

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2017 RM'000	PRECEDING YEAR QUARTER 31/12/2016 RM'000	CURRENT FINANCIAL YEAR 31/12/2017 RM'000	PRECEDING FINANCIAL YEAR 31/12/2016 RM'000
Revenue	153,882	181,194	543,073	583,920
Cost of sales	(151,195)	(177,596)	(538,082)	(571,227)
Gross profit	2,687	3,598	4,991	12,693
Other income (N1)	360	1,441	4,292	5,003
Operating expenses	(1,125)	(895)	(2,526)	(3,725)
Finance cost	(11)	(17)	(41)	(53)
Share of results of associates	9,981	2,713	22,563	13,158
<b>Profit before tax</b>	11,892	6,840	29,279	27,076
Taxation	(1,424)	(784)	(2,465)	(2,961)
<b>Total comprehensive income</b>	10,468	6,056	26,814	24,115
<b>Profit for the period attributable to:</b>				
Owners of the Company	10,260	5,664	25,914	23,029
Non-controlling Interests	208	392	900	1,086
	10,468	6,056	26,814	24,115
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	10,260	5,664	25,914	23,029
Non-controlling Interests	208	392	900	1,086
	10,468	6,056	26,814	24,115
<b>Earnings per share attributable to Owners of the Company :</b>				
- Basic (sen)	1.02	0.56	2.58	2.30
- Diluted (sen)	1.02	0.56	2.58	2.30

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER 31/12/2017 RM'000	PRECEDING YEAR QUARTER 31/12/2016 RM'000	CURRENT FINANCIAL YEAR 31/12/2017 RM'000	PRECEDING FINANCIAL YEAR 31/12/2016 RM'000

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

- Interest Income	76	156	686	328
- Distribution Income	131	1,469	871	3,973
- Fair value gain/(loss) on other investments	5	(192)	25	7
- Interest waiver	-	-	808	-
- Gain on disposal of PPE	-	-	1,517	-
- Others	148	8	385	695
	<u>360</u>	<u>1,441</u>	<u>4,292</u>	<u>5,003</u>

**N2) Included in Operating Expenses**

- Depreciation	<u>(12)</u>	<u>(26)</u>	<u>(39)</u>	<u>(78)</u>
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The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 December 2017**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31/12/2017</b>	<b>31/03/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	2,505	3,119
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	2,245,753	1,591,843
Investment in associates	119,509	96,946
<b>Total Non-Current Assets</b>	<b>2,373,136</b>	<b>1,697,277</b>
<b>Current Assets</b>		
Trade and other receivables	110,908	114,003
Other investments	19,206	78,109
Deposits placed with licenced banks	1,430,533	1,004,602
Cash and bank balances	53,306	49,339
	<b>1,613,953</b>	<b>1,246,053</b>
<b>Total Current Assets</b>	<b>1,613,953</b>	<b>1,246,053</b>
<b>TOTAL ASSETS</b>	<b><u>3,987,089</u></b>	<b><u>2,943,330</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,045,081	1,045,081
Reserves	(333,507)	(359,421)
Attributable to Owners of the Company	711,574	685,660
Non-controlling interests	40,205	39,305
<b>Total Equity</b>	<b>751,779</b>	<b>724,965</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	2,190,057	1,619,853
Deferred income	584,546	286,162
Deferred taxation	5,150	3,749
<b>Total Non-Current Liabilities</b>	<b>2,779,753</b>	<b>1,909,764</b>
<b>Current Liabilities</b>		
Trade and other payables	454,733	307,176
Tax payables	824	1,425
<b>Total Current Liabilities</b>	<b>455,557</b>	<b>308,601</b>
<b>TOTAL LIABILITIES</b>	<b>3,235,310</b>	<b>2,218,365</b>
<b>EQUITY AND LIABILITIES</b>	<b><u>3,987,089</u></b>	<b><u>2,943,330</u></b>
Net assets per share attributable to Owners of the Company (RM)	<b>0.7096</b>	<b>0.6838</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Non-Distributable</b>				<b>Accumulated Losses</b>	<b>Attributable to Owners of the Company</b>	<b>Non- Controlling Interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Foreign Exchange Reserve</b>	<b>Warrants Reserve</b>				
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current financial year</b>								
At 1 April 2017	1,045,081	-	-	-	(359,421)	685,660	39,305	724,965
Total comprehensive income	-	-	-	-	25,914	25,914	900	26,814
At 31 December 2017	<u>1,045,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333,507)</u>	<u>711,574</u>	<u>40,205</u>	<u>751,779</u>
<b>Preceding financial year</b>								
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 by a subsidiary	-	-	-	-	-	-	(1,504)	(1,504)
Expiry of warrants	-	-	-	(51,569)	51,569	-	-	-
Total comprehensive income	-	-	-	-	23,029	23,029	1,086	24,115
At 31 December 2016	<u>1,002,736</u>	<u>42,345</u>	<u>(529)</u>	<u>-</u>	<u>(371,548)</u>	<u>673,004</u>	<u>42,546</u>	<u>715,550</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 month ended 31/12/2017 RM'000</b>	<b>9 month ended 31/12/2016 RM'000</b>
<b>OPERATING ACTIVITIES:</b>		
Profit before taxation:	29,279	27,076
Adjustments for :		
Share of results of associates	(22,563)	(13,158)
Depreciation of property, plant and equipment	39	78
Fair value gain on other investments	(25)	-
Gain on disposal of property, plant and equipment	(1,517)	-
Interest income	(5,772)	(328)
Interest expense	41	53
<b>Operating cash flows before changes in working capital</b>	<b>(517)</b>	<b>13,721</b>
Changes in Working Capital:		
Inventories	-	580
Receivables	3,564	6
Payables	145,035	(79,248)
<b>Net cash flows from/(used in) operations</b>	<b>148,082</b>	<b>(64,941)</b>
Income tax paid	(1,664)	(346)
<b>Net cash flows from/(used in) operating activities</b>	<b>146,418</b>	<b>(65,287)</b>

**WCE HOLDINGS BERHAD (534368-A)****Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(cont'd)

	<b>9 month ended 31/12/2017 RM'000</b>	<b>9 month ended 31/12/2016 RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(21)	(359)
Infrastructure development expenditure	(653,708)	(618,887)
Dividend paid to non-controlling interests	-	(1,504)
Proceeds from disposal of property, plant and equipment	1,911	-
Proceeds from disposal of associate formerly classified as asset held for sale	-	42,500
Proceeds from other investments	58,928	(46,030)
Changes in associate balances	2,052	4,607
Interest received	5,772	328
<b>Net cash flows used in investing activities</b>	<u>(585,066)</u>	<u>(619,345)</u>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(41)	(53)
Proceeds from drawdown of borrowings	868,588	615,450
<b>Net cash flows from financing activities</b>	<u>868,547</u>	<u>615,397</u>
Net change in cash and cash equivalents	429,898	(69,235)
Cash and cash equivalents at beginning of financial period	1,053,941	1,299,112
Cash and cash equivalents at end of financial period	<u>1,483,839</u>	<u>1,229,877</u>

**Note :**

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

Cash and bank balances	53,306	3,299
Fixed deposits with licence bank	1,430,533	1,227,687
Bank overdrafts	-	(1,109)
	<u>1,483,839</u>	<u>1,229,877</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

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

**Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**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 2017 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 2017.

**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 2017.

**(a) Adoption of amendments/improvements to FRSs**

The Group has adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/Improvements to FRSs

FRS 12	Disclosure of Interests in Other Entities
FRS 107	Statement of Cash Flows
FRS 112	Income Taxes

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.

		<b>Effective for financial periods beginning on or after</b>
<u>New FRS</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 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	1 January 2018

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**

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

### **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 a subsidiary of Talam Transform Berhad (“Talam”), a former associate, which secured the borrowings of this subsidiary. Talam had 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 which was dismissed on 2 March 2017. Based on correspondences with Talam, Talam has indicated its intention to claim against the Company for compensation of RM38.78 million (which includes legal fees, court charges incurred on civil suit against the bank and interest charges). Talam and the Company are in negotiation to settle the matter.

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

	<u>Current quarter</u>				<u>Cumulative quarters</u>			
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>Changes</u>		<u>31/12/2017</u>	<u>31/12/2016</u>	<u>Changes</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
<b><u>Segmental Revenue</u></b>								
Manufacturing and trading of industrial products	-	3,157	(3,157)	-100%	-	6,803	(6,803)	-100%
Toll concession - infrastructure development expenditure	153,882	178,037	(24,155)	-14%	543,073	577,117	(34,044)	-6%
	<u>153,882</u>	<u>181,194</u>	<u>(27,312)</u>	<u>-15%</u>	<u>543,073</u>	<u>583,920</u>	<u>(40,847)</u>	<u>-7%</u>
<b><u>Profit before tax</u></b>								
Manufacturing and trading of industrial products	-	931	(931)	-100%	-	832	(832)	-100%
Toll concession - infrastructure development expenditure	2,537	2,479	58	2%	5,331	11,317	(5,986)	-53%
Investment holding, management services and others *	9,355	3,430	5,925	173%	23,948	14,927	9,021	60%
	<u>11,892</u>	<u>6,840</u>	<u>5,052</u>	<u>74%</u>	<u>29,279</u>	<u>27,076</u>	<u>2,203</u>	<u>8%</u>

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

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

The Group recorded revenue of RM153.9 million in the current quarter compared to RM178.0 million in the preceding year quarter due mainly to lower IC12 construction revenue recognised in the current quarter.

The Group recorded a pretax profit of RM11.9 million in the current quarter compared to a profit of RM6.8 million in the preceding year quarter due mainly to higher profit recorded by the associates. The Group's share of results of associates had increased from RM2.7 million to RM9.9 million in the current quarter due mainly to higher sales from the higher work progress recorded on the ongoing projects as well as recently completed project in the current quarter.

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(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

The Group recorded revenue of RM153.9 million in the current quarter compared to RM251.6 million recorded in the immediate preceding quarter due mainly to lower IC12 construction revenue recognised in the current quarter.

The Group recorded higher pretax profit of RM11.9 million in the current quarter compared to RM7.9 million recorded in the immediate preceding quarter due mainly to higher profit recorded by the associates. The Group's share of results of associates increased from RM6.1 million to RM9.9 million in the current quarter due mainly to higher sales from the newly launched projects in current period as well as higher work progress recorded on the ongoing projects.

**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 certain sections are expected to be completed 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 Project as the IJMC-KEB Joint Venture has been appointed as the Turnkey/Engineering and Procurement Contractor for the WCE Project.

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

For this financial year, Bandar Rimbayu is expected to maintain its performance on the back of 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.

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Quarter 31/12/2016 RM'000	Current Year To-date 31/12/2017 RM'000	Preceding Year To-date 31/12/2016 RM'000
Income Tax				
Current year	1	427	5	1,590
Prior year	1,059	-	1,059	-
	<u>1,060</u>	<u>427</u>	<u>1,064</u>	<u>1,590</u>
Deferred Tax				
Current year	364	357	1,401	1,371
Total	<u>1,424</u>	<u>784</u>	<u>2,465</u>	<u>2,961</u>

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

**B6. Status of Corporate Proposals**

- (a) 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.

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

(a) Cont'd

Upon completion of 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.

In a letter dated 16 August 2017, the Company and TSCAC have mutually agreed to extend the Second Completion Date for the Second Tranche Sale Shares for a further twelve (12) months, thereby amending the last day of the Second Completion Date from 16 August 2017 to 16 August 2018. In addition, the parties had also mutually agreed that the extended period, in so far as the disposal consideration remains unpaid, shall bear interest at a rate of 5.0% per annum.

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:-

	<b>Proposed utilisation</b>	<b>Utilisation as at 31 Dec 2017</b>	<b>Balance as at 31 Dec 2017</b>	<b>Intended timeframe for utilisation from 31 Dec 2017</b>
	RM'000	RM'000	RM'000	RM'000
- Injection as equity, convertible and/or subordinated advances into WCESB	32,200	(20,218)	11,982	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>(20,598)</u>	<u>21,902</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:-

	<b>Proposed utilisation</b>	<b>Utilisation as at 31 Dec 2017</b>	<b>Balance as at 31 Dec 2017</b>	<b>Intended timeframe for utilisation from 31 Dec 2017</b>
	RM'000	RM'000	RM'000	RM'000
- Injection as equity, convertible and/or subordinated advances into WCESB	357,000	(357,000)	-	Completed
- 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>(461,902)</u>	<u>2,221</u>	

\* The excess amounts will be utilised as working capital.

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B7. Group Borrowings and Debt Securities**

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

	<b>RM'000</b>
- secured	2,152,357
- unsecured	37,700
Total borrowings	<u>2,190,057</u>

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

**B8. Off Balance Sheet Risk Financial Instruments**

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

**B9. Material Litigation**

The Group has not engaged in any material litigation since 31 March 2017.

**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 :

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>Current Year Quarter 31/12/2017</b>	<b>Preceding Year Quarter 31/12/2016</b>	<b>Current Financial Year 31/12/2017</b>	<b>Preceding Financial Year 31/12/2016</b>
Profit attributable to owners of the company (RM'000)	<u>10,260</u>	<u>5,664</u>	<u>25,914</u>	<u>23,029</u>
Weighted average number of ordinary shares ('000)	<u>1,002,736</u>	<u>1,002,736</u>	<u>1,002,736</u>	<u>1,002,736</u>
Basic earnings per share (sen)	<u>1.02</u>	<u>0.56</u>	<u>2.58</u>	<u>2.30</u>

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

**Interim financial report for the quarter ended 31 December 2017**

(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B12. Audit Report**

The auditors' report of the financial statements for the year ended 31 March 2017 was not subject to any qualification.

**B13. Authorisation for Issue**

The interim financial reports were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 February 2018.

By order of the Board

Raw Koon Beng  
Company Secretary