflected the strong sales during the festive season. Demand for metal-related materials for existing transport and infrastructure projects supported the higher production within the construction-related cluster. Meanwhile, within the export-oriented industries, the production of electronic components continued to be weighed by weaker global demand, with negative spillovers across the global semiconductor value chain.

The construction sector registered marginally higher growth at 0.5% (1Q 2019: 0.3%), on account of growth improvements in the residential and special trade subsectors. While the residential subsector registered a smaller contraction, activity remained weak amid the high unsold properties. The higher growth in the special trade subsector was due to end-works activity amid completion of some mixed development projects. The near completion of a large petrochemical project continued to affect growth in the civil engineering subsector, while the non-residential subsector remained weak amid the oversupply of commercial properties.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index, averaged higher at 0.6% in 2Q 2019 (1Q 2019: -0.3%). The increase mainly reflected the lapse in the impact of the goods and services tax zerorisation that was implemented in June 2018. This contributed to the rise in headline inflation in June 2019 to 1.5% (May 2019: 0.2%; April 2019: 0.2%). Fuel inflation recorded a smaller decline largely due to domestic fuel prices averaging higher during 2Q 2019 in addition to the base effect (average RON95 petrol price per litre in 2Q 2019: RM2.08; 1Q 2019: RM2.02). Core inflation, excluding the impact of consumption tax policy changes, was unchanged at 1.6%. Demand-driven inflationary pressures remained broadly stable and contained, amid the absence of excessive wage pressure and some degree of spare capacity in the capital stock.

Growth of the Malaysian economy continued to improve, supported mainly by the recovery from commodity-related shocks experienced last year. While the recovery from supply shocks is expected to continue into the 2<sup>nd</sup> half of the year, the slower global growth amid ongoing trade tensions would continue to weigh on growth. In this environment, economic growth is projected to remain supported mainly by private sector activity. Household spending will continue to be driven by stable labour market conditions, while investment activity will be supported by capacity expansion in key sectors such as manufacturing and services. The baseline projection, therefore, remains within the range of 4.3% - 4.8%. Nonetheless, the outlook is subject to downside risks from lingering uncertainties in the global and domestic environment, worsening trade tensions and extended weakness in commodity-related sectors. Positive conclusion to ongoing trade negotiations would pose as an upside risk.

Headline inflation in the 2<sup>nd</sup> half of 2019 is expected to average higher compared to the 1<sup>st</sup> half of 2019 following the lapse in the impact of consumption tax policy changes. For the rest of the year, the trajectory of headline inflation will be dependent on global oil prices and policy measures including the timing of the lifting of the price ceiling on domestic retail fuel prices. Price control policies such as the enhancement of the festive season price control scheme may result in a relatively subdued food inflation. Underlying inflation is expected to remain stable, supported by the continued expansion in economic activity and in the absence of strong demand pressures.

(Source: Economic and Financial Developments in the Malaysian Economy in 2Q 2019, BNM)

### **9.3 Overview and outlook of the industries in which our Group is involved in**

Our Group is involved in the design, construction and development of the WCE Project and upon completion of the relevant sections of the WCE Project and commencement of toll operations, our Group will be involved in the management of toll operations of the WCE Project through WCESB. Our Company also has a 40% equity interest in RPSB which through its wholly-owned subsidiary undertakes property development activities and is the developer of a township known as Bandar Rimbayu.

The overview and outlook of the respective industries are set out in the ensuing sections.

#### **9.3.1 Tolling**

Under the Eleventh Malaysia Plan, the Government aims to continue to provide sufficient and affordable access to transportation to allow for a safe, efficient, and fast flow of people and goods within Malaysia, especially across rural and urban areas, and internationally. One of the strategies to achieve these aspirations is to enhance connectivity across transport modes and regions which includes, among others, prioritising regional connectivity for new highways. The Eleventh Malaysia Plan will therefore focus on rural and rural-urban connectivity.

Further development of the Central Spine Road, Kota Bharu-Kuala Krai Highway, and the Lebuhraya Pantai Timur will improve connectivity in Peninsular Malaysia and catalyse growth in the east coast region. The completion of the West Coast Expressway will also provide better access to the west coast of Perak and Selangor.

(Source: Eleventh Malaysia Plan, 2016-2020, Economic Planning Unit)

Under the Mid-Term Review of the Eleventh Malaysia Plan, the Government remains committed to meet the socioeconomic needs of the nation by undertaking high-impact projects which include, among others, the West Coast Expressway and Central Spine Road: Bentong Bypass. In the remaining period of the Eleventh Malaysia Plan i.e. 2018-2020, coordination and cooperation in interstate projects such as roads will be strengthened to enhance regional networks in facilitating economic activities. Greater emphasis will also be given to transport integration in enabling seamless movement of people and goods by intensifying existing initiatives to expand road networks.

The connectivity across regions particularly in the underserved areas will be given priority. The completion of various phases of the Central Spine Road will strengthen connectivity between states in the east coast of Peninsular Malaysia. These highways are expected to open up new areas and boost economic activities. In addition, to achieve greater balanced regional development, construction of highways outside the Klang Valley will continue to be given priority.

(Source: Mid-Term Review of the Eleventh Malaysia Plan, 2016-2020, Economic Planning Unit)

In addition to the Government's plans under the Eleventh Malaysia Plan and the Mid-Term Review of the Eleventh Malaysia Plan, the performance of the tolling industry in Malaysia is, to a certain extent, dependent on traffic growth in the country. Factors which could contribute to traffic growth include the increase in the number of motor vehicles registered, employment growth and GDP growth. The following table sets out the growth rates for the aforementioned factors from years 2014 to 2018:

Year	Motor vehicles		Employment		GDP	
	Number of motor vehicles registered (million)	Annual growth rate (%)	Number of persons employed ('000)	Annual growth rate (%)	GDP value (RM'mil)	Annual growth rate (%)
2014	25.10	5.37	13,853	2.27	1,012,449	6.01
2015	26.30	4.78	14,068	1.55	1,063,998	5.09
2016	27.61	4.98	14,164	0.68	1,108,935	4.22
2017	28.51	3.26	14,477	2.21	1,174,329	5.90
2018	29.96	5.09	14,776	2.07	<sup>(1)</sup> 1,229,800	4.72

**Note:**

(1) Preliminary figure as indicated in BNM's Annual Report 2018.

(Sources: Number of cumulative motor vehicles registered in Malaysia for years 2014-2018, Road Transport Department, Malaysia; Labour Force Survey Report 2018, Department of Statistics, Malaysia; and BNM's Annual Report 2018)

Based on the table above, the number of motor vehicles registered in Malaysia have been growing at an average annual growth rate of 4.70% over the period under review. The number of persons employed in Malaysia has also recorded an average annual growth rate of 1.76% from years 2014 to 2018. During the same period, the country's annual GDP growth rates ranged between 4.22% to 6.01%.

In light of the Government's plans under the Eleventh Malaysia Plan and the Mid-Term Review of the Eleventh Malaysia Plan, as well as the positive annual growth rates in the number of motor vehicles registered, employment and GDP in Malaysia from years 2014 to 2018, the management of our Company anticipates that the traffic growth and ultimately the performance of the tolling industry in Malaysia will remain positive moving forward.

(Source: Management of our Company)

### 9.3.2 Construction

Growth in the construction sector moderated to 4.2% in 2018 (2017: 6.7%). The moderation was on account of weaknesses in the property segment, as the higher levels of unsold residential properties and the oversupply in commercial property weighed on growth in the residential and non-residential subsectors respectively. Nevertheless, the civil engineering subsector remained the key driver of growth for the construction sector, supported by continued progress of large petrochemical, transportation, and utility projects. The special trade subsector benefited from early works activity from large transportation projects and additional support from solar projects.

Growth in the construction sector is expected to moderate further in 2019 due to the completion of large petrochemical projects in the civil engineering subsector. Continued progress of large transportation and utility projects will provide support to growth. The residential and non-residential subsectors, however, are expected to remain subdued amid the oversupply of residential and commercial properties.

(Source: BNM's Annual Report 2018)

In 2019 alone, the construction sector registered marginally higher growth at 0.5% in 2Q 2019 (1Q 2019: 0.3%), on account of growth improvements in the residential and special trade subsectors. While the residential subsector registered a smaller contraction, activity remained weak amid the high unsold properties. The higher growth in the special trade subsector was due to end-works activity amid completion of some mixed development projects. The near completion of a large petrochemical project continued to affect growth in the civil engineering subsector, while the non-residential subsector remained weak amid the oversupply of commercial properties.

(Source: Economic and Financial Developments in the Malaysian Economy in 2Q 2019, BNM)

The value of construction works done in 2Q 2019 recorded a growth of 0.8% year-on-year to RM35.9 billion as opposed to the year-on-year growth in 2Q 2018 of 5.3% to RM35.6 billion. This was driven by positive growth in the civil engineering subsector of 8.2% year-on-year (2Q 2018: 23.6%) and special trade activities subsector of 5.9% year-on-year (2Q 2018: 12.6%). However, growth in the residential buildings subsector and non-residential buildings subsector declined by 1.1% (2Q 2018: -7.6%) and 9.3% (2Q 2018: -4.8%) year-on-year respectively.

The civil engineering subsector remained as the key contributor to the value of construction works done with 44.8% share. This was followed by non-residential buildings, residential buildings and special trade activities contributing 25.3%, 24.5% and 5.4% respectively. The private sector continued to drive construction activities with 55.2% share of value of construction works done amounting to RM19.8 billion as compared to the public sector with 44.8% share of value of construction works done amounting to RM16.1 billion.

(Source: Quarterly Construction Statistics – 2Q 2019, Department of Statistics Malaysia)

### 9.3.3 Property development

The Malaysian property market performance recorded a marginal increase in the 1<sup>st</sup> half of 2019 (“1H 2019”) as compared to the 1<sup>st</sup> half of 2018 (“1H 2018”). The property sector recorded 160,172 transactions worth RM68.30 billion in 1H 2019, an increase of 6.9% in volume and 0.8% in value as compared to 1H 2018, which recorded 149,862 transactions worth RM67.74 billion. Residential subsector continued to support the overall property sector with 62.4% market share, followed by agriculture subsector with 21.6% share.

There were 99,922 residential property transactions worth RM34.65 billion that were recorded in 1H 2019, an increase of 6.1% in volume and 9.5% in value. In the primary market, the number of new launches in 1H 2019 were far behind those recorded in 1H 2018. There were 23,591 units launched, a decline of 49.4% as compared to 46,617 units in 1H 2018. Sales performance was moderate at 30.9%, which is better compared to 1H 2018 (20.1%) and 2<sup>nd</sup> half of 2018 (“2H 2018”) (29.2%). The residential subsector overhang continued to increase but at a lower rate than the year before. There were 32,810 overhang units worth RM19.76 billion, an increase of 1.5% in volume (2H 2018: 32,313 units) whereas the overhang value decreased by 0.5% against the preceding half year (2H 2018: RM19.86 billion). The Malaysian House Price Index (“MHPI”) continued to increase at a moderating trend. The MHPI stood at 194.8 points (at base year 2010: 100), up by 0.9% on annual basis. However, on quarterly basis, the index points decreased marginally by 0.6% against 1Q 2019.

There were 12,960 commercial property transactions worth RM12.53 billion recorded, up by 20.4% in volume but value declined by 20.8%. Shop subsector recorded 6,922 transactions worth RM5.8 billion, dominating 53.4% of the commercial property transactions and 46.3% of the total value, which recorded a positive movement of 25.1% in volume and 32.7% in value as compared to 1H 2018 with 5,530 transactions worth RM4.4 billion. The shop subsector overhang continued to increase, recording a total of 5,760 units with a value of RM4.98 billion, up by 13.9% in volume and 22.0% in value against the preceding half year. The unsold under construction and not constructed scenario however improved with volume declining to 6,370 units and 371 units, down by 11.9% and 3.6% respectively. The retail subsector recorded a stable performance, recording an overall occupancy rate of 79.7%, a slight increase from 79.3% recorded in 2H 2018. The performance of purpose-built office was stable at 82.4% in 1H 2019, similar to that of 2H 2018.

The Malaysian property market is expected to remain resilient in the 2<sup>nd</sup> half of 2019, underpinned by the strong GDP growth in 2Q 2019 at 4.9% and several government-driven initiatives to further support the market activities in the housing sector. Affordable housing and finding the right solutions to the property overhang continue to be the main agenda of the Government. The launching of the National Housing Policy 2.0 (2018 – 2025) and the incentives introduced in the Home Ownership Campaign (“HOC”) 2019, which has been extended to 31 December 2019 are expected to help improve home ownership among Malaysians and residential overhang situation in the 2<sup>nd</sup> half of 2019.

The expected strong GDP growth, coupled with the lower borrowing cost, the HOC and other housing incentives for the first time house buyers, new rate for real property gain tax on the disposal of properties after five (5) years and the increase in stamp duty rates from 3% to 4% for the transfer of properties valued above RM1 million are anticipated to have direct and indirect impact on the property sector. Given time, the property sector will undergo market adjustments and corrections accordingly.

(Source: Press release dated 23 September 2019 - “Malaysia Property Market 1H 2019”, Valuation and Property Services Department, Ministry of Finance Malaysia)



## 9.4 Prospects of our Group

### Tolling and construction

As set out in Section 4 of this Abridged Prospectus, WCESB had entered into the Concession Agreement with the Government in relation to the WCE Project.

The WCE Project involves the development of 233 km of tolled highway from Banting, Selangor to Taiping, Perak (including 40 km to be constructed later). The WCE Project, a private finance initiative, was planned and designed to enhance connectivity to the existing expressways and provide road users with more route options while travelling. The entire expressway with 21 interchanges is expected to enhance accessibility to the west coast region of Malaysia by reducing travel time and associated logistic costs. In addition, the WCE Project is expected to stimulate growth in areas stretching from Banting, Selangor to Taiping, Perak. With the enhanced accessibility to Perak, especially to the northern, north-western and western region of Perak, it is expected that the development of the tourism and industrial sectors in those regions will accelerate. The WCE Project is also expected to stimulate the industrial and commercial activities in Perak, Penang and Selangor due to the enhanced connectivity provided by the WCE Project between the Penang Port, Lumut Port, Port Klang and West Port. Further, once the WCE Project is completed, it will connect the main coastal towns including, among others, Klang, Kuala Selangor, Teluk Intan, Setiawan, Manjung and Hutan Melintang, which are currently connected via a trunk road.

The WCE Project is a build-operate-transfer project with a concession period of up to a maximum of 60 years from the Effective Date. The construction of the WCE Project commenced in August 2014 and is presently expected to be completed by August 2021 except for a stretch measuring approximately 10 km known as Section 7b which is expected to complete by December 2022. Section 8 of the West Coast Expressway opened to traffic on 31 May 2019 followed by Sections 9 and 10 on 23 September 2019. However, toll collections for Sections 8, 9 and 10 are expected to commence by December 2019, subject to the gazette of the Government.

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.

Upon commencement of toll collections, the operations of the West Coast Expressway is expected to improve the future financial performance of our Group. Notwithstanding the above, our Company notes that the Government has been exploring the possibility of acquiring certain existing tolled highways and conditional offers have been made by the Government on 21 June 2019 to acquire highway concessionaires such as Kesas Sdn Bhd, Sistem Penyuraian Trafik KL Barat Sdn Bhd, Lingkaran Trans Kota Sdn Bhd and Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd with the intention of reducing the burden of highway users using the congestion charge model. The conditional offers are subject to, among others, satisfactory due diligence findings, the approval of the shareholders of the highway concessionaires as well as the approval of the Cabinet of Malaysia. While the acquisition of tolled highways by the Government is a risk inherent for all toll concessionaires, our Board is of the view that such risk is mitigated vide the Concession Agreement which contains provisions that would protect WCESB's interests and rights in the West Coast Expressway including compensation provisions.

### Property development

Our Company has a 40% equity interest in RPSB which through its wholly-owned subsidiary, Bandar Rimbayu Sdn Bhd (collectively "RPSB Group"), is the developer of a township known as Bandar Rimbayu. Bandar Rimbayu is a 1,879-acre Green Building Index certified premier township development with an expected total gross development value of approximately RM11 billion. It is located about three (3) km south of Kota Kemuning in Shah Alam, Selangor and is strategically located adjacent to matured neighbourhoods like Subang Jaya, USJ, Kemuning Utama, Puchong, Shah Alam and Klang.

The Bandar Rimbayu development comprises mixed residential components and a commercial hub which is expected to comprise shopping malls, boutique shops, office suites, hotel, serviced apartments, private education institutions and medical institutions. The township has good connectivity to Shah Alam, Klang, Port Klang, Putrajaya, Cyberjaya, Puchong, Subang Jaya and Damansara as well as to the Kuala Lumpur International Airport via five (5) major highways, namely the Shah Alam Expressway, South Klang Valley Expressway, Expressway Lingkaran Tengah and Lebuh raya Kemuning Shah Alam as well as the West Coast Expressway when it is completed. This township development which commenced in 2013 will be developed over 15 to 20 years.

As at LPD, the phases of Bandar Rimbayu which have been launched are as follows:

Phase	Launch date	Type of property	Total units	Take-up rate (%)
Phase 1	March 2013	Double storey terrace houses	526	100.0
Phase 2	August 2013	Double storey terrace houses	484	98.4
Phase 3	May 2014	Linked semi-detached and single storey bungalows	487	92.7
Phase 4	October 2014	Double storey linked houses	110	100.0
Phase 5	February 2015	Strata linked houses	231	97.2
Phase 6A	September 2015	Shop offices	48	96.3
Phase 7A	February 2016	Double storey linked houses	246	97.7
Phase 7B	May 2016 – November 2016	Double storey linked houses	379	95.8
Phase 8A1	July 2018	Low cost apartment	180	74.3
Phase 9	November 2016	Shop offices	88	75.6
Phase 10A	June 2017 – July 2017	Double storey linked houses	248	99.5
Phase 10B	October 2017	Double storey linked houses	98	96.7
Phase 11A	February 2019	Double storey linked houses	84	73.7
Phase 11B	September 2019	Double storey linked houses	111	15.6

As at LPD, save for phases 8A1, 11A and 11B, all the other phases of Bandar Rimbayu as set out above have been completed.

Moving forward, new launches in the pipeline will include affordable terrace houses, targeting first time home buyers and young working adults. The proposed future launches of Bandar Rimbayu over the next four (4) years are as follows:

Phase	Tentative launch date	Type of property	Total units
Phase 12	January 2020	Double storey linked houses	680
Phase 13	November 2020	Double storey semi-detached houses	120
Phase 14	March 2022	Double storey linked houses	553
Phase 15	March 2023	Double storey linked houses	192
Phase 16	March 2022	Shop offices	56

Our Group's share of results from RPSB Group has increased by 48.33% from RM29.59 million for the FYE 31 March 2018 to RM43.89 million for the FYE 31 March 2019 mainly due to higher profit margins derived from its on-going commercial projects, the profit arising from the finalisation of development cost for certain completed phases of Bandar Rimbayu as well as the profit from the sale of a parcel of commercial land in the FYE 31 March 2019. RPSB Group's financial performance for the coming financial year is expected to remain satisfactory on the back of its unbilled sales and satisfactory response to its new launches and our 40% equity interest in RPSB Group is expected to continue to contribute positively to the future consolidated financial results of our Group.

Premised on the above and the outlook of the industries in which our Group operates, our management remains optimistic of our Group's future prospects.

(Source: Management of our Company)

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**10. EFFECTS OF THE RIGHTS ISSUE OF RCPS****10.1 Issued share capital**

The Rights Issue of RCPS will not have an immediate effect on the existing issued share capital of our Company. The issued share capital of our Company will increase progressively depending on the number of new WCEHB Shares issued pursuant to the conversion of the RCPS and exercise of the Warrants.

For illustrative purposes, the pro forma effects of the Rights Issue of RCPS on the issued share capital of our Company are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of WCEHB Shares ('000)	RM'000	No. of WCEHB Shares ('000)	RM'000
Issued share capital as at LPD	1,002,736	1,045,081	1,002,736	1,045,081
To be issued pursuant to the full conversion of the RCPS	1,504,103	<sup>(1)</sup> 372,026	2,005,471	<sup>(3)</sup> 452,245
To be issued pursuant to the full exercise of the Warrants	<b>2,506,839</b> 501,368	<b>1,417,107</b> <sup>(2)</sup> 300,821	<b>3,008,207</b> 501,368	<b>1,497,326</b> <sup>(2)</sup> 300,821
<b>Enlarged issued share capital</b>	<b>3,008,207</b>	<b>1,717,928</b>	<b>3,509,575</b>	<b>1,798,147</b>

**Notes:**

- (1) Based on the assumption that the RCPS held by our Entitled Shareholders will be fully converted into new WCEHB Shares at the Conversion Price of RM0.32, by surrendering four (4) RCPS for three (3) new WCEHB Shares and the reversal of the RCPS equity component as set out in Section 10.2 of this Abridged Prospectus.
- (2) Based on the assumption that the Warrants will be fully exercised in the First Exercise Period at the Exercise Price of RM0.39 per Warrant and after taking into consideration the reversal of warrants reserve amounting to RM105.29 million.
- (3) Based on the assumption that the RCPS held by our Entitled Shareholders will be fully converted into new WCEHB Shares by surrendering one (1) RCPS together with cash payment of RM0.04 such that in aggregate it amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share and the reversal of the RCPS equity component as set out in Section 10.2 of this Abridged Prospectus.

**10.2 NA per Share and gearing**

Based on the unaudited consolidated statements of financial position of our Group as at 30 June 2019, the pro forma effects of the Rights Issue of RCPS on the NA, NA per Share and gearing of our Group are as follows:

**Minimum Scenario**

	Unaudited as at 30 June 2019 (RM'000)	(I)	(II)	(III)
		After the Rights Issue of RCPS and the proposed use of proceeds (RM'000)	After (I) and the full conversion of the RCPS (RM'000)	After (II) and the full exercise of the Warrants (RM'000)
Share capital	1,045,081	1,045,081	<sup>(7)</sup> 1,417,107	<sup>(8)</sup> 1,717,928
Accumulated losses	(335,598)	(335,598)	(335,598)	(335,598)
Warrants reserve	-	<sup>(3)</sup> 105,287	105,287	-
RCPS equity component	-	<sup>(4)</sup> 372,026	-	-
NA/Equity attributable to the owners of our Company	709,483	1,186,796	1,186,796	1,382,330
Non-controlling interests	42,696	42,696	42,696	42,696
<b>Total equity</b>	<b>752,179</b>	<b>1,229,492</b>	<b>1,229,492</b>	<b>1,425,026</b>
Number of Shares outstanding ('000)	1,002,736	1,002,736	2,506,839	3,008,207
NA per Share (RM) <sup>(1)</sup>	0.71	<sup>(5)</sup> 0.81	0.47	0.46
Interest-bearing borrowings	3,033,254	<sup>(6)</sup> 2,883,254	2,883,254	2,883,254
Gearing (times) <sup>(2)</sup>	4.28	<sup>(6)</sup> 2.43	2.43	2.09

**Notes:**

- (1) Calculated based on NA over number of WCEHB Shares outstanding.
- (2) Calculated based on total interest-bearing borrowings over NA.
- (3) Based on the indicative fair value of the Warrants as at LPD of RM0.21 per Warrant which was derived from the Trinomial option pricing model as extracted from Bloomberg.
- (4) Based on the Issue Price of RM0.24 per RCPS and after recognising warrants reserve amounting to RM105.29 million and deducting estimated expenses amounting to RM4.00 million.
- (5) Calculated based on NA (excluding the RCPS equity component) over number of WCEHB Shares outstanding.
- (6) After the repayment of the Bridging Loan amounting to RM150.00 million using the proceeds to be raised from the Rights Issue of RCPS. The partial settlement of interest incurred amounting to RM4.00 million has not been illustrated above as the interest-bearing borrowings of our Group comprises of principal amounts only. Nevertheless, as at 30 June 2019, our Company has settled such interest incurred using internal funds.
- (7) Based on the assumption that the RCPS held by our Entitled Shareholders will be fully converted into new WCEHB Shares at the Conversion Price of RM0.32, by surrendering four (4) RCPS for three (3) new WCEHB Shares.

- (8) Based on the assumption that the Warrants will be fully exercised in the First Exercise Period at the Exercise Price of RM0.39 per Warrant and after taking into consideration the reversal of warrants reserve amounting to RM105.29 million.

### **Maximum Scenario**

	Unaudited as at 30 June 2019 (RM'000)	(I)	(II)	(III)
		After the Rights Issue of RCPS and the proposed use of proceeds (RM'000)	After (I) and the full conversion of the RCPS (RM'000)	After (II) and the full exercise of the Warrants (RM'000)
Share capital	1,045,081	1,045,081	<sup>(7)</sup> 1,497,326	<sup>(8)</sup> 1,798,147
Accumulated losses	(335,598)	(335,598)	(335,598)	(335,598)
Warrants reserve	-	<sup>(3)</sup> 105,287	105,287	-
RCPS equity component	-	<sup>(4)</sup> 372,026	-	-
NA/Equity attributable to the owners of our Company	709,483	1,186,796	1,267,015	1,462,549
Non-controlling interests	42,696	42,696	42,696	42,696
<b>Total equity</b>	<b>752,179</b>	<b>1,229,492</b>	<b>1,309,711</b>	<b>1,505,245</b>
Number of Shares outstanding ('000)	1,002,736	1,002,736	3,008,207	3,509,575
NA per Share (RM) <sup>(1)</sup>	0.71	<sup>(5)</sup> 0.81	0.42	0.42
Interest-bearing borrowings	3,033,254	<sup>(6)</sup> 2,883,254	2,883,254	2,883,254
Gearing (times) <sup>(2)</sup>	4.28	<sup>(6)</sup> 2.43	2.28	1.97

#### **Notes:**

- (1) Calculated based on NA over number of WCEHB Shares outstanding.
- (2) Calculated based on total interest-bearing borrowings over NA.
- (3) Based on the indicative fair value of the Warrants as at LPD of RM0.21 per Warrant which was derived from the Trinomial option pricing model as extracted from Bloomberg.
- (4) Based on the Issue Price of RM0.24 per RCPS and after recognising warrants reserve amounting to RM105.29 million and deducting estimated expenses amounting to RM4.00 million.
- (5) Calculated based on NA (excluding the RCPS equity component) over number of WCEHB Shares outstanding.
- (6) After the repayment of the Bridging Loan amounting to RM150.00 million using the proceeds to be raised from the Rights Issue of RCPS. The partial settlement of interest incurred amounting to RM4.00 million has not been illustrated above as the interest-bearing borrowings of our Group comprises of principal amounts only. Nevertheless, as at 30 June 2019, our Company has settled such interest incurred using internal funds.
- (7) Based on the assumption that the RCPS held by our Entitled Shareholders will be fully converted into new WCEHB Shares by surrendering one (1) RCPS together with cash payment of RM0.04 such that in aggregate it amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share.

- (8) Based on the assumption that the Warrants will be fully exercised in the First Exercise Period at the Exercise Price of RM0.39 per Warrant and after taking into consideration the reversal of warrants reserve amounting to RM105.29 million.

### 10.3 Substantial shareholders' shareholdings

The Rights Issue of RCPS will not have an immediate effect on the shareholdings of the substantial shareholders of our Company until such time the RCPS are converted and the Warrants are exercised into new WCEHB Shares, the potential effect of which is also dependent on the total number of issued shares of our Company at the relevant point in time.

For illustrative purposes, the pro forma effects of the Rights Issue of RCPS on the shareholdings of the substantial shareholders of our Company are as follows:

#### Minimum Scenario

Substantial shareholders	As at LPD				(I) After the Rights Issue of RCPS			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
IJM	265,369	26.46	-	-	265,369	26.46	-	-
MWE	256,566	25.59	-	-	256,566	25.59	-	-
UFHL	93,415	9.32	-	-	93,415	9.32	-	-
Pinjaya Sdn Bhd ("Pinjaya")	-	-	(1) 256,566	25.59	-	-	(1) 256,566	25.59
Hanton Capital Limited ("HCL")	-	-	(2) 256,566	25.59	-	-	(2) 256,566	25.59
Cedar Holdings Limited ("CHL")	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
Kularb Kaew Company Limited ("KKCL")	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
Cypress Holdings Limited ("Cypress")	-	-	(4) 256,566	25.59	-	-	(4) 256,566	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 256,566	25.59	-	-	(5) 256,566	25.59
Tan Sri Pang Tee Chew	35	*	(6) 93,415	9.32	35	*	(6) 93,415	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 93,415	9.32	-	-	(6) 93,415	9.32

Substantial shareholders	(II)				(III)			
	After (I) and the full conversion of the RCPS				After (II) and the full exercise of the Warrants			
	←Direct→		←Indirect→		←Direct→		←Indirect→	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
IJM	663,421	26.46	-	-	796,106	26.46	-	-
MWE	641,414	25.59	-	-	769,697	25.59	-	-
UFHL	233,538	9.32	-	-	280,245	9.32	-	-
Pinjaya	-	-	(1) 641,414	25.59	-	-	(1) 769,697	25.59
HCL	-	-	(2) 641,414	25.59	-	-	(2) 769,697	25.59
CHL	-	-	(3) 641,414	25.59	-	-	(3) 769,697	25.59
KKCL	-	-	(3) 641,414	25.59	-	-	(3) 769,697	25.59
Cypress	-	-	(4) 641,414	25.59	-	-	(4) 769,697	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 641,414	25.59	-	-	(5) 769,697	25.59
Tan Sri Pang Tee Chew	88	*	(6) 233,538	9.32	105	*	(6) 280,245	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 233,538	9.32	-	-	(6) 280,245	9.32

**Maximum Scenario**

Substantial shareholders	As at LPD				(I)			
					After the Rights Issue of RCPS			
	←Direct→		←Indirect→		←Direct→		←Indirect→	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
IJM	265,369	26.46	-	-	265,369	26.46	-	-
MWE	256,566	25.59	-	-	256,566	25.59	-	-
UFHL	93,415	9.32	-	-	93,415	9.32	-	-
Pinjaya	-	-	(1) 256,566	25.59	-	-	(1) 256,566	25.59
HCL	-	-	(2) 256,566	25.59	-	-	(2) 256,566	25.59
CHL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
KKCL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
Cypress	-	-	(4) 256,566	25.59	-	-	(4) 256,566	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 256,566	25.59	-	-	(5) 256,566	25.59
Tan Sri Pang Tee Chew	35	*	(6) 93,415	9.32	35	*	(6) 93,415	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 93,415	9.32	-	-	(6) 93,415	9.32



Substantial shareholders	(II)				(III)			
	After (I) and the full conversion of the RCPS				After (II) and the full exercise of the Warrants			
	←Direct→		←Indirect→		←Direct→		←Indirect→	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
IJM	796,106	26.46	-	-	928,790	26.46	-	-
MWE	769,697	25.59	-	-	897,979	25.59	-	-
UFHL	280,245	9.32	-	-	326,953	9.32	-	-
Pinjaya	-	-	(1) 769,697	25.59	-	-	(1) 897,979	25.59
HCL	-	-	(2) 769,697	25.59	-	-	(2) 897,979	25.59
CHL	-	-	(3) 769,697	25.59	-	-	(3) 897,979	25.59
KKCL	-	-	(3) 769,697	25.59	-	-	(3) 897,979	25.59
Cypress	-	-	(4) 769,697	25.59	-	-	(4) 897,979	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 769,697	25.59	-	-	(5) 897,979	25.59
Tan Sri Pang Tee Chew	105	*	(6) 280,245	9.32	123	*	(6) 326,953	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 280,245	9.32	-	-	(6) 326,953	9.32

**Notes:**

\* Negligible.

- (1) Deemed interested by virtue of its interest in MWE pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in Pinjaya pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their interest in HCL pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in CHL and KKCL pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in Cypress pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of their interest in UFHL pursuant to Section 8 of the Act.

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In addition to the above, in view of the Undertakings by the Undertaking Shareholders to apply for Excess RCPS with Warrants such that the total proceeds to be raised by our Company from the subscription for their respective entitlements under the Rights Issue of RCPS and application for Excess RCPS with Warrants shall not exceed 80% of the gross proceeds to be raised from the Rights Issue of RCPS of RM481.31 million, we have further illustrated the pro forma effects of the Rights Issue of RCPS on the shareholdings of the substantial shareholders of our Company based on the following assumptions:

- (i) save for the Undertaking Shareholders, none of the other Entitled Shareholders subscribe for their entitlements under the Rights Issue of RCPS;
- (ii) the remaining portion of the RCPS with Warrants for which no written undertakings to subscribe has been obtained by our Company will be fully underwritten by the Joint Underwriters pursuant to the Underwriting Agreement and are subsequently resold in the open market; and
- (iii) the number of RCPS and Warrants held by the Undertaking Shareholders after the completion of the Rights Issue of RCPS will remain unchanged until the conversion of the RCPS and exercise of the Warrants.

#### **Scenario I**

Based on the assumptions that:

- (i) the RCPS held by all the RCPS holders will be fully converted into new WCEHB Shares under Option 1 by surrendering one (1) RCPS together with cash payment of RM0.04 such that in aggregate it amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share; and
- (ii) the Warrants held by all the Warrant holders will be fully exercised.

#### **Scenario II**

Based on the assumptions that:

- (i) the RCPS held by all the RCPS holders will be fully converted into new WCEHB Shares under Option 2 at the Conversion Price of RM0.32, by surrendering four (4) RCPS for three (3) new WCEHB Shares; and
- (ii) the Warrants held by all the Warrant holders will be fully exercised.

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**Scenario I**

Substantial shareholders	As at LPD				(I) After the Rights Issue of RCPS			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	IJM	265,369	26.46	-	-	265,369	26.46	-
MWE	256,566	25.59	-	-	256,566	25.59	-	-
UFHL	93,415	9.32	-	-	93,415	9.32	-	-
Pinjaya	-	-	(1) 256,566	25.59	-	-	(1) 256,566	25.59
HCL	-	-	(2) 256,566	25.59	-	-	(2) 256,566	25.59
CHL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
KKCL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
Cypress	-	-	(4) 256,566	25.59	-	-	(4) 256,566	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 256,566	25.59	-	-	(5) 256,566	25.59
Tan Sri Pang Tee Chew	35	*	(6) 93,415	9.32	35	*	(6) 93,415	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 93,415	9.32	-	-	(6) 93,415	9.32

Substantial shareholders	(II) After (I) and the full conversion of the RCPS				(III) After (II) and the full exercise of the Warrants			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	IJM	957,254	31.82	-	-	1,130,226	32.20	-
MWE	925,499	30.77	-	-	1,092,733	31.14	-	-
UFHL	336,973	11.20	-	-	397,862	11.34	-	-
Pinjaya	-	-	(1) 925,499	30.77	-	-	(1) 1,092,733	31.14
HCL	-	-	(2) 925,499	30.77	-	-	(2) 1,092,733	31.14
CHL	-	-	(3) 925,499	30.77	-	-	(3) 1,092,733	31.14
KKCL	-	-	(3) 925,499	30.77	-	-	(3) 1,092,733	31.14
Cypress	-	-	(4) 925,499	30.77	-	-	(4) 1,092,733	31.14
Tan Sri Dato' Surin Upatkoon	-	-	(5) 925,499	30.77	-	-	(5) 1,092,733	31.14
Tan Sri Pang Tee Chew	35	*	(6) 336,973	11.20	35	*	(6) 397,862	11.34
Datuk Wira Pang Tee Nam	-	-	(6) 336,973	11.20	-	-	(6) 397,862	11.34

**Scenario II**

Substantial shareholders	As at LPD				(I) After the Rights Issue of RCPS			
	←Direct→		←Indirect→		←Direct→		←Indirect→	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	IJM	265,369	26.46	-	-	265,369	26.46	-
MWE	256,566	25.59	-	-	256,566	25.59	-	-
UFHL	93,415	9.32	-	-	93,415	9.32	-	-
Pinjaya	-	-	(1) 256,566	25.59	-	-	(1) 256,566	25.59
HCL	-	-	(2) 256,566	25.59	-	-	(2) 256,566	25.59
CHL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
KKCL	-	-	(3) 256,566	25.59	-	-	(3) 256,566	25.59
Cypress	-	-	(4) 256,566	25.59	-	-	(4) 256,566	25.59
Tan Sri Dato' Surin Upatkoon	-	-	(5) 256,566	25.59	-	-	(5) 256,566	25.59
Tan Sri Pang Tee Chew	35	*	(6) 93,415	9.32	35	*	(6) 93,415	9.32
Datuk Wira Pang Tee Nam	-	-	(6) 93,415	9.32	-	-	(6) 93,415	9.32

Substantial shareholders	(II) After (I) and the full conversion of the RCPS				(III) After (II) and the full exercise of the Warrants			
	←Direct→		←Indirect→		←Direct→		←Indirect→	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	IJM	784,283	31.29	-	-	957,254	31.82	-
MWE	758,266	30.25	-	-	925,499	30.77	-	-
UFHL	276,083	11.01	-	-	336,973	11.20	-	-
Pinjaya	-	-	(1) 758,266	30.25	-	-	(1) 925,499	30.77
HCL	-	-	(2) 758,266	30.25	-	-	(2) 925,499	30.77
CHL	-	-	(3) 758,266	30.25	-	-	(3) 925,499	30.77
KKCL	-	-	(3) 758,266	30.25	-	-	(3) 925,499	30.77
Cypress	-	-	(4) 758,266	30.25	-	-	(4) 925,499	30.77
Tan Sri Dato' Surin Upatkoon	-	-	(5) 758,266	30.25	-	-	(5) 925,499	30.77
Tan Sri Pang Tee Chew	35	*	(6) 276,083	11.01	35	*	(6) 336,973	11.20
Datuk Wira Pang Tee Nam	-	-	(6) 276,083	11.01	-	-	(6) 336,973	11.20

**Notes:**

- \* Negligible.
- (1) Deemed interested by virtue of its interest in MWE pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in Pinjaya pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their interest in HCL pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its interest in CHL and KKCL pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in Cypress pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of their interest in UFHL pursuant to Section 8 of the Act.

**10.3.1 Public shareholding spread**

The issuance and allotment of the RCPS and Warrants will not give rise to any non-compliance with the minimum public shareholding spread requirement of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements (“**Public Spread Requirement**”) as the RCPS and Warrants do not carry any voting right in our Company until and unless the RCPS are converted or the Warrants are exercised into new WCEHB Shares.

However, depending on the timing and actual number of RCPS being converted by the RCPS holders and/or Warrants being exercised by the Warrant holders into new WCEHB Shares as well as the mode of conversion of the RCPS, the conversion of the RCPS and/or exercise of the Warrants by the Undertaking Shareholders into new WCEHB Shares could result in the Public Spread Requirement of our Company falling below 25%. In such event, our Company would not be in compliance with Paragraph 8.02(1) of the Listing Requirements.

A listed issuer which fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. If Bursa Securities does not grant the requested extension of time, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements for breach of Paragraph 8.02(1) of the Listing Requirements and may at its discretion, suspend trading in the securities of the listed issuer pursuant to Paragraph 16.02(1) of the Listing Requirements. Notwithstanding this, non-compliance with the Public Spread Requirement would not automatically result in the delisting of our Company from the Official List of Bursa Securities.

However, the Undertaking Shareholders have vide their Undertakings undertaken that the subsequent conversion of their RCPS and/or exercise of their Warrants into new WCEHB Shares would not result in the Company being in breach of the Public Spread Requirement.

**10.4 EPS**

As the Rights Issue of RCPS is expected to be completed in the 4<sup>th</sup> quarter of 2019, the Rights Issue of RCPS is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 March 2020.

As part of the proceeds to be raised from the Rights Issue of RCPS will be used for injection as equity, convertibles and/or subordinated advances into WCESB, which in turn will be used to fund the WCE Project, the Rights Issue of RCPS is expected to contribute positively to the future earnings of our Group upon completion of the WCE Project.

The Rights Issue of RCPS may result in dilution of the EPS of our Group arising from the increase in the number of WCEHB Shares in issue as and when the RCPS are converted and the Warrants are exercised into new WCEHB Shares. Nevertheless, the eventual dilution in EPS will also depend on the benefits arising from the use of proceeds to be raised from the Rights Issue of RCPS.

For illustration purposes, assuming that the Rights Issue of RCPS had been completed on 1 April 2018, being the beginning of the FYE 31 March 2019, the pro forma effects of the Rights Issue of RCPS on the EPS of our Group (prior to the use of proceeds for injection as equity, convertibles and/or subordinated advances into WCESB and general working capital) are as follows:

#### **Minimum Scenario**

	Audited FYE 31 March 2019 (RM'000)	(I)	(II)	(III)
		After the Rights Issue of RCPS (RM'000)	After (I) and the full conversion of the RCPS (RM'000)	After (II) and the full exercise of the Warrants (RM'000)
Net profit attributable to the owners of our Company	20,467	<sup>(2)</sup> 29,872	29,872	29,872
Weighted average number of Shares in issue ('000)	1,002,736	1,002,736	2,506,839	3,008,207
EPS (sen) <sup>(1)</sup>	2.04	2.98	1.19	0.99

#### **Maximum Scenario**

	Audited FYE 31 March 2019 (RM'000)	(I)	(II)	(III)
		After the Rights Issue of RCPS (RM'000)	After (I) and the full conversion of the RCPS (RM'000)	After (II) and the full exercise of the Warrants (RM'000)
Net profit attributable to the owners of our Company	20,467	<sup>(2)</sup> 29,872	29,872	29,872
Weighted average number of Shares in issue ('000)	1,002,736	1,002,736	3,008,207	3,509,575
EPS (sen) <sup>(1)</sup>	2.04	2.98	0.99	0.85

#### **Notes:**

- (1) Calculated based on net profit attributable to the owners of our Company divided by the weighted average number of Shares in issue.
- (2) After taking into consideration the expected annual gross interest savings of approximately RM9.41 million to our Group as a result of the repayment of the Bridging Loan, based on the actual interest rate of the Bridging Loan of approximately 6.27% per annum as at LPD.

**10.5 Convertible securities**

As at LPD, our Company does not have any outstanding convertible security.

**11. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS****11.1 Working capital**

Our Group's current working capital is funded by a combination of internal and external sources of funds. Internal source includes cash generated from our Group's operations while the external sources are borrowings obtained from the Government, financial institutions and issuances of debt securities as well as credit terms granted by our suppliers. The credit period granted by our contractors and/or suppliers to our Group ranges from 14 to 90 days.

As at LPD, our Group has cash and bank balances of RM1.75 million, short term investments of RM0.87 million and short term deposits with licensed banks of RM783.64 million which represents the excess funds from the draw down of financing facilities for the purpose of financing the WCE Project. Our Group also has available limits of RM1,131.14 million from its term loans which will be used for the purpose of financing the WCE Project.

Our Board is of the opinion that, after taking into consideration the borrowings available to our Group, the proceeds to be raised from the Rights Issue of RCPS as well as the cash flows to be generated from our Group's operations, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

**11.2 Borrowings**

As at LPD, the total outstanding borrowings of our Group, all of which are interest-bearing and denominated in RM, are as follows:

	<b>Total (RM'000)</b>
<b><u>Short-term borrowing</u></b>	
Bridging Loan	150,000
<b><u>Long-term borrowings</u></b>	
Bond - Sukuk Murabahah	931,795
GSL	971,468
Term loans	867,575
Murabahah loan stocks	136,851
<b>Total</b>	<b>3,057,689</b>

Our Group has not defaulted on payments of either interest and/or principal sums for any of our borrowings throughout the FYE 31 March 2019 and the subsequent financial period up to LPD.

### 11.3 Material commitments and contingent liabilities

#### 11.3.1 Material commitments

Save as disclosed below, as at LPD, our Board is not aware of any material commitment incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group:

	RM'000
Infrastructure development expenditure - contracted but not provided for	2,480,578

The above capital commitment will be funded through internal funds and/or borrowings.

#### 11.3.2 Contingent liabilities

Save as disclosed below, as at LPD, our Board is not aware of any contingent liability incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group:

	RM'000
Corporate guarantee given to a licensed financial institution for the banking facilities obtained by RPSB	152,000

#### 11.4 Material transactions

Since our Group's latest audited consolidated financial statements for the FYE 31 March 2019 up to LPD, there is no material transaction which may have a material effect on the operations, financial position and results of our Group.

## 12. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

### 12.1 General

The Provisional RCPS with Warrants are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional RCPS with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounees and/or transferees (if applicable) are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Provisional RCPS with Warrants or to apply for Excess RCPS with Warrants.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus the NPA notifying you of the crediting of such Provisional RCPS with Warrants into your CDS Account and the RSF to enable you to subscribe for such Provisional RCPS with Warrants, as well as to apply for Excess RCPS with Warrants, if you choose to do so.

Full instructions for the acceptance of and payment for the Provisional RCPS with Warrants and the procedures to be followed should you wish to sell or transfer all or any part of your entitlement as well as instructions to apply for Excess RCPS with Warrants are set out in this Abridged Prospectus and the accompanying RSF. **YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE DOCUMENTS CAREFULLY.**

Acceptances and applications which do not strictly conform to the terms and conditions as well as the notes and instructions contained herein, or which may be illegible may not be accepted at the absolute discretion of our Board.



Our Company shall make an announcement on Bursa Securities on the outcome of the Rights Issue of RCPS after the Closing Date.

**12.2 Last time and date for acceptance and payment**

The last time and date for acceptance and payment for the Provisional RCPS with Warrants is at **5:00 p.m. on 11 November 2019**, being the Closing Date.

**12.3 Procedures for acceptance and payment**

If you wish to accept the Provisional RCPS with Warrants, either in full or in part, please complete **Parts I(A) and II** of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment in the reply envelope enclosed with this Abridged Prospectus must be despatched by **COURIER, ORDINARY POST OR DELIVERED BY HAND** (at your own risk) to our Share Registrar at the following address and so as to arrive by the Closing Date:

**Metra Management Sdn Bhd**  
35<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Malaysia

Telephone No: +603 2698 3232  
Facsimile No: +603 2698 0313

If you have lost, misplaced or for any other reasons require another copy of this Abridged Prospectus and/or the RSF, you may obtain additional copies from any one of the following:

- (i) all Malaysian stockbroking companies
- (ii) our registered office : Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia
- (iii) our Share Registrar's office : 35<sup>th</sup> Floor, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Malaysia
- (iv) Bursa Securities' website : <http://www.bursamalaysia.com>

One (1) RSF can only be used for the acceptance of the Provisional RCPS with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of the Provisional RCPS with Warrants standing to the credit of more than one (1) CDS Account. The RCPS with Warrants accepted by you will be credited into the CDS Accounts as stated in the completed RSFs.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

The minimum number of RCPS that can be accepted is one (1) RCPS. However, in order to be entitled to one (1) Warrant, you must subscribe for four (4) RCPS. You should take note that a trading board lot for the RCPS and Warrants comprise 100 RCPS and 100 Warrants respectively. Fractions of a RCPS and/or Warrants, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its absolute discretion deems fit or expedient or in the best interest of our Company.

Each completed RSF must be accompanied by the appropriate remittance made in RM for the FULL and EXACT amount payable for the Provisional RCPS with Warrants accepted, in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "WCE RCPS ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name and address in block letters, contact number and CDS Account number to be received by our Share Registrar by the Closing Date. The payment must be made for the full and exact amount payable for the Provisional RCPS with Warrants accepted. Any acceptance accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

If the acceptance of and payment for the Provisional RCPS with Warrants (whether in full or in part) are not received by our Share Registrar by the Closing Date, such Provisional RCPS with Warrants will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot such RCPS with Warrants not taken up or not validly taken up to applicants applying for the Excess RCPS with Warrants in the manner as set out in Section 12.5 of this Abridged Prospectus.

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE SUBSCRIPTION MONIES IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL RCPS WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR.**

Acceptances of the Provisional RCPS with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any acceptance of the Provisional RCPS with Warrants, in full or in part, without assigning any reason.

Notification on the outcome of your acceptance of the Provisional RCPS with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the Closing Date; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus subscription monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

#### 12.4 Procedures for the sale or transfer of the Provisional RCPS with Warrants

The Provisional RCPS with Warrants are renounceable securities and will be traded on Bursa Securities commencing from Friday, 25 October 2019 up to and including Friday, 1 November 2019. As such, you may sell/transfer all or part of your entitlement under the Rights Issue of RCPS during such period.

As the Provisional RCPS with Warrants are prescribed securities, should you wish to sell or transfer, all or part of your entitlement to the Provisional RCPS with Warrants to one (1) or more persons, you may do so through your stockbroker for the period up to the last date and time for the sale and transfer of the Provisional RCPS with Warrants without first having to request from our Company for a split of the Provisional RCPS with Warrants standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional RCPS with Warrants, you may sell such entitlement in the open market or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional RCPS with Warrants, you are not required to deliver any document, including the RSF, to any stockbroker. You are however advised to ensure that you have sufficient number of Provisional RCPS with Warrants standing to the credit of your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional RCPS with Warrants, you may still accept the balance of the Provisional RCPS with Warrants not sold or transferred, by completing **Parts I(A) and II** of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Section 12.3 of this Abridged Prospectus for the procedures for acceptance and payment.

#### 12.5 Procedures for application for the Excess RCPS with Warrants

If you wish to apply for additional RCPS with Warrants in excess of your entitlement, you may do so by completing **Part I(B)** of the RSF (in addition to **Parts I(A) and II**) and forward it (together with a **separate remittance** made in RM for the full and exact amount payable in respect of the Excess RCPS with Warrants applied for) to our Share Registrar at the address as set out in Section 12.3 of this Abridged Prospectus, so as to arrive by the Closing Date.

Payment for the Excess RCPS with Warrants applied for should be made in the same manner described in Section 12.3 of this Abridged Prospectus, except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia be made payable to "**WCE EXCESS RCPS ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and address in block letters, contact number and CDS Account number to be received by our Share Registrar by the Closing Date. The payment must be made for the full and exact amount payable for the Excess RCPS with Warrants applied for. Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

The minimum number of excess RCPS that can be applied for is one (1) excess RCPS. However, in order to be entitled to one (1) excess Warrant, you must subscribe for four (4) excess RCPS. You should take note that a trading board lot for the RCPS and Warrants comprise 100 RCPS and 100 Warrants respectively.

In the event of an under subscription, whereby the total valid acceptances and applications for Excess RCPS with Warrants (excluding applications for Excess RCPS with Warrants by the Undertaking Shareholders) is less than the total number of RCPS with Warrants available for subscription and application under the Rights Issue of RCPS, the Entitled Shareholders and/or their renounees and/or transferees (if applicable) (excluding the Undertaking Shareholders) who have applied for Excess RCPS with Warrants will firstly be allotted with all the Excess RCPS with Warrants applied for. Any remaining Excess RCPS with Warrants thereafter will then be allocated to the Undertaking Shareholders in accordance with the terms of their respective Undertakings.

However, in the event of an over-subscription, whereby the total valid acceptances and applications for Excess RCPS with Warrants (excluding applications for Excess RCPS with Warrants by the Undertaking Shareholders) exceed the total number of RCPS with Warrants available for subscription and application under the Rights Issue of RCPS, our Board will allot the Excess RCPS with Warrants in a fair and equitable manner in accordance with the following steps:

- (a) firstly, to the Entitled Shareholders and/or their renounees and/or transferees (if applicable) (excluding the Undertaking Shareholders) in the following order of priority:
  - (i) firstly, to minimise the incidence of odd lots;
  - (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders (excluding the Undertaking Shareholders) who have applied for the Excess RCPS with Warrants, calculated based on their respective shareholdings on the Entitlement Date;
  - (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders (excluding the Undertaking Shareholders) who have applied for the Excess RCPS with Warrants, calculated based on the quantum of their respective Excess RCPS with Warrants applied for; and
  - (iv) lastly, on a pro-rata basis and in board lots, to the renounees and/or transferees (if applicable) who have applied for the Excess RCPS with Warrants, calculated based on the quantum of their respective Excess RCPS with Warrants applied for;
- (b) in the event there is any remaining Excess RCPS with Warrants after steps (i) to (iv) above are carried out, steps (ii) to (iv) will be repeated in the same sequence to allocate the remaining Excess RCPS with Warrants to our Entitled Shareholders and/or their renounees and/or transferees (if applicable) (excluding the Undertaking Shareholders); and
- (c) any remaining Excess RCPS with Warrants thereafter which our Company is unable to allocate to our Entitled Shareholders and/or their renounees and/or transferees (if applicable) (excluding the Undertaking Shareholders) will then be allocated to the Undertaking Shareholders in accordance with the terms of their respective Undertakings.

Nevertheless, our Board reserves the right to allot any Excess RCPS with Warrants applied for in such manner as it deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (a) to (c) above is achieved. Our Board also reserves the right to accept any application for the Excess RCPS with Warrants, in full or in part.

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES IN RESPECT OF THE APPLICATION FOR THE EXCESS RCPS WITH WARRANTS WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR.**

Applications for the Excess RCPS with Warrants shall not be deemed to have been accepted by reason of the remittance being presented for payment. Our Board reserves the right not to accept any Excess RCPS with Warrants application, in full or in part, without assigning any reason.

Notification on the outcome of your application for the Excess RCPS with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the Closing Date; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

#### **12.6 Procedures for acceptance by renounees and/or transferees**

The procedures applicable to renounees and/or transferees (if applicable) for acceptance, selling and/or transferring of the Provisional RCPS with Warrants, applying for the Excess RCPS with Warrants and payment are the same as those which are applicable to our Entitled Shareholders as described in Sections 12.3, 12.4 and 12.5 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or the RSF, you may obtain the same from your stockbroker, our registered office, our Share Registrar or on Bursa Securities' website, details of which are set out in Section 12.3 of this Abridged Prospectus.

**RENOUNCEES AND/OR TRANSFEREES ARE ADVISED TO READ AND ADHERE STRICTLY TO THIS ABRIDGED PROSPECTUS AND THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **12.7 CDS Accounts**

Bursa Securities has prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional RCPS with Warrants are prescribed securities and as such, all dealings in the Provisional RCPS with Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account when making applications to subscribe for the Provisional RCPS with Warrants or to apply for Excess RCPS with Warrants. Failure to comply with the specific instructions for application or inaccuracy in the CDS Account number may result in your application being rejected.

Your subscription for the RCPS with Warrants shall constitute consent to receive such RCPS with Warrants as prescribed securities which will be credited directly into your CDS Account. No physical certificates will be issued to you.

Any person who has purchased the Provisional RCPS with Warrants or to whom the Provisional RCPS with Warrants have been transferred and intends to subscribe for the RCPS with Warrants will have his/her RCPS with Warrants credited directly as prescribed securities into his/her CDS Account.

All Excess RCPS with Warrants, if allotted to the successful applicants who applied for the Excess RCPS with Warrants, will be credited directly into the CDS Accounts of the successful applicants.

#### **12.8 Laws of foreign countries or jurisdictions**

The Documents are not and will not be made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been and will not be lodged, registered or approved under any applicable securities legislation of any country or jurisdiction other than Malaysia.

The Documents are not intended to be and will not be issued, circulated or distributed, and the Rights Issue of RCPS will not be made or offered or deemed made or offered, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue of RCPS to which this Abridged Prospectus relates is only available to persons receiving the Documents within Malaysia.

Accordingly, the Documents have not been, and will not be, despatched to the Foreign Addressed Shareholders. However, the Foreign Addressed Shareholders may collect the Documents from our Share Registrar in Malaysia, Metra Management Sdn Bhd, at 35<sup>th</sup> Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, who is entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the Documents.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address other than as stated in our Record of Depositors on the Entitlement Date or who have provided our Share Registrar with an address in Malaysia for the despatch of Documents as at **5:00 p.m. on 24 October 2019** and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue of RCPS and the acceptance by our Entitled Shareholders thereof would not be in breach of the laws of any jurisdiction. Our Company will further assume that our Entitled Shareholders have accepted the Rights Issue of RCPS in Malaysia and will at all applicable times be subject to the laws of Malaysia.

Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable), may accept, renounce or transfer (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of RCPS only to the extent that it would be lawful to do so.

All Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject. Neither we, our Board, our Share Registrar, RHB Investment Bank, nor any other adviser to the Rights Issue of RCPS ("**Parties**") shall accept any responsibility or liability whatsoever in the event that any acceptance or renunciation made by a Foreign Addressed Shareholder and/or his renounees and/or transferees (if applicable) in respect of the Rights Issue of RCPS is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) will also have no claims whatsoever against the Parties in respect of their rights entitlements or any net proceeds arising from the Rights Issue of RCPS.

Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights or entitlements under the Rights Issue of RCPS. Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue of RCPS.

Our Company reserves the right at our absolute discretion to treat any acceptance as being invalid if we believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional RCPS with Warrants relating to any acceptance which is treated as invalid will be included in the pool of the Excess RCPS with Warrants available for excess application by other Entitled Shareholders and/or their renounees and/or transferees (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

In addition, each person, by accepting the delivery of the Documents, accepting any Provisional RCPS with Warrants by signing any of the forms accompanying this Abridged Prospectus, or subscribing for or acquiring the RCPS with Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue of RCPS, be in breach of the laws of any country or jurisdiction to which the Foreign Addressed Shareholder and/or his renounees and/or transferees (if applicable) are or may be subject to;
- (ii) that person has complied with the laws to which he and/or his renounees and/or transferees (if applicable) is or may be subject to in connection with the acceptance or renunciation;
- (iii) that person is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subject to;
- (iv) that person has an address for service of process in Malaysia;
- (v) that person is aware that his Provisional RCPS with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (vi) that person has obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and had relied on his own evaluation to assess the merits and risks of the investment; and
- (vii) that person has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the RCPS with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the RCPS with Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue of RCPS, offer, distribute or send any of them into any jurisdiction where doing so would or might contravene local securities, exchange control or other relevant laws or regulations. If the Documents are received by any person in such jurisdiction or by the agent or nominee of any such person, he must not seek to accept the offer unless he has complied with and observed the laws of all relevant jurisdictions.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section, and WCEHB reserves the right to reject a purported acceptance of the RCPS with Warrants from any application by Foreign Addressed Shareholders and/or their renounees and/or transferees (if applicable) in any jurisdiction other than Malaysia.

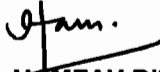
### **13. TERMS AND CONDITIONS**

The issuance of the RCPS with Warrants pursuant to the Rights Issue of RCPS is governed by the terms and conditions as set out in the Documents.

**14. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**WCE HOLDINGS BERHAD**



**DATUK IR. HAMZAH BIN HASAN**  
Chairman/Independent Non-Executive Director



**SALIENT TERMS OF THE RCPS**

The salient terms of the RCPS to be issued pursuant to the Rights Issue of RCPS are as follows:

- Issuer : WCEHB.
- Issue price : RM0.24 per RCPS.
- Form and denomination : The RCPS will be issued in registered form and constituted by our Company's Constitution.
- Board lot : For the purpose of trading on Bursa Securities, one (1) board lot of RCPS shall comprise 100 units of RCPS.
- Tenure : Two (2) years commencing from and including the date of the issue of the RCPS ("**Issue Date**").
- Maturity Date : One (1) Market Day prior to the 2<sup>nd</sup> anniversary of the Issue Date.
- Dividend : The holders of the RCPS shall not be entitled to any dividend.
- Conversion Period : The RCPS may be converted into new WCEHB Shares at any time over a period of two (2) years commencing from the Issue Date until the Maturity Date, both dates inclusive.
- Any remaining RCPS that are not converted by the Maturity Date shall be automatically converted into new WCEHB Shares at the Conversion Ratio (as defined herein).
- Conversion Prices : The conversion prices of the RCPS into new WCEHB Shares under Option 1 and Option 2 are as follows:
- (i) **Option 1:** RM0.28; and
  - (ii) **Option 2:** RM0.32.
- Conversion Ratio : The conversion ratio under Option 1 and Option 2 are as follows:
- (i) **Option 1:** One (1) RCPS for one (1) new WCEHB Share together with cash payment of RM0.04; and
  - (ii) **Option 2:** Four (4) RCPS for three (3) new WCEHB Shares.
- Conversion Modes : The RCPS may be converted into new WCEHB Shares in any of the following manner:
- (i) **Option 1:** By surrendering one (1) RCPS together with cash payment of RM0.04 such that the total value in aggregate amounts to the Conversion Price of RM0.28 for one (1) new WCEHB Share; and/or
  - (ii) **Option 2:** By surrendering four (4) RCPS for three (3) new WCEHB Shares such that the aggregate issue price is equivalent to the Conversion Price of RM0.32.

**SALIENT TERMS OF THE RCPS (Cont'd)**

**Conversion Rights** : The RCPS shall be convertible, at the option of the RCPS holders, at any time during the Conversion Period, into such number of new WCEHB Shares through any of the Conversion Mode.

If the conversion results in a fractional entitlement of WCEHB Shares, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of RCPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

**Conversion mechanism** : The RCPS holders may exercise the Conversion Rights by delivering to the registrar a duly completed and signed conversion notice and payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia in respect of conversion under Option 1.

**Adjustments to the Conversion Price and/or Conversion Mode** : The Conversion Price and/or Conversion Mode shall be subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to the share capital of our Company, whether by way of rights issues, bonus issues, consolidation of shares, subdivision of shares or capital distribution on a reduction of capital or otherwise, in accordance with the provisions of our Company's Constitution. The adjustments shall be adjusted, calculated or determined by our Board in consultation with an approved principal adviser and certified by the auditor appointed by our Company, as the case may be.

**Redemption** : Subject to the provisions of the Act and any other legislation, our Company may at any time on or after the Issue Date, at its discretion redeem in whole or in part (but always in the same proportion in relation to each RCPS holder) the outstanding RCPS in cash at 100% of the Issue Price, by giving not less than 30 days' notice in writing to the RCPS holders of its intention to do so. The redemption date and books closure date to be used to determine the RCPS holders who are entitled to receive the redemption payment shall be stated in the notice.

**Ranking of the RCPS** : The RCPS are unsecured and shall upon issuance and allotment, rank equally among themselves and in priority to the WCEHB Shares and all other classes of shares (if any) in our Company, except that:

- (i) they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared by our Company; and
- (ii) save for matters as set out under the "Rights of the holders of the RCPS" in this Appendix I, they carry no right to vote at any general meeting of our Company.

However, in the event of liquidation or winding-up of our Company:

- (i) the assets of our Company shall be distributed first to the holders of the RCPS in priority to the holders of other classes of shares in our Company, the amount of which shall be equal to the full issue price for each RCPS, provided that there shall be no further right to participate in any surplus profits of our Company; and
- (ii) in the event that our Company has insufficient assets to permit payment of the full issue price to the holders of the RCPS, the assets of our Company shall be distributed on a pro rata basis to the holders of the RCPS in proportion to the amount that each RCPS holder would otherwise be entitled to receive.

**SALIENT TERMS OF THE RCPS (Cont'd)**

- Ranking of the new WCEHB Shares** : The new WCEHB Shares to be issued pursuant to the conversion of the RCPS shall upon issuance and allotment, rank equally in all respects with the then existing WCEHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to shareholders, of which the entitlement date is prior to the date of allotment of the new WCEHB Shares to be issued pursuant to the conversion of the RCPS.
- Rights of the holders of the RCPS** : The RCPS holders shall be entitled to the same rights as our Company's ordinary shareholders as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of our Company, save and except in respect of any resolution made:
- (i) on a proposal to reduce our Company's share capital;
  - (ii) on a proposal for the disposal of substantially the whole of our Company's property, business and undertaking;
  - (iii) on a proposal to wind-up our Company;
  - (iv) during the winding-up of our Company; or
  - (v) on any proposal that affects the rights and privileges attached to the RCPS, including the amendments to our Company's Constitution.
- In the aforesaid circumstances, each RCPS holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS held.
- Listing status** : Approval has been obtained from Bursa Securities for the admission of the RCPS to the Official List of Bursa Securities as well as for the listing and quotation of the RCPS and new WCEHB Shares to be issued pursuant to the conversion of the RCPS, on the Main Market of Bursa Securities.
- Transferability** : The RCPS shall be transferable. As the RCPS will be listed and quoted on the Main Market of Bursa Securities, they will be deposited with the CDS and will be subject to the Rules of Bursa Depository.
- Modification of rights** : Our Company may from time to time make modifications to the terms of which in the opinion of our Company are not materially prejudicial to the interest of the holders of the RCPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.
- Any variation, modification or abrogation of the rights and privileges attached to the RCPS shall require the sanction of a special resolution of the RCPS holders holding or representing not less than 75% of the outstanding RCPS.
- Governing law** : Laws of Malaysia.

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**SALIENT TERMS OF THE WARRANTS**


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The salient terms of the Warrants to be issued pursuant to the Rights Issue of RCPS are as follows:

- Issue price** : The Warrants will be issued free to our Entitled Shareholders who have successfully subscribed for the RCPS.
- Form and denomination** : The Warrants, which are issued with the RCPS, will be immediately detached from the RCPS upon issuance and will be separately traded on Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll.
- Board lot** : For the purpose of trading on Bursa Securities, one (1) board lot of Warrants shall comprise 100 units of Warrants carrying the right to subscribe for 100 new WCEHB Shares at any time during the Exercise Period (as defined herein), or in such other denomination as Bursa Securities may approve from time to time.
- Tenure** : Ten (10) years commencing from and including the date of issue of the Warrants ("**Issue Date of the Warrants**").
- Expiry Date** : The Market Day immediately before the 10<sup>th</sup> anniversary of the Issue Date of the Warrants.
- Exercise Period** : The exercise period of the Warrants comprises the First Exercise Period and Second Exercise Period. The Warrants may be exercised at any time commencing on and including the Issue Date of the Warrants and ending at 5:00 p.m. on the Expiry Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid or have any effect.
- Exercise rights** : Each Warrant entitles the registered Warrant holder to subscribe for one (1) new WCEHB Share at the Exercise Price during the Exercise Period in accordance with the provisions of the Deed Poll.
- Exercise Prices** : The exercise prices per Warrant into one (1) new WCEHB Share under the First Exercise Period and Second Exercise Period are as follows:
- (i) **First Exercise Period:** RM0.39; and
  - (ii) **Second Exercise Period:** RM0.45.
- Mode of exercise** : The registered Warrant holder is required to lodge an exercise form with our Company's registrar, duly completed and signed together with payment of the Exercise Price by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia.
- Ranking of the new WCEHB Shares** : The new WCEHB Shares to be issued pursuant to the exercise of the Warrants shall upon issuance and allotment, rank equally in all respects with the then existing WCEHB Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to shareholders, of which the entitlement date is prior to the date of allotment of the new WCEHB Shares to be issued pursuant to the exercise of the Warrants.

**SALIENT TERMS OF THE WARRANTS (Cont'd)**

**Rights of the Warrant holders** : The registered Warrant holders are not entitled to any voting right in our Company or to participate in any distribution and/or offer of further securities in our Company until and unless the registered Warrant holders becomes a shareholder of our Company by exercising their Warrants into new WCEHB Shares and the new WCEHB Shares are allotted prior to the entitlement date of such distribution or offer of securities.

**Modification** : Subject to the provision on modification of rights in the Deed Poll, any modification, amendment or addition to the Deed Poll shall require the approval of the registered Warrant holders sanctioned by special resolution and may be effected only by a deed executed by our Company and expressed to be supplemental thereto and subject to the approval of the relevant authorities, if necessary, unless the modifications, amendments or additions are:

- (i) required to correct any typographical errors; or
- (ii) relating to purely administrative matters; or
- (iii) required to comply with mandatory provisions of the law; or
- (iv) in the opinion of our Board, will not be materially prejudicial to the interests of the registered Warrant holders.

A memorandum of every such supplemental deed must be endorsed on the Deed Poll.

**Rights in the event of winding up, liquidation, compromise and/or arrangement** : Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one (1) or more companies, then:

- (i) if such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the registered Warrant holders, or some person designated by them for such purposes by a special resolution, will be a party, the terms of such winding-up, compromise or arrangement will be binding on all the registered Warrant holders; and
- (ii) in any other case, every registered Warrant holder shall be entitled (subject to provisions of the Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation), by submitting to our Company's registrar the duly completed exercise form and the relevant exercise moneys, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his Warrants to the extent specified in the exercise forms and be entitled to receive out of the assets of our Company which would be available in liquidation if he had on such date been the holder of the WCEHB Shares to which he would have become entitled pursuant to such exercise.

**SALIENT TERMS OF THE WARRANTS (Cont'd)**

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Subject to the above, if our Company is wound up or an order has been granted for such compromise or arrangement, all exercise rights which are not exercised within six (6) weeks of the passing of the resolution for winding-up or of the granting of the court order approving such compromise or arrangement, will lapse and the Warrants will cease to be valid for any purpose.

- Adjustments to the exercise price and/or number of the Warrants : The Exercise Price and/or number of Warrants held by each registered Warrant holder may from time to time be adjusted, calculated or determined by our Board in consultation with an approved principal adviser and certified by the auditor appointed by our Company in accordance with the provisions of the Deed Poll.
- Transferability : The Warrants shall be transferable in the manner provided under the provisions of the Deed Poll, subject always to the provisions of the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.
- Listing status : Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities as well as for the listing and quotation of the Warrants and new WCEHB Shares to be issued pursuant to the exercise of the Warrants, on the Main Market of Bursa Securities.
- Governing law : Laws of Malaysia.

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**INFORMATION ON OUR COMPANY**


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**1. SHARE CAPITAL AND OPTIONS****1.1 Share capital**

Our Company's issued share capital as at LPD is RM1,045,081,138.00 comprising 1,002,735,588 WCEHB Shares.

**1.2 Options**

Save for the Provisional RCPS with Warrants and Excess RCPS with Warrants, no option to subscribe for our Shares has been granted or is entitled to be granted to any person.

**2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 10.3 of this Abridged Prospectus for the pro forma effects of the Rights Issue of RCPS on the shareholdings of the substantial shareholders of our Company.

**3. DIRECTORS****3.1 Particulars of our Directors**

The details of our Directors as at LPD are as follows:

<b>Name (Designation)</b>	<b>Address</b>	<b>Age</b>	<b>Nationality</b>
Datuk Ir. Hamzah bin Hasan (Chairman/Independent Non-Executive Director)	14, Jalan 4/1 Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	68	Malaysian
Datuk Oh Chong Peng (Senior Independent Non-Executive Director)	No. 5, Laman Setiakasih 8 Off Jalan Setiakasih 8 Bukit Damansara 50490 Kuala Lumpur	75	Malaysian
Datuk Wira Hj. Hamza bin Taib (Independent Non-Executive Director)	No. 18, Saujana Villa Jalan Prima Saujana 5/3 Taman Prima Saujana Section 5 43000 Kajang Selangor Darul Ehsan	63	Malaysian
Tan Chor Teck (Independent Non-Executive Director)	0-1 Seri Ritchie 327-B Persiaran Ritchie 55000 Kuala Lumpur	56	Malaysian
Lee Chun Fai (Non-Independent Non-Executive Director)	2A Lorong PJU 7/17B Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan	48	Malaysian
Tang King Hua (Non-Independent Non-Executive Director)	11-7-1, Persiaran Gurney 10250 Penang	61	Malaysian
Vuitton Pang Hee Cheah (Non-Independent Non-Executive Director)	A-23-1 One Menerung No. 1 Jalan One Menerung Bukit Bandaraya Bangsar 59100 Kuala Lumpur	38	Malaysian

**INFORMATION ON OUR COMPANY (Cont'd)****3.2 Directors' shareholdings**

The Rights Issue of RCPS will not have an immediate effect on the shareholdings of the Directors of our Company until such time the RCPS are converted and the Warrants are exercised into new WCEHB Shares, the potential effect of which is also dependent on the total number of issued shares of our Company at the relevant point in time.

For illustrative purposes, the pro forma effects of the Rights Issue of RCPS on the shareholdings of the Directors of our Company are as follows:

**Minimum Scenario**

	As at LPD				(I) After the Rights Issue of RCPS			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Directors</b>								
Datuk Ir. Hamzah bin Hasan	-	-	-	-	-	-	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-	-	-
Datuk Wira Hj. Hamza bin Taib	-	-	-	-	-	-	-	-
Tan Chor Teck	72	0.01	(1) 240	0.02	72	0.01	(1) 240	0.02
Lee Chun Fai	-	-	-	-	-	-	-	-
Tang King Hua	350	0.03	-	-	350	0.03	-	-
Vuitton Pang Hee Cheah	-	-	-	-	-	-	-	-

	(II) After (I) and the full conversion of the RCPS				(III) After (II) and the full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Directors</b>								
Datuk Ir. Hamzah bin Hasan	-	-	-	-	-	-	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-	-	-
Datuk Wira Hj. Hamza bin Taib	-	-	-	-	-	-	-	-
Tan Chor Teck	180	0.01	(1) 600	0.02	216	0.01	(1) 720	0.02
Lee Chun Fai	-	-	-	-	-	-	-	-
Tang King Hua	875	0.03	-	-	1,050	0.03	-	-
Vuitton Pang Hee Cheah	-	-	-	-	-	-	-	-

**Note:**

- (1) Deemed interested by virtue of his interest in Simansu Sdn Bhd pursuant to Section 8 of the Act.



## INFORMATION ON OUR COMPANY (Cont'd)

**Maximum Scenario**

Directors	As at LPD				(I) After the Rights Issue of RCPS			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	Datuk Ir. Hamzah bin Hasan	-	-	-	-	-	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-	-	-
Datuk Wira Hj. Hamza bin Taib	-	-	-	-	-	-	-	-
Tan Chor Teck	72	0.01	( <sup>1</sup> ) 240	0.02	72	0.01	( <sup>1</sup> ) 240	0.02
Lee Chun Fai	-	-	-	-	-	-	-	-
Tang King Hua	350	0.03	-	-	350	0.03	-	-
Vuitton Pang Hee Cheah	-	-	-	-	-	-	-	-

Directors	(II) After (I) and the full conversion of the RCPS				(III) After (II) and the full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
	Datuk Ir. Hamzah bin Hasan	-	-	-	-	-	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-	-	-
Datuk Wira Hj. Hamza bin Taib	-	-	-	-	-	-	-	-
Tan Chor Teck	216	0.01	( <sup>1</sup> ) 720	0.02	252	0.01	( <sup>1</sup> ) 840	0.02
Lee Chun Fai	-	-	-	-	-	-	-	-
Tang King Hua	1,050	0.03	-	-	1,225	0.03	-	-
Vuitton Pang Hee Cheah	-	-	-	-	-	-	-	-

**Note:**

- (1) Deemed interested by virtue of his interest in Simansu Sdn Bhd pursuant to Section 8 of the Act.

**INFORMATION ON OUR COMPANY (Cont'd)****4. HISTORICAL FINANCIAL INFORMATION**

Our audited consolidated financial statements for the FYE 31 March 2017 to FYE 31 March 2019, and unaudited consolidated financial statements for the three (3) months FPE 30 June 2019 together with the relevant notes are disclosed in the following documents which have been published on the website of Bursa Securities ([www.bursamalaysia.com](http://www.bursamalaysia.com)):

	<b>Pages</b>
<b>Our annual report for the FYE 31 March 2019:</b>	
Statements of financial position	50
Statements of comprehensive income	51
Statements of changes in equity	52 to 53
Statements of cash flows	54 to 56
Notes to the financial statements	57 to 134
<b>Our annual report for the FYE 31 March 2018:</b>	
Statements of financial position	50
Statements of comprehensive income	51 to 52
Statements of changes in equity	53 to 54
Statements of cash flows	55 to 57
Notes to the financial statements	58 to 123
<b>Our annual report for the FYE 31 March 2017:</b>	
Statements of financial position	47 to 48
Statements of comprehensive income	49 to 50
Statements of changes in equity	51 to 52
Statements of cash flows	53 to 54
Notes to the financial statements	55 to 126
<b>Our interim financial report for the quarter ended 30 June 2019:</b>	
Condensed consolidated statement of comprehensive income	1 to 2
Condensed consolidated statement of financial position	3
Condensed consolidated statement of changes in equity	4
Condensed consolidated statement of cash flows	5 to 6
Notes to condensed financial statements	7 to 15

Each of the said consolidated financial statements is incorporated by reference to this Abridged Prospectus and forms part of this Abridged Prospectus.

**INFORMATION ON OUR COMPANY (Cont'd)****5. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of WCEHB Shares traded on the Main Market of Bursa Securities for the past 12 months from October 2018 to September 2019 are as follows:

	<b>High (RM)</b>	<b>Low (RM)</b>
<b><u>2018</u></b>		
October	0.685	0.630
November	0.710	0.540
December	0.600	0.470
<b><u>2019</u></b>		
January	0.520	0.465
February	0.650	0.485
March	0.595	0.490
April	0.695	0.535
May	0.590	0.505
June	0.610	0.545
July	0.630	0.560
August	0.585	0.515
September	0.560	0.505
Last transacted market price of WCEHB Shares on 27 November 2018 (being the last trading day prior to the RCPS Announcement)		0.650
Last transacted market price of WCEHB Shares as at LPD		0.510
Last transacted market price of WCEHB Shares on 22 October 2019 (being the last trading day prior to the ex-date for the Rights Issue of RCPS)		0.405

(Source: Bloomberg Finance Singapore L.P.)

**6. MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past two (2) years preceding the date of this Abridged Prospectus:

- (i) Agreement dated 15 March 2019 entered into between the Company, Jejak Progresif Sdn Bhd and Prominent Xtreme Sdn Bhd in respect of the sale and purchase of seven (7) units of shop lots ("**Shops**") measuring between 2,573 square feet to 9,330 square feet erected or to be erected within a mixed development provisionally known as "ZENOPY" over a piece of leasehold land of 96 years expiring on 4 September 2112 held under H.S.(D) 316362, PT 81444, Mukim Petaling, Daerah Petaling, Negeri Selangor for a total consideration of RM19,303,660. The consideration for the Shops was satisfied by the Company in cash and the agreement was completed on 25 April 2019;

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**INFORMATION ON OUR COMPANY (Cont'd)**


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- (ii) Global settlement agreement dated 27 March 2019 entered into between our Company and TTB, a former associate, relating to the settlement of the following:
- (a) the difference in the net amount owing by TTB and its related corporations to our Group as recorded in the financial statements of our Group and TTB. As at 27 March 2019, our Group had recorded a net amount owing by TTB of RM23,091,722 whereas TTB and its related corporations recorded a net amount owing to our Group of RM17,012,056; and
  - (b) Keuro Leasing Sdn Bhd, our wholly-owned subsidiary ("**Keuro Leasing**") was indebted to a bank which had on 7 September 2010 auctioned and disposed of a piece of land belonging to TTB, which was used as security for Keuro Leasing's borrowings. The difference between the auction price and the market value of the land amounts to RM33,697,902. TTB had taken legal action against the bank for foreclosing and auctioning the pledged land which was not successful. As such, TTB has claimed for an amount of RM38,346,643 from our Company as compensation for losses which it incurred on the land auctioned by the bank.

In respect of (a) above, our Company and TTB had mutually agreed to settle the discrepancy at a sum of RM19,042,983. Our Company and TTB further agreed to set-off the net amount owing to our Company of RM19,042,983 against the amount of RM38,346,643 claimed by TTB as set out in (b) above. This resulted a net amount owing by our Company to TTB of RM19,303,660 ("**Settlement Amount**").

TTB had agreed to accept the seven (7) units of Shops as disclosed in Section 6 (i) above, from our Company at an agreed value of RM19,303,660 as full and final settlement of the Settlement Amount. The settlement of the Settlement Amount was completed on 30 April 2019;

- (iii) Underwriting Agreement; and
- (iv) Deed Poll.

## 7. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at LPD, our Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may materially affect our financial position or business, and our Board is not aware of any proceeding, pending or threatened, or of any fact likely to give rise to a proceeding which may materially affect the financial position or business of our Group:

- (i) On 28 February 2019 and 19 April 2019, WCESB has filed five (5) applications 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. The Applications filed with the land administrators relate to land compensation amounts awarded amounting to RM9.37 million in aggregate, and 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.

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

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**ADDITIONAL INFORMATION**

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**1. CONSENTS**

The Principal Adviser, Financial Adviser, Joint Underwriters, Legal Adviser for the Rights Issue of RCPS, Share Registrar and Bloomberg Finance Singapore L.P. have given and have not subsequently withdrawn their written consents before the date of issue of this Abridged Prospectus with the inclusion of their names and all references thereto in the form and context in which they are included in this Abridged Prospectus.

**2. DECLARATION OF CONFLICT OF INTEREST BY RHB INVESTMENT BANK**

As at LPD, RHB Bank Berhad (being the holding company of RHB Investment Bank) and its subsidiaries ("**RHB Banking Group**") have extended credit facilities, including the Bridging Loan, amounting to RM1,150.00 million (with an amount of RM736.57 million outstanding) to our Group. For information purpose, RHB Banking Group has also extended credit facilities amounting to RM391.65 million (with an amount of RM39.34 million outstanding) to our associate company, namely RPSB.

The credit facilities extended by RHB Banking Group to our Group represent 40.07% of the total bank borrowings of our Group as at 31 March 2019 of RM2,870.21 million as well as 4.92% of the audited consolidated NA of RHB Banking Group as at 31 December 2018 of RM23,357.99 million and 0.47% of the audited total assets of RHB Banking Group as at 31 December 2018 of RM243,165.68 million.

On the other hand, the credit facilities extended by RHB Banking Group to our associate company represent 1.68% and 0.16% of the audited consolidated NA and the audited total assets of RHB Banking Group as at 31 December 2018 respectively.

RHB Investment Bank was appointed as the Principal Adviser for the fund raising exercise of our Company on 21 March 2018, before the Bridging Loan was extended to our Company on 6 April 2018 and subsequently accepted by our Company on 23 April 2018. Notwithstanding this, the appointment of RHB Investment Bank as the Principal Adviser for the fund raising exercise of our Company was a draw down condition for the Bridging Loan and our Company will utilise RM154.00 million of the proceeds to be raised from the Rights Issue of RCPS to repay the Bridging Loan and partially settle the interest incurred.

Having considered the above, RHB Investment Bank is of the opinion that concerns of any possible conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser and Joint Underwriter to our Company for the Rights Issue of RCPS is mitigated by the following:

- (a) the above credit facilities were provided by RHB Banking Group on an arms' length basis and in the ordinary course of its business;
- (b) the Bridging Loan is extended by RHB Banking Group to our Company to finance our immediate funding requirements in respect of our equity injection into WCESB pending the completion of the fund raising exercise of our Company;
- (c) the corporate finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing its advisory operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations. In any event, the team in-charge of the Rights Issue of RCPS in RHB Investment Bank is independent from the team handling the credit facilities. Further, there is no involvement by the corporate finance division of RHB Investment Bank in respect of any credit application process undertaken by other departments within RHB Banking Group;

**ADDITIONAL INFORMATION (Cont'd)**

- (d) the appointment of RHB Investment Bank as Principal Adviser and Joint Underwriter for the Rights Issue of RCPS is in the ordinary course of its business as a licensed investment bank; and
- (e) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

**3. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during normal office hours from Mondays to Fridays (except public holidays) for a period of six (6) months from the date of this Abridged Prospectus:

- (i) the Constitution of our Company;
- (ii) the Undertakings referred to in Section 3.1 of this Abridged Prospectus;
- (iii) the Concession Agreement;
- (iv) the Deed Poll;
- (v) the audited consolidated financial statements of our Group for the past three (3) FYE 31 March 2017 to FYE 31 March 2019 and unaudited consolidated financial statements of our Group for the three (3) months FPE 30 June 2019;
- (vi) the letters of consent referred to in Section 1 above;
- (vii) the material contracts referred to in Section 6 of Appendix III of this Abridged Prospectus; and
- (viii) the relevant documents for the material litigation referred to in Section 7 of Appendix III of this Abridged Prospectus.

For information purpose, the Concession Agreement contains certain confidentiality clauses which stipulate that the Concession Agreement and all such drawings, records, data, books, reports and all matters pertaining thereto shall be considered as confidential matter and shall not be disclosed to any third party without prior mutual agreement, except where as determined by the Government, the disclosure of such information is necessary for purposes of raising finance.

In this regard, WCESB had vide its letters dated 20 December 2018 and 25 January 2019 written to the Government to, among others, seek its consent for our Company to make available the Concession Agreement for inspection by our Entitled Shareholders at our registered office for a period of at least six (6) months from the date of this Abridged Prospectus.

The Government had vide its letters to WCESB dated 23 January 2019 and 27 February 2019 informed WCESB that it has no objection for the Concession Agreement to be made available for inspection by, among others, our Entitled Shareholders subject to them signing a non-disclosure agreement with WCESB.

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**ADDITIONAL INFORMATION (Cont'd)**

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Therefore, if you wish to inspect the Concession Agreement, you will have to execute a non-disclosure agreement with WCESB which can be obtained at our registered office. We will maintain a copy of the Concession Agreement at our registered office for a period of six (6) months from the date of this Abridged Prospectus for inspection by any Entitled Shareholder who has executed a non-disclosure agreement with WCESB.

**4. RESPONSIBILITY STATEMENTS**

Our Directors have seen and approved all the documentation relating to the Rights Issue of RCPS. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement in this Abridged Prospectus false or misleading.

RHB Investment Bank, being our Principal Adviser, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of RCPS.

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