

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2018 RM'000	PRECEDING YEAR QUARTER 31/3/2017 RM'000	CURRENT FINANCIAL YEAR 31/3/2018 RM'000	PRECEDING FINANCIAL YEAR 31/3/2017 RM'000
Revenue	337,517	285,454	880,590	869,374
Cost of sales	(333,269)	(277,636)	(871,351)	(848,863)
Gross profit	4,248	7,818	9,239	20,511
Other income (N1)	1,364	4,298	5,631	9,301
Other expenses (N2)	(21,316)	(5,569)	(21,330)	(5,646)
Administrative expenses	(1,948)	(2,809)	(4,435)	(6,457)
Finance cost	(157)	(1,589)	(198)	(1,642)
Share of results of associates	5,855	10,569	28,418	23,727
(Loss)/Profit before tax	(11,954)	12,718	17,325	39,794
Taxation	194	(1,725)	(2,271)	(4,686)
(Loss)/Profit for the period	(11,760)	10,993	15,054	35,108
Other comprehensive income				
Reclassification adjustment of foreign exchange reserve	-	529	-	529
Total comprehensive income	(11,760)	11,522	15,054	35,637
(Loss)/Profit for the period attributable to:				
Owners of the Company	(12,233)	12,127	13,681	35,156
Non-controlling Interests	473	(1,134)	1,373	(48)
	(11,760)	10,993	15,054	35,108
Total comprehensive (loss)/ income attributable to:				
Owners of the Company	(12,233)	12,656	13,681	35,685
Non-controlling Interests	473	(1,134)	1,373	(48)
	(11,760)	11,522	15,054	35,637
(Loss)/Earnings per share attributable to Owners of the Company :				
- Basic (sen)	(1.22)	1.21	1.36	3.51
- Diluted (sen)	(1.22)	1.21	1.36	3.51

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(The figures have not been audited)

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR
31/3/2018	31/3/2017	31/3/2018	31/3/2017
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	1,232	345	1,918	673
- Distribution income	73	925	944	4,898
- Fair value gain on other investments	-	70	-	77
- Gain on disposal of PPE	-	-	1,517	-
- Interest waiver	-	-	808	-
- Reversal of accrued interest	-	1,952	-	1,952
- Others	59	1,006	444	1,701
	<u>1,364</u>	<u>4,298</u>	<u>5,631</u>	<u>9,301</u>

N2) Included in Other Expenses

- Depreciation	(13)	(22)	(52)	(99)
- Fair value loss on other investments	(916)	-	(891)	-
- Loss on disposal of a subsidiary	-	(3,859)	-	(3,859)
- Loss on disposal of an associate held for sale	-	(1,457)	-	(1,457)
- Impairment loss on PPE	-	(231)	-	(231)
- Provision for impairment on receivables	(20,387)	-	(20,387)	-
	<u>(21,316)</u>	<u>(5,569)</u>	<u>(21,330)</u>	<u>(5,646)</u>

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 March 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/3/2018	31/03/2017
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,122	3,119
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	2,628,704	1,591,843
Investment in associates	125,364	96,946
Total Non-Current Assets	2,761,559	1,697,277
Current Assets		
Trade and other receivables	81,950	114,003
Other investments	8,462	78,109
Deposits placed with licenced banks	1,176,367	1,004,602
Cash and bank balances	119,851	49,339
	1,386,630	1,246,053
Total Current Assets	1,386,630	1,246,053
TOTAL ASSETS	4,148,189	2,943,330
EQUITY AND LIABILITIES		
Share capital	1,045,081	1,045,081
Reserves	(345,740)	(359,421)
Attributable to Owners of the Company	699,341	685,660
Non-controlling interests	40,678	39,305
Total Equity	740,019	724,965
Non-current Liabilities		
Loans and borrowings	2,292,849	1,619,853
Deferred income	586,637	286,162
Deferred taxation	6,347	3,749
Total Non-Current Liabilities	2,885,833	1,909,764
Current Liabilities		
Trade and other payables	522,305	307,176
Tax payables	32	1,425
Total Current Liabilities	522,337	308,601
TOTAL LIABILITIES	3,408,170	2,218,365
EQUITY AND LIABILITIES	4,148,189	2,943,330
Net assets per share attributable to Owners of the Company (RM)	0.6974	0.6838

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company					Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital	Share Premium	Foreign Exchange Reserve	Warrants Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000			
Current financial year								
At 1 April 2017	1,045,081	-	-	-	(359,421)	685,660	39,305	724,965
Total comprehensive income								
Profit for the financial year	-	-	-	-	13,681	13,681	1,373	15,054
At 31 March 2018	<u>1,045,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(345,740)</u>	<u>699,341</u>	<u>40,678</u>	<u>740,019</u>
Preceding financial year								
At 1 April 2016	1,002,736	42,345	(529)	51,569	(446,146)	649,975	42,964	692,939
Total comprehensive income								
Profit for the financial year	-	-	-	-	35,156	35,156	(48)	35,108
Reclassification of foreign exchange reserve	-	-	529	-	-	529	-	529
	-	-	529	-	35,156	35,685	(48)	35,637
Transactions with owners:								
Transition to no-par regime	42,345	(42,345)	-	-	-	-	-	-
Expiry of warrants	-	-	-	(51,569)	51,569	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	(2,107)	(2,107)
Dividend paid by subsidiary	-	-	-	-	-	-	(1,504)	(1,504)
	<u>42,345</u>	<u>(42,345)</u>	<u>-</u>	<u>(51,569)</u>	<u>51,569</u>	<u>-</u>	<u>(3,611)</u>	<u>(3,611)</u>
At 31 March 2017	<u>1,045,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(359,421)</u>	<u>685,660</u>	<u>39,305</u>	<u>724,965</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.

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 month ended 31/3/2018 RM'000	12 month ended 31/3/2017 RM'000
OPERATING ACTIVITIES:		
Profit before taxation:	17,325	39,794
Adjustments for :		
Share of results of associates	(28,418)	(23,727)
Depreciation of property, plant and equipment	52	313
Fair value loss/(gain) on other investments	891	-
Distribution income from other investments	(944)	(4,898)
Impairment loss on property, plant and equipment	-	231
Reversal of impairment on property, plant and equipment	(38)	-
Gain on disposal of property, plant and equipment	(1,517)	(40)
Impairment loss on receivables	20,387	-
Profit arising from IC Interpretation 12		
Service Concession Arrangements	(9,185)	(18,491)
Loss on disposal of an associate	-	1,458
Loss on disposal of subsidiary	-	3,866
Interest income	(1,918)	(673)
Interest expense	198	1,642
Waiver of debts	(808)	(197)
Operating cash flows before changes in working capital	(3,975)	(722)
Changes in Working Capital:		
Inventories	-	346
Receivables	13,462	(3,245)
Payables	101,095	(1,975)
Net cash flows from/(used in) operations	110,582	(5,596)
Income tax paid	(1,664)	(1,381)
Net cash flows from/(used in) operating activities	108,918	(6,977)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(cont'd)

	12 month ended 31/3/2018 RM'000	12 month ended 31/3/2017 RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(21)	(573)
Infrastructure development expenditure	(912,224)	(1,001,393)
Proceeds from disposal of property, plant and equipment	1,911	40
Proceeds from disposal of associate formerly classified as asset held for sale	-	42,364
Proceeds from disposal of subsidiary	-	5,372
Proceeds from other investments	69,700	39,983
Changes in associate balances	(11)	152
Interest received	731	673
(Placement)/upliftment of fixed deposits	<u>(361,946)</u>	<u>941,567</u>
Net cash flows used in investing activities	<u>(1,201,860)</u>	<u>28,185</u>
FINANCING ACTIVITIES		
Interest paid	(198)	(77)
Dividend paid to non-controlling interests	-	(1,504)
Proceeds from drawdown of borrowings	<u>973,471</u>	<u>677,402</u>
Net cash flows from financing activities	<u>973,273</u>	<u>675,821</u>
Net change in cash and cash equivalents	(119,669)	697,029
Cash and cash equivalents at beginning of financial period	1,053,941	352,927
Cash and cash equivalents at end of financial period	<u><u>934,272</u></u>	<u><u>1,049,956</u></u>

Note :

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

Cash and bank balances	119,851	49,339
Fixed deposits with licence bank	1,176,367	1,004,602
Less: Deposits with maturity of more than 3 months	<u>(361,946)</u>	<u>(3,985)</u>
	<u><u>934,272</u></u>	<u><u>1,049,956</u></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.

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(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.

		Effective for financial periods beginning on or after
<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.

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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>31/3/2018</u>	<u>31/3/2017</u>	<u>Changes</u>		<u>31/3/2018</u>	<u>31/3/2017</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>
<u>Segmental Revenue</u>								
Manufacturing and trading of industrial products	-	1,017	(1,017)	-100%	-	7,820	(7,820)	-100%
Toll concession - infrastructure development expenditure	337,517	284,437	53,080	19%	880,590	861,554	19,036	2%
	<u>337,517</u>	<u>285,454</u>	<u>52,063</u>	<u>18%</u>	<u>880,590</u>	<u>869,374</u>	<u>11,216</u>	<u>1%</u>
<u>Profit before tax</u>								
Manufacturing and trading of industrial products	-	302	(302)	-100%	-	1,134	(1,134)	-100%
Toll concession - infrastructure development expenditure	4,201	6,470	(2,269)	-35%	9,532	17,787	(8,255)	-46%
Construction	(3,406)	(1)	(3,405)	340500%	(3,406)	(1)	(3,405)	340500%
Investment holding, management services and others *	(12,749)	5,947	(18,696)	-314%	11,199	20,874	(9,675)	-46%
	<u>(11,954)</u>	<u>12,718</u>	<u>(24,672)</u>	<u>-194%</u>	<u>17,325</u>	<u>39,794</u>	<u>(22,469)</u>	<u>-56%</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 RM337.5 million in the current quarter compared to RM285.5 million in the preceding year quarter mainly due to higher IC12 construction revenue recognised in the current quarter.

The Group recorded a loss before tax of RM12.0 million in the current quarter compared to a profit of RM12.7 million in the preceding year quarter. The loss is mainly due to a one-off impairment on long outstanding amounts owing by a former associate of RM20.4 million made during the current quarter. Whilst the Group is still actively pursuing the recovery of this amount, the directors are of the view that it is prudent to make this impairment. In addition, the Group's share of results of associates had decreased from RM10.6 million to RM5.9 million in the current quarter as a result of lower sales recorded from the current on-going and completed projects.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Immediate Preceding Quarter's Results

The Group recorded revenue of RM337.5 million in the current quarter compared to RM153.9 million recorded in the immediate preceding quarter due mainly to higher IC12 construction revenue recognised in the current quarter.

The Group recorded a loss before tax of RM12.0 million in the current quarter compared to profit before tax of RM11.9 million recorded in the immediate preceding quarter. The loss is mainly due to a one-off impairment on long outstanding amounts owing by a former associate of RM20.4 million made during the current quarter. Whilst the Group is still actively pursuing the recovery of this amount, the directors are of the view that it is prudent to make this impairment. In addition, the Group's share of results of associates had decreased from RM9.9 million recorded in the immediate preceding quarter to RM5.9 million in the current quarter, mainly due to festive season as well as lower sale from completed stocks in the current quarter as compared to the immediate preceding quarter.

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 construction of 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 uncertain economic prospects, volatility in the Malaysian Ringgit, continued stringent mortgage approval and incoming supply of completed properties.

Nonetheless, Bandar Rimbayu is expected to maintain its performance for the coming financial year on the back of the unbilled sales and satisfactory response from new launches.

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.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B5. Taxation

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2018 RM'000	Preceding Year Quarter 31/3/2017 RM'000	Current Year To-date 31/3/2018 RM'000	Preceding Year To-date 31/3/2017 RM'000
<u>Income Tax</u>				
Current year	(1)	(1,303)	4	287
Prior year	(1,390)	(531)	(331)	(531)
	<u>(1,391)</u>	<u>(1,834)</u>	<u>(327)</u>	<u>(244)</u>
<u>Deferred Tax</u>				
Current year	1,202	3,559	2,603	4,930
Prior year	(5)	-	(5)	-
Total	<u>(194)</u>	<u>1,725</u>	<u>2,271</u>	<u>4,686</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.

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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:-

	Proposed utilisation	Utilisation as at 31 Mar 2018	Balance as at 31 Mar 2018	Intended timeframe for utilisation from 31 Mar 2018
	RM'000	RM'000	RM'000	RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	32,200	(29,118)	3,082	Within 3 months
- Working capital and contingencies	8,000	(6,066)	1,934	Within 3 months
- Defray expenses relating to Disposal	2,300	(380)	1,920	*
	<u>42,500</u>	<u>(35,564)</u>	<u>6,936</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 2018	Balance as at 31 Mar 2018	Intended timeframe for utilisation from 31 Mar 2018
	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.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B7. Group Borrowings and Debt Securities

The Group's borrowings which are denominated in Ringgit Malaysia as at 31 March 2018 are as follows:

	RM'000
- secured	2,249,549
- unsecured	43,300
Total borrowings	<u>2,292,849</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 :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/3/2018	Preceding Year Quarter 31/3/2017	Current Financial Year 31/3/2018	Preceding Financial Year 31/3/2017
Profit attributable to owners of the company (RM'000)	<u>(12,233)</u>	<u>12,127</u>	<u>13,681</u>	<u>35,156</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>(1.22)</u>	<u>1.21</u>	<u>1.36</u>	<u>3.51</u>

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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 24 May 2018.

By order of the Board

Raw Koon Beng
Company Secretary