

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/03/2017 RM'000	PRECEDING YEAR QUARTER 31/03/2016 RM'000	CURRENT FINANCIAL YEAR 31/03/2017 RM'000	PRECEDING FINANCIAL YEAR 31/03/2016 RM'000
Revenue	285,454	161,008	869,374	535,009
Cost of sales	(277,636)	(159,020)	(848,863)	(528,929)
Gross profit	7,818	1,988	20,511	6,080
Other income (N1)	4,298	5,185	9,301	17,422
Other expenses (N2)	(5,018)	(7,046)	(5,018)	(7,046)
Operating expenses	(3,360)	(1,484)	(7,085)	(6,612)
Finance cost	(1,589)	(2,066)	(1,642)	(3,221)
Share of results of associates	10,569	6,090	23,727	23,026
Profit before tax	12,718	2,667	39,794	29,649
Taxation	(1,725)	(579)	(4,686)	(1,889)
Total comprehensive profit	10,993	2,088	35,108	27,760
Profit for the period attributable to:				
Owners of the Company	12,127	1,879	35,156	26,894
Non-Controlling Interests	(1,134)	209	(48)	866
	10,993	2,088	35,108	27,760
Total comprehensive profit attributable to:				
Owners of the Company	12,127	1,879	35,156	26,894
Non-Controlling Interests	(1,134)	209	(48)	866
	10,993	2,088	35,108	27,760
Earnings per share attributable to Owners of the Company :				
- Basic (sen)	1.21	0.19	3.51	2.67
- Diluted (sen)	1.21	0.19	3.51	2.67

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(continued)

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR
31/03/2017	31/03/2016	31/03/2017	31/03/2016
RM'000	RM'000	RM'000	RM'000

Notes: (Refer to B1 "Review of Performance" for more information)

N1) Included in Other Income

- Interest Income	345	1,149	673	1,328
- Distribution Income	925	1,111	4,898	5,374
- Fair value gain/(loss) on other investments	70	(54)	77	2,153
- Reversal of accrued interest	1,952	-	1,952	-
- Reversal of provision for impairment on associate classified as held for sale	-	1,404	-	6,965
- Others	1,006	1,575	1,701	1,602
	<u>4,298</u>	<u>5,185</u>	<u>9,301</u>	<u>17,422</u>

N2) Included in Other Expenses

- Loss on disposal of a subsidiary	3,859	-	3,859	-
- Impairment of property, plant equipmen	231	-	231	-
- Provision for impairment on receivables	-	6,940	-	6,940
- Impairment on other investments	928	-	928	-
- Others	-	106	-	106
	<u>5,018</u>	<u>7,046</u>	<u>5,018</u>	<u>7,046</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial report.

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/03/2017	31/3/2016
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,119	10,581
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	1,547,778	691,411
Investment in associates	96,946	73,219
Total Non-Current Assets	1,653,212	780,580
Current Assets		
Inventories	-	2,151
Trade and other receivables	113,933	79,212
Other investments	78,109	109,017
Deposits placed with licenced banks	1,004,602	1,296,751
Cash and bank balances	49,286	4,709
	1,245,930	1,491,840
Associate classified as asset held for sale	-	85,470
Total Current Assets	1,245,930	1,577,310
TOTAL ASSETS	<u>2,899,142</u>	<u>2,357,890</u>
EQUITY AND LIABILITIES		
Share capital	1,002,736	1,002,736
Reserves	(317,076)	(352,761)
Attributable to Owners of the Company	685,660	649,975
Non-controlling interests	39,305	42,964
Total Equity	724,965	692,939
Non-Current Liabilities		
Loans and borrowings	1,619,853	1,109,131
Deferred income	286,162	120,294
Deferred taxation	3,749	1,683
Total Non-Current Liabilities	1,909,764	1,231,108
Current Liabilities		
Trade and other payables	262,989	427,096
Loans and borrowings	-	6,625
Tax payables	1,424	122
Total Current Liabilities	264,413	433,843
TOTAL LIABILITIES	2,174,177	1,664,951
EQUITY AND LIABILITIES	<u>2,899,142</u>	<u>2,357,890</u>
Net assets per share attributable to Owners of the Company (RM)	0.6838	0.6482

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial report.

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable				Accumulated Losses	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Foreign Exchange Reserve	Warrants Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current financial year								
Balance as at 1 April 2016	1,002,736	42,345	(529)	51,569	(446,146)	649,975	42,964	692,939
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	(1,504)	(1,504)
Expiry of warrants	-	-	-	(51,569)	51,569	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	(2,107)	(2,107)
Total comprehensive income	-	-	529	-	35,156	35,685	(48)	35,637
Balance as at 31 March 2017	<u>1,002,736</u>	<u>42,345</u>	<u>-</u>	<u>-</u>	<u>(359,421)</u>	<u>685,660</u>	<u>39,305</u>	<u>724,965</u>
Preceding financial year								
Balance as at 1 April 2015	1,002,736	42,345	(529)	51,569	(473,040)	623,081	42,098	665,179
Total comprehensive income	-	-	-	-	26,894	26,894	866	27,760
Balance as at 31 March 2016	<u>1,002,736</u>	<u>42,345</u>	<u>(529)</u>	<u>51,569</u>	<u>(446,146)</u>	<u>649,975</u>	<u>42,964</u>	<u>692,939</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial report.

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 month ended 31/03/2017 RM'000	12 month ended 31/03/2016 RM'000
OPERATING ACTIVITIES:		
Profit before taxation:	39,794	29,649
Adjustment for :		
Share of results of associates	(23,727)	(23,026)
Depreciation of property, plant and equipment	99	360
Fair value gain on other investments	(77)	(2,153)
Distribution income from other investments	(4,898)	(5,374)
Property, plant and equipment impaired	231	-
Impairment loss on receivables	-	6,940
Realisation of forex reserve associate classified as asset held for sale	530	-
Provision/(reversal) of impairment of associate classified as asset held for sale	928	(6,965)
Loss on disposal of subsidiary	3,859	-
Interest income	(673)	(1,328)
Interest expense	1,642	3,221
Operating cash flows before changes in working capital	17,708	1,324
Changes in Working Capital:		
Inventories	346	(18)
Receivables	(2,802)	(4,170)
Payables	(104,902)	4,862
Net cash flows (used in)/from operations	(89,650)	1,998
Income tax paid	(1,379)	(1,328)
Net cash flows (used in)/from operating activities	(91,029)	670

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(cont'd)

	12 month ended 31/03/2017 RM'000	12 month ended 31/03/2016 RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(279)	(1,158)
Infrastructure development expenditure	(856,124)	(195,081)
Dividend paid to non-controlling interests	(1,504)	-
Proceeds from disposal of associate classified as asset held for sale	42,500	-
Proceeds from disposal of subsidiary	5,372	-
Proceeds from other investments	40,061	296,764
Changes in associate balances	2,228	(43)
Net cashflow arising from disposal of subsidiary	(633)	-
Interest received	673	216
Net cash flows (used in)/ from investing activities	<u>(767,706)</u>	<u>100,698</u>
FINANCING ACTIVITIES		
Interest paid	(58,802)	(1,182)
Proceeds from drawdown of borrowings	672,313	1,289,161
Transaction costs of debt issuance paid	-	(99,370)
Net cash flows from financing activities	<u>613,511</u>	<u>1,188,609</u>
Net decrease/(increase) in cash and cash equivalents	(245,224)	1,289,977
Cash and cash equivalents at beginning of financial period	1,299,112	9,135
Cash and cash equivalents at end of financial period	<u>1,053,888</u>	<u>1,299,112</u>
Note :		
Cash and cash equivalents at the end of the financial period comprise of :		
Cash and bank balances	49,286	4,709
Fixed deposits with licence bank	1,004,602	1,296,751
Bank overdrafts	-	(2,348)
	<u>1,053,888</u>	<u>1,299,112</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO CONDENSED FINANCIAL STATEMENTS

PART A – Explanatory Notes Pursuant to FRS 134

A1. Basis of Preparation

The unaudited quarterly consolidated financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2016.

A2. Accounting policies and methods of computation

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2016.

(a) Adoption of amendments/improvements to FRSs

The Group has adopted the following amendments/improvements to FRSs that are mandatory:

<u>Amendments/Improvements to FRSs</u>	
FRS 5	Non-current Asset Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 138	Intangible Assets

The adoption of the above amendments/improvements to FRSs do not have a significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

NOTES TO CONDENSED FINANCIAL STATEMENTS

A2. Accounting policies and methods of computation (cont'd)

(b) **New FRS, Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted**

The Group intends to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have a material effect on the financial statements :-

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time adoption of MFRSs	1 January 2018
FRS 2	Share-based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
FRS 140	Investment Property	1 January 2018
<u>New IC Int</u>		
IC Int 22	Foreign Currency Transactions and Advanced Consideration	

The Group recognises an intangible asset arising from a service concession as defined in IC Interpretation 12 in respect of the ongoing construction of the highway project. Income and expenses associated with the said construction are recognised based on the percentage of completion method. The estimated margin is based on relative comparison with general industry trend.

The Group receives a Government Support Loan (GSL) Facility from the Government of Malaysia at an interest rate of 4% per annum to finance the construction of the West Coast Expressway Project. The Group recognises a deferred income being the difference of the net proceeds from the GSL and the fair value of the loan computed based on the prevailing market interest rate for an equivalent loan.

A3. Seasonality or Cyclicity of Operations

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

A4. Unusual Items

There were no unusual items that have material effects on the assets, liabilities, equity, net income, or cash flows in the current financial quarter.

A5. Material Changes in Estimates

There was no change to estimates that has a material effect in the current year quarter and current financial year.

NOTES TO CONDENSED FINANCIAL STATEMENTS

A6. Debt and Equity Securities

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

A7. Dividend

No dividend has been paid in the current financial year.

A8. Segmental Results

Segmental results are included in Note B1.

A9. Material Subsequent Events

Nil.

A10. Changes in the Composition of the Group

On 19 January 2017, the Group completed the disposal of its entire 82.84% equity interest in Asian Resinated Felt Sdn Bhd for a total consideration of RM5,372,059 resulting in a loss on disposal to the Group of RM3.859 million.

A11. Contingent Liabilities

A subsidiary was indebted to a bank which had on 7 September 2010 auctioned and disposed of a piece of land belonging to Talam Group ("Talam") which secured the borrowings of this subsidiary. Talam has taken legal action against the bank for foreclosing and auctioning the pledged land. The difference between the auction price and the market value of the land amounts to RM33.7 million. The case was dismissed by the High Court and subsequently Talam filed an appeal to the Court of Appeal ("the Court"). On 22 August 2016, the Court dismissed the appeal and Talam has filed a Notice of Motion for leave to appeal to the Federal Court. On 2 March 2017, the Federal Court dismissed the appeal. Notwithstanding Talam's next course of action, the Group is contingently liable for the amount of RM33.7 million.

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Segmental Information

	Current quarter				Cumulative quarters			
	31/03/2017	31/03/2016	Changes		31/03/2017	31/03/2016	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<u>Segmental Revenue</u>								
Manufacturing and trading of industrial products	1,017	1,413	(396)	-28%	7,820	5,674	2,146	38%
Toll concession - infrastructure development expenditure	284,437	159,595	124,842	78%	861,554	529,335	332,219	63%
	<u>285,454</u>	<u>161,008</u>	124,446	77%	<u>869,374</u>	<u>535,009</u>	334,365	62%
<u>Profit/(loss) before tax</u>								
Manufacturing and trading of industrial products	302	(364)	666	-183%	1,134	(415)	1,549	-373%
Toll concession - infrastructure development expenditure	6,470	4,275	2,195	51%	17,787	7,657	10,130	132%
Construction	-	(49)	49	N/A	-	(52)	52	-100%
Investment holding, management services and others *	5,946	(1,195)	7,141	-598%	20,873	22,459	(1,586)	-7%
	<u>12,718</u>	<u>2,667</u>	10,051	377%	<u>39,794</u>	<u>29,649</u>	10,145	34%

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

B1. Review of Performance

(a) Overall Results Commentary:

For the quarter:

The Group recorded revenue of RM285.5 million in the current quarter compared to RM161.0 million in the preceding year quarter. The increase is mainly due to higher construction revenue recognised in the current quarter pursuant to IC Interpretation 12 (IC12) Service Concession Arrangements pertaining to the highway project.

The Group recorded a pretax profit of RM12.7 million in the current quarter compared to RM2.7 million in the preceding year quarter. The increase is largely due to the Group's share of results of associates which has increased from RM6.1 million to RM13.6 million in the current quarter. Other income was lower in the current quarter due to lower interest income and distribution income in the current quarter and a reversal of provision for impairment on investment in an associate recorded in the preceding year quarter. Included in other expenses, a loss on disposal of subsidiary of RM3.9 million was recorded by the Group in the current quarter, whereas a RM6.9 million impairment on receivables was recorded in the preceding year quarter.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Preceding Quarter's Results

The Group recorded higher revenue of RM285.5 million in the current quarter compared to RM181.2 million recorded in the preceding quarter due to higher IC12 construction revenue recognised in the current quarter.

The Group recorded a pretax profit of RM12.7 million in the current quarter compared to a pretax profit of RM6.8 million in the preceding quarter. The higher profit was achieved despite the loss on disposal of a subsidiary of RM3.9 million recorded in the current quarter as the Group's share of results of associates has increased from RM6.1 million to RM13.6 million.

B3. Prospects

(a) The West Coast Expressway (WCE) Project involves the development of a 233 kilometres tolled highway from Banting, Selangor to Taiping, Perak (including 40 kilometres of highway to be constructed later). The WCE Project is a build-operate-transfer project with a concession period of up to a maximum of 60 years. The total project cost is approximately RM5,900 million and revenue from toll collections from certain sections are expected to commence late 2018. The Construction Commencement Date was set on 25 August 2014. Currently, the construction is ongoing.

The Company is also participating in the construction of the WCE as the IJMC-WCEHB Joint Venture has been appointed as the Turnkey/Engineering and Procurement Contractor for the WCE highway project.

(b) The property market is expected to remain challenging as weak consumer sentiment persists due to the uncertain economic outlook, continued stringent mortgage conditions and the incoming supply of newly completed properties.

For the coming financial year, Bandar Rimbayu is expected to record reasonable performance on the back of the unbilled sales and satisfactory response to its recent sales launches.

Barring any unforeseen circumstances, the Group expects the results for the coming financial year to be satisfactory.

B4. Profit Forecast and Guarantee

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

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B5. Taxation

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/03/2017 RM'000	Preceding Year Quarter 31/03/2016 RM'000	Current Year To-date 31/03/2017 RM'000	Preceding Year To-date 31/03/2016 RM'000
Income Tax				
Current year	(1,303)	6	287	6
Prior year	(531)	-	(531)	432
	<u>(1,834)</u>	<u>6</u>	<u>(244)</u>	<u>438</u>
Deferred Tax				
Current year	3,559	452	4,930	1,330
Prior year	-	121	-	121
	<u>3,559</u>	<u>573</u>	<u>4,930</u>	<u>1,451</u>
Total	<u>1,725</u>	<u>579</u>	<u>4,686</u>	<u>1,889</u>

B6. Status of Corporate Proposals

- (a) On 17 October 2014, the Company entered into a conditional share sale agreement (“SSA”) with Tan Sri Dato’ (Dr) Ir Chan Ah Chye @ Chan Chong Yoon (“TSCAC”) for the disposal of 900,000,000 shares (“Sale Share”) in the associate Talam Transform Berhad (“TTB”), at a cash consideration of approximately RM99.0 million. This SSA is subject to the approvals of the shareholders of the Company and the relevant authorities.

Further to the above, as provided in the SSA, in view of the valuation exercise which resulted in an adjusted net asset per share of TTB being 20% lower than its audited asset per share as at 31 January 2014 of RM0.14, TSCAC renegotiated certain terms of the SSA including, but not limited to, the purchase price, payment mechanism and completion date.

On 28 August 2015, the Company entered into a supplemental agreement to the SSA with TSCAC to amend and vary certain provisions in SSA which entails, amongst others, the proposed disposal of the Sale Share in two separate tranches as follows:

- (a) 500,000,000 TTB Shares at the price of RM0.085 per TTB Share, to be completed within 30 days after the Unconditional Date or such other extension of time or later date the parties may agree in writing; and
- (b) 400,000,000 TTB Shares at the price RM0.095 per TTB Share, to be completed within 18 months after the Unconditional Date or such other extension of time or later date the parties may agree in writing.

Unconditional Date is defined as the date expiring 14 months from the date of the SSA and includes such other extension of time as may be agreed between the parties in writing.

The disposal of the abovementioned shares in accordance with the conditions spelt out in the supplemental agreement to the SSA entered into on 28 August 2015 was approved at an Extraordinary General Meeting (“EGM”) held on 26 January 2016 and the sale of the first tranche of 500,000,000 TTB shares was completed on 18 April 2016.

As at the previous financial year end, the Sale Shares were stated as Associate classified as asset held for sale. Upon completion of the sale of the first tranche shares on 18 April, the second tranche shares were derecognised and classified as other receivables. The remaining 92,840,517 shares not included in the SSA above are stated at realisable value and classified as other investments.

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B6. Status of Corporate Proposals (cont'd)

The status of the utilisation of the proceeds from the sale of the first tranche of 500,000,000 TTB shares amounting to RM42,500,000 is as follows:-

	Proposed utilisation	Utilisation as at 31 Mar 2017	Balance as at 31 Mar 2017	Intended timeframe for utilisation from 31 Mar 2017
	RM'000	RM'000	RM'000	RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	32,200	-	32,200	Within 6 months
- Working capital and contingencies	8,000	-	8,000	*
- Defray expenses relating to Disposal	2,300	(380)	1,920	*
	<u>42,500</u>	<u>(380)</u>	<u>42,120</u>	

(b) The status of the utilisation of the RM464.12 million raised from the Rights Issue with Warrants completed on 03 September 2014 is as follows:-

	Proposed utilisation	Utilisation as at 31 Mar 2017	Balance as at 31 Mar 2017	Intended timeframe for utilisation from 31 Mar 2017
	RM'000	RM'000	RM'000	RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	357,000	(340,350)	16,650	Within 6 months
- Repayment of bank borrowings	92,035	(92,035)	-	Completed
- Working capital and contingencies	8,088	(8,088)	-	Completed
- Defray Rights Issue expenses	7,000	(4,779)	2,221	*
	<u>464,123</u>	<u>(445,252)</u>	<u>18,871</u>	

^ As the capital injection into WCE is not due, the Company has utilised approximately RM27.1 million from the amount allocated for such purpose to repay the bank borrowings of the Company to avoid incurring unnecessary interest cost in the interim.

* This excess amount will be utilised as working capital.

B7. Group Borrowings and Debt Securities

The Group's borrowings which are denominated in Ringgit Malaysia as at 31 Mar 2017 are as follows:

	RM'000
- secured	1,619,853
- unsecured	-
Total borrowings	<u>1,619,853</u>

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

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B8. Off Balance Sheet Risk Financial Instruments

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

B9. Material Litigation

The Group has not engaged in any material litigation since the last annual year end date.

B10. Dividend

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

B11. Earnings Per Share

Basic

The basic earnings per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2017	Preceding Year Quarter 31/03/2016	Current Financial Year 31/03/2017	Preceding Financial Year 31/03/2016
Profit attributable to owners of the company (RM'000)	12,127	1,879	35,156	26,894
Weighted average number of ordinary shares ('000)	1,002,736	1,002,736	1,002,736	1,002,736
Basic earnings per share (sen)	1.21	0.19	3.51	2.68

B12. Realised and Unrealised Losses

	As at 31 Mar 2017 RM'000
Accumulated losses of the Company and subsidiaries	
- Realised	(690,539)
- Unrealised	(1,519)
	<u>(692,058)</u>
Share of retained earnings of associates	
- Realised	79,538
- Unrealised	17,008
	<u>96,546</u>
- Consolidation adjustments	236,091
	<u><u>(359,421)</u></u>

WCE HOLDINGS BERHAD (534368-A)
(formerly known as KUMPULAN EUROPLUS BERHAD)
Interim financial report for the quarter ended 31 March 2017
(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B13. Audit Report

The auditors' report of the financial statements for the year ended 31 March 2016 was not subject to any qualification.

B14. Authorisation for Issue

The interim financial reports were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 May 2017.

By order of the Board

Raw Koon Beng
Company Secretary