

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 30 September 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2018 RM'000	PRECEDING YEAR QUARTER 30/9/2017 RM'000 (RESTATED)	CURRENT FINANCIAL YEAR 30/9/2018 RM'000	PRECEDING FINANCIAL YEAR 30/9/2017 RM'000 (RESTATED)
Revenue	189,429	251,613	369,775	389,191
Cost of sales	(193,605)	(251,481)	(371,025)	(386,887)
Gross (loss)/profit	(4,176)	132	(1,250)	2,304
Other income (N1)	1,042	2,018	1,813	3,932
Other expenses (N2)	(32)	(13)	(51)	(27)
Administrative expenses (N3)	(605)	(356)	(3,270)	(1,374)
Finance cost	(2,409)	(18)	(2,910)	(30)
Share of results of associates	8,417	7,628	18,085	14,335
Profit before tax	2,237	9,391	12,417	19,140
Taxation	(483)	(441)	(1,041)	(1,041)
Profit for the period	1,754	8,950	11,376	18,099
Other comprehensive income	-	-	-	-
Total comprehensive income	1,754	8,950	11,376	18,099
Profit for the period attributable to:				
Owners of the Company	1,443	8,478	10,710	17,407
Non-controlling Interests	311	471	666	692
	1,754	8,949	11,376	18,099
Total comprehensive income attributable to:				
Owners of the Company	1,443	8,478	10,710	17,407
Non-controlling Interests	311	471	666	692
	1,754	8,949	11,376	18,099
Earnings per share attributable to Owners of the Company :				
- Basic (sen)	0.14	0.85	1.07	1.74
- Diluted (sen)	0.14	0.85	1.07	1.74

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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
30/9/2018	30/9/2017	30/9/2018	30/9/2017
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	826	114	1,543	610
- Distribution income	173	269	206	740
- Fair value gain on other investments	7	(2)	12	20
- Gain on disposal of PPE	-	1,517	-	1,517
- Interest waiver	-	-	-	808
- Others	36	120	52	237
	<u>1,042</u>	<u>2,018</u>	<u>1,813</u>	<u>3,932</u>

N2) Included in Other Expenses

- Depreciation	(32)	(13)	(51)	(27)
	<u>(32)</u>	<u>(13)</u>	<u>(51)</u>	<u>(27)</u>

N3) Included in Administrative Expenses

- Professional fees on bridging loan	-	-	(1,125)	-
- Stamp duty on loan agreement	-	-	(750)	-
- Other administrative expenses	(605)	(356)	(1,395)	(1,374)
	<u>(605)</u>	<u>(356)</u>	<u>(3,270)</u>	<u>(1,374)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 30 September 2018**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30/9/2018 RM'000	AUDITED AS AT 31/03/2018 RM'000 (RESTATED)	AUDITED AS AT 1/4/2017 RM'000 (RESTATED)
ASSETS			
Non-current Assets			
Property, plant and equipment	2,414	2,122	3,119
Goodwill on consolidation	5,369	5,369	5,369
Infrastructure development expenditure	3,110,190	2,612,584	1,591,843
Investment in associates	144,545	126,460	97,945
Total Non-Current Assets	3,262,518	2,746,535	1,698,276
Current Assets			
Trade and other receivables	88,531	81,107	113,858
Tax recoverable	954	742	145
Other investments	17,830	8,462	78,109
Deposits placed with licenced banks	1,112,131	1,176,367	1,004,602
Cash and bank balances	31,665	119,851	49,339
	<u>1,251,111</u>	<u>1,386,529</u>	<u>1,246,053</u>
Total Current Assets	1,251,111	1,386,529	1,246,053
TOTAL ASSETS	<u>4,513,629</u>	<u>4,133,064</u>	<u>2,944,329</u>
EQUITY AND LIABILITIES			
Share capital	1,045,081	1,045,081	1,045,081
Reserves	(333,934)	(344,644)	(358,422)
Attributable to Owners of the Company	<u>711,147</u>	<u>700,437</u>	<u>686,659</u>
Non-controlling interests	41,344	40,678	39,305
Total Equity	752,491	741,115	725,964
Non-current Liabilities			
Loans and borrowings	2,794,755	2,292,849	1,619,853
Deferred income	652,382	586,637	286,162
Deferred taxation	7,388	6,347	3,749
Other payables	96,879	63,349	19,743
Total Non-Current Liabilities	3,551,404	2,949,182	1,929,507
Current Liabilities			
Trade and other payables	209,703	442,735	287,433
Tax payables	31	32	1,425
Total Current Liabilities	209,734	442,767	288,858
TOTAL LIABILITIES	3,761,138	3,391,949	2,218,365
EQUITY AND LIABILITIES	<u>4,513,629</u>	<u>4,133,064</u>	<u>2,944,329</u>
Net assets per share attributable to Owners of the Company (RM)	<u>0.7092</u>	<u>0.6985</u>	<u>0.6848</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 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 CHANGES IN EQUITY

	<u>Attributable to Owners of the Company</u>			Non- Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Total		
	RM'000	RM'000	RM'000		
<u>Current financial period</u>					
At 1 April 2018 (As previously reported)	1,045,081	(345,740)	699,341	40,678	740,019
Effects of adoption of MFRS	-	1,096	1,096	-	1,096
At 1 April 2018 (As restated)	1,045,081	(344,644)	700,437	40,678	741,115
Total comprehensive income					
Profit for the financial year	-	10,710	10,710	666	11,376
At 30 September 2018	<u>1,045,081</u>	<u>(333,934)</u>	<u>711,147</u>	<u>41,344</u>	<u>752,491</u>
<u>Preceding financial year</u>					
At 1 April 2017 (As previously reported)	1,045,081	(359,421)	685,660	39,305	724,965
Effects of adoption of MFRS	-	999	999	-	999
At 1 April 2017 (As restated)	1,045,081	(358,422)	686,659	39,305	725,964
Total comprehensive income					
Profit for the financial year	-	17,407	17,407	692	18,099
At 30 September 2017 (As restated)	<u>1,045,081</u>	<u>(341,015)</u>	<u>704,066</u>	<u>39,997</u>	<u>744,063</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 2018 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

	6 month ended 30/9/2018 RM'000	6 month ended 30/9/2017 RM'000 (RESTATED)
OPERATING ACTIVITIES:		
Profit before taxation:	12,417	19,140
Adjustments for :		
Share of results of associates	(18,085)	(14,335)
Depreciation of property, plant and equipment	51	27
Fair value gain on other investments	(12)	(20)
Distribution income from other investments	(206)	-
Gain on disposal of property, plant and equipment	-	(1,517)
Interest income	(1,543)	(3,888)
Interest expense	2,910	30
Operating cash flows before changes in working capital	(4,468)	(563)
Changes in Working Capital:		
Receivables	(7,424)	5,788
Payables	(199,507)	91,176
Net cash flows used in operations	(211,399)	96,401
Income tax paid	(213)	(377)
Net cash flows used in operating activities	(211,612)	96,024
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(443)	(10)
Infrastructure development expenditure	(497,506)	(485,134)
Proceeds from disposal of property, plant and equipment	-	1,911
Proceeds from other investments	(9,150)	57,560
Changes in associate balances	5	2,015
Interest received	1,543	3,888
Net cash flows used in investing activities	(505,551)	(419,770)

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(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(cont'd)

	6 month ended 30/9/2018 RM'000	6 month ended 30/9/2017 RM'000
FINANCING ACTIVITIES		
Interest paid	(2,910)	(30)
Proceeds from drawdown of borrowings	<u>567,651</u>	<u>461,411</u>
Net cash flows from financing activities	<u>564,741</u>	<u>461,381</u>
Net change in cash and cash equivalents	(152,422)	137,635
Cash and cash equivalents at beginning of financial period	1,296,218	1,053,941
Cash and cash equivalents at end of financial period	<u><u>1,143,796</u></u>	<u><u>1,191,576</u></u>
Note :		
Cash and cash equivalents at the end of the financial period comprise of :		
Cash and bank balances	31,665	27,616
Fixed deposits with licence bank	<u>1,112,131</u>	<u>1,163,960</u>
	<u><u>1,143,796</u></u>	<u><u>1,191,576</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO CONDENSED FINANCIAL STATEMENTS

PART A – Explanatory Notes Pursuant to MFRS 134

A1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The unaudited interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the unaudited interim financial statements.

These explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2018.

A2. Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2018, except for the adoption of MFRS framework effective for the financial period beginning on 1 April 2018.

(a) First-time Adoption of MFRS

The Group falls within the scope of Transitioning Entities have chosen to defer the adoption of MFRS framework. Accordingly, the Group is required to prepare its first MFRS financial statements for the financial year ending 31 March 2019. These unaudited interim financial statements are part of the period covered by the Group’s first MFRS financial statements for the financial year ending 31 March 2019 and hence MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied to its comparative figures, where applicable.

The effects on the adoption of MFRS framework are as follows:

MFRS 9 Financial Instruments

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used under MFRS 139. The expected credit loss model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss model only requires recognition of credit losses incurred as at the reporting date.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. MFRS 15 established a five-step model to account for revenue arising from contracts with customers. The financial effects are presented in Note A2 (b) below.

NOTES TO CONDENSED FINANCIAL STATEMENTS

A2. Accounting Policies (cont'd)

(b) Effects on the Adoption of MFRS 15 Arising from Investment in Associates

- (i) The effects on condensed consolidated statement of financial position arising from the adoption of MFRS 15 are as follows:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Condensed Consolidated Statement of Financial Position			
<u>As at 31 March 2018</u>			
Non-current assets			
Investment in associates	125,364	1,096	126,460
Equity			
Accumulated losses	345,740	(1,096)	344,644
<u>As at 1 April 2017</u>			
Non-current assets			
Investment in associates	96,946	999	97,945
Equity			
Accumulated losses	359,421	(999)	358,422

- (ii) The effects on condensed consolidated statement of comprehensive income for the 6-month quarter ended 30 June 2017 arising from the adoption of MFRS 15 are as follows:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Condensed Consolidated Statement of Comprehensive Income			
<u>Individual quarter ended 30 September 2017</u>			
Share of results of associates	6,123	1,505	7,628
<u>Cumulative quarter ended 30 September 2017</u>			
Share of results of associates	12,582	1,753	14,335

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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(The figures have not been audited)

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

As disclosed in Note B6 (a), the Company had on 19 November 2018 and 22 November 2018 announced that the Second Tranche Share Sale of 400,000,000 shares in Talam Transform Berhad (“TTB Shares”) at the price of RM0.095 per TTB Share was not completed due to certain conditions precedent not being fulfilled. In view of this, the Company will consider making a provision for impairment on the amount receivable from the Second Tranche Share Sale in the subsequent period.

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**

	Current quarter				Cumulative quarter			
	30/9/2018	30/9/2017	Changes		30/9/2018	30/9/2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
		(Restated)				(Restated)		
<u>Segmental Revenue</u>								
Toll concession - infrastructure development expenditure	189,429	251,613	(62,184)	-25%	369,775	389,191	(19,416)	-5%
	<u>189,429</u>	<u>251,613</u>	<u>(62,184)</u>	<u>-25%</u>	<u>369,775</u>	<u>389,191</u>	<u>(19,416)</u>	<u>-5%</u>
<u>Profit before tax</u>								
Toll concession - infrastructure development expenditure	2,009	327	1,682	514%	4,329	2,794	1,535	55%
Investment holding, management services and others *	231	9,063	(8,832)	-97%	8,091	16,346	(8,255)	-51%
	<u>2,237</u>	<u>9,390</u>	<u>(7,153)</u>	<u>-76%</u>	<u>12,417</u>	<u>19,140</u>	<u>(6,723)</u>	<u>-35%</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 RM189.4 million in the current quarter compared to RM251.6 million in the preceding year quarter mainly due to lower IC12 construction revenue recognised for WCE Project in the current quarter.

The Group recorded a profit before tax of RM2.2 million in the current quarter compared to a profit of RM9.4 million in the preceding year's corresponding quarter. The decrease is mainly due to a revision in budgeted cost by IJMC-KEB Joint Venture following the increase in construction material prices. In addition, the Group incurred finance cost of RM2.4 million in the current quarter compared to RM0.03 mil in the preceding year's corresponding quarter due to an additional term loan obtained to finance the WCE Project pending the proposed rights issue to be implemented. The Group also recorded higher share of results from associates of RM8.4 million in the current year quarter compared to RM7.6 million in the preceding year quarter due to higher profit registered by Bandar Rimbayu Sdn Bhd.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Immediate Preceding Quarter's Results

The Group recorded revenue of RM189.4 million in the current quarter compared to RM180.3 million recorded in the immediate preceding quarter due mainly to higher IC12 construction revenue recognised for WCE Project in the current quarter. The higher IC12 construction revenue is mainly derived from higher construction work progress compared to the immediate preceding quarter.

The Group recorded a profit before tax of RM2.2 million in the current quarter compared to a profit before tax of RM10.2 million recorded in the immediate preceding quarter. The decrease is mainly due to a revision in budgeted cost by IJMC-KEB Joint Venture following the increase in construction material prices. In addition, the Group incurred finance cost of RM2.4 million in the current quarter compared to RM0.5 million in the immediate preceding quarter due to an additional term loan obtained to finance the WCE Project pending the proposed rights issue to be implemented. Furthermore, the decrease was also contributed by the lower sales recorded by Bandar Rimbayu Sdn Bhd from the current ongoing projects in the current quarter 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 construction is currently on going and some sections are expected to be completed during the financial year.

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 despite improving consumer sentiments. The key issues of price affordability, the overhang of high priced properties, rising costs of living and tight financing continues to have a dampening effect.

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

Barring any unforeseen circumstances, the Group expects the results for the current 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 30/9/2018 RM'000	Preceding Year Quarter 30/9/2017 RM'000	Current Year To-date 30/9/2018 RM'000	Preceding Year To-date 30/9/2017 RM'000
Income Tax				
Current year	-	(271)	-	4
	<u>-</u>	<u>(271)</u>	<u>-</u>	<u>4</u>
Deferred Tax				
Current year	483	712	1,041	1,037
	<u>483</u>	<u>712</u>	<u>1,041</u>	<u>1,037</u>
Total	<u>483</u>	<u>441</u>	<u>1,041</u>	<u>1,041</u>

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

B6. Status of Corporate Proposals

- (a) 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 (“Share Sale”) 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 Share Sale for a further twelve (12) months, thereby amending the last day of the Second Completion Date from 16 August 2017 to 16 August 2018. On 16 August 2018, the parties had via a letter to further extend the Second Completion Date for the Second Tranche Share Sale for a further of three (3) months from 16 August 2018 to 16 November 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. On 19 November 2018 and 22 November 2018, the Company had announced that the Second Tranche Share Sale was not completed due to certain conditions precedent not being fulfilled.

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 30 Sep 2018	Balance as at 30 Sep 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	(32,200)	-	Completed
- Working capital and contingencies	8,000	(8,000)	-	Completed
- Defray expenses relating to Disposal	2,300	(380)	1,920 *	
	<u>42,500</u>	<u>(40,580)</u>	<u>1,920</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 30 Sep 2018	Balance as at 30 Sep 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 had utilised as working capital.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B6. Status of Corporate Proposals (cont'd)

(c) Status of corporate proposals announced but not completed

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

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

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

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

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

B7. Group Borrowings and Debt Securities

The Group’s borrowings which are denominated in Ringgit Malaysia as at 30 June 2018 are as follows:

	RM’000
- secured	2,667,555
- unsecured	127,200
Total borrowings	<u><u>2,794,755</u></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.

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 31 March 2018.

B10. Dividend

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

B11. Earnings Per Share

Basic

The basic earnings per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/9/2018	Preceding Year Quarter 30/9/2017 (Restated)	Current Financial Year 30/9/2018	Preceding Financial Year 30/9/2017 (Restated)
Profit attributable to owners of the company (RM'000)	1,443	8,478	10,710	17,407
Weighted average number of ordinary shares ('000)	1,002,736	1,002,736	1,002,736	1,002,736
Basic earnings per share (sen)	0.14	0.85	1.07	1.74

B12. Audit Report

The auditors' report of the financial statements for the year ended 31 March 2018 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 28 November 2018.

By order of the Board

Raw Koon Beng
Company Secretary