

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2019**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2019 RM'000	PRECEDING YEAR QUARTER 31/3/2018 RM'000 (RESTATED)	CURRENT FINANCIAL YEAR 31/3/2019 RM'000	PRECEDING FINANCIAL YEAR 31/3/2018 RM'000 (RESTATED)
Revenue	266,573	337,517	759,644	880,590
Cost of sales	(261,754)	(323,050)	(755,232)	(861,132)
Gross profit	4,819	14,467	4,412	19,458
Other income (N1)	18,272	1,339	20,749	5,631
Other expenses (N2)	(31,348)	(21,291)	(31,431)	(21,330)
Administrative expenses (N3)	(1,946)	(1,876)	(6,044)	(4,363)
Finance cost	(2,794)	(157)	(8,579)	(198)
Share of results of associates	12,917	6,121	43,889	29,591
(Loss)/Profit before tax	(80)	(1,397)	22,996	28,789
Taxation	102	122	(1,261)	(2,343)
(Loss)/Profit for the period	22	(1,275)	21,735	26,446
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	22	(1,275)	21,735	26,446
(Loss)/Profit for the period attributable to:				
Owners of the Company	(371)	(1,748)	20,467	25,073
Non-controlling Interests	393	473	1,268	1,373
	22	(1,275)	21,735	26,446
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(371)	(1,748)	20,467	25,073
Non-controlling Interests	393	473	1,268	1,373
	22	(1,275)	21,735	26,446
(Loss)/Earnings per share				
attributable to Owners of the Company :				
- Basic (sen)	(0.04)	(0.17)	2.04	2.50
- Diluted (sen)	(0.04)	(0.17)	2.04	2.50

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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 31/3/2019 RM'000	PRECEDING YEAR QUARTER 31/3/2018 RM'000	CURRENT FINANCIAL YEAR 31/3/2019 RM'000	PRECEDING FINANCIAL YEAR 31/3/2018 RM'000

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

- Interest income	829	1,232	2,887	1,918
- Distribution income	129	73	439	944
- Fair value gain on other investments	16	(25)	31	-
- Gain on disposal of PPE	-	-	-	1,517
- Interest waiver	-	-	-	808
- Impairment on receivables from former associates no longer required	16,334	-	16,334	-
- Others	964	59	1,058	444
	<u>18,272</u>	<u>1,339</u>	<u>20,749</u>	<u>5,631</u>

N2) Included in Other Expenses

- Bad debts written off	(77)	-	(77)	-
- Depreciation	(31)	(13)	(114)	(52)
- Fair value loss on other investments	-	(891)	-	(891)
- Provision for impairment on receivables	-	(20,387)	-	(20,387)
- Compensation of loss payable to a former associate	(31,240)	-	(31,240)	-
	<u>(31,348)</u>	<u>(21,291)</u>	<u>(31,431)</u>	<u>(21,330)</u>

N3) Included in Administrative Expenses

- Professional fees on bridging loan	-	-	(1,125)	-
- Stamp duty on loan agreement	-	-	(750)	-
- Other administrative expenses	(1,946)	(1,876)	(4,169)	(4,363)
	<u>(1,946)</u>	<u>(1,876)</u>	<u>(6,044)</u>	<u>(4,363)</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 31 March 2019**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED	AUDITED
	AS AT	AS AT	AS AT
	31/3/2019	31/03/2018	1/4/2017
	RM'000	RM'000	RM'000
		(RESTATED)	(RESTATED)
ASSETS			
Non-current Assets			
Property, plant and equipment	2,387	2,122	3,119
Goodwill on consolidation	5,369	5,369	5,369
Infrastructure development expenditure	3,562,511	2,612,584	1,591,843
Investment in associates	170,850	126,961	97,370
Total Non-Current Assets	3,741,117	2,747,036	1,697,701
Current Assets			
Trade and other receivables	105,217	81,107	113,858
Tax recoverable	1,082	742	145
Other investments	23,271	8,462	78,109
Deposits placed with licenced banks	918,788	1,176,367	1,004,602
Cash and bank balances	2,346	119,851	49,339
	1,050,704	1,386,529	1,246,053
Total Current Assets	1,050,704	1,386,529	1,246,053
TOTAL ASSETS	4,791,821	4,133,565	2,943,754
EQUITY AND LIABILITIES			
Share capital	1,045,081	1,045,081	1,045,081
Reserves	(344,824)	(365,291)	(390,364)
Attributable to Owners of the Company	700,257	679,790	654,717
Non-controlling interests	41,946	40,678	39,305
Total Equity	742,203	720,468	694,022
Non-current Liabilities			
Loans and borrowings	2,720,207	2,292,849	1,619,853
Deferred income	652,382	586,637	286,162
Deferred taxation	7,594	6,347	3,749
Other payables	131,000	63,349	19,743
Total Non-Current Liabilities	3,511,183	2,949,182	1,929,507
Current Liabilities			
Trade and other payables	388,402	463,883	318,800
Loans and borrowings	150,000	-	-
Tax payable	33	32	1,425
Total Current Liabilities	538,435	463,915	320,225
TOTAL LIABILITIES	4,049,618	3,413,097	2,249,732
EQUITY AND LIABILITIES	4,791,821	4,133,565	2,943,754
Net assets per share attributable to Owners of the Company (RM)	0.6983	0.6779	0.6529

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	-	(19,551)	(19,551)	-	(19,551)
At 1 April 2018 (As restated)	1,045,081	(365,291)	679,790	40,678	720,468
Total comprehensive income					
Profit for the financial period	-	20,467	20,467	1,268	21,735
At 31 March 2019	<u>1,045,081</u>	<u>(344,824)</u>	<u>700,257</u>	<u>41,946</u>	<u>742,203</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	-	(30,943)	(30,943)	-	(30,943)
At 1 April 2017 (As restated)	1,045,081	(390,364)	654,717	39,305	694,022
Total comprehensive income					
Profit for the financial period	-	25,073	25,073	1,373	26,446
At 31 March 2018 (As restated)	<u>1,045,081</u>	<u>(365,291)</u>	<u>679,790</u>	<u>40,678</u>	<u>720,468</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

	12 month ended 31/3/2019 RM'000	12 month ended 31/3/2018 RM'000 (RESTATED)
OPERATING ACTIVITIES:		
Profit before taxation:	22,996	28,789
Adjustments for :		
Share of results of associates	(43,889)	(29,591)
Crystallisation of contingent liability	31,240	-
Depreciation of property, plant and equipment	114	54
Distribution income from other investments	(439)	(943)
Impairment loss on other investments	-	890
Impairment loss on other investments no longer required	(928)	-
Gain on disposal of property, plant and equipment	-	(1,517)
Impairment loss on receivables	-	20,388
Impairment loss on receivables no longer required	(16,334)	-
Impairment loss on property, plant and equipment no longer required	-	(38)
Profit arising from IC Interpretation 12 Services Concession Arrangements	(7,882)	(9,185)
Interest income	(3,046)	(1,923)
Interest expense	8,579	198
Waiver of debts	-	(808)
Operating cash flows before changes in working capital	(9,589)	6,314
Changes in Working Capital:		
Receivables	(13,566)	4,312
Payables	(56,987)	(11,136)
Net cash flows used in operations	(80,142)	(510)
Income tax paid	(353)	(1,666)
Income tax redunded	-	3
Interest paid	(8,579)	(270)
Net cash flows used in operating activities	(89,074)	(2,443)

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2019**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**(cont'd)**

	12 month ended 31/3/2019 RM'000	12 month ended 31/3/2018 RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(586)	(22)
Infrastructure development expenditure	(886,999)	(873,023)
Proceeds from disposal of property, plant and equipment	128	1,911
(Placement)/proceeds from other investments	(13,442)	69,700
Changes in associate balances	(327)	(12)
Upliftment/(Placement) of fixed deposits	206,387	(357,961)
Interest received	1,848	736
Net cash flows used in investing activities	<u>(692,991)</u>	<u>(1,158,671)</u>
FINANCING ACTIVITIES		
Drawdown of government support loan	150,000	710,000
Drawdown of term loan	403,207	238,345
Issuance of murabahah loan stocks	24,870	27,100
Amount owing to a subsidiary of a major shareholder	-	69,985
Amount owing to a jointly controlled entity	35,291	-
Net cash flows from financing activities	<u>613,368</u>	<u>1,045,430</u>
Net change in cash and cash equivalents	(168,697)	(115,684)
Cash and cash equivalents at beginning of financial period	934,272	1,049,956
Cash and cash equivalents at end of financial period	<u><u>765,575</u></u>	<u><u>934,272</u></u>

Note :

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

Cash and bank balances	2,346	119,851
Fixed deposits with licence bank	918,788	1,176,367
Less: Deposits with maturity of more than 3 months	<u>(155,559)</u>	<u>(361,946)</u>
	<u><u>765,575</u></u>	<u><u>934,272</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

- (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	1,597	126,961
Equity			
Accumulated losses	345,740	19,551	365,291
Current liabilities			
Trade and other payables	442,735	(21,148)	463,883
<u>As at 1 April 2017</u>			
Non-current assets			
Investment in associates	96,946	424	97,370
Equity			
Accumulated losses	359,421	30,943	390,364
Current liabilities			
Trade and other payables	287,433	(31,367)	318,800

- (ii) The effects on condensed consolidated statement of comprehensive income for the 12-month quarter ended 31 March 2018 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 31 March 2018</u>			
Cost of sales	333,269	(10,219)	323,050
Share of results of associates	5,855	(266)	6,121
<u>Cumulative quarter ended 31 March 2018</u>			
Cost of sales	871,351	(10,219)	861,132
Share of results of associates	28,418	1,173	29,591

NOTES TO CONDENSED FINANCIAL STATEMENTS

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

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).

On 27 March 2019, the Company has entered into a Global Settlement Agreement with Talam for an amicable settlement of the above claim by Talam of RM38,346,643.00 as compensation to Talam for the losses arising from the bank auction. The Group has recorded a loss of RM31.24 million on this claim as disclosed in N2) in the Condensed Consolidated Statement of Comprehensive Income.

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.

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

On 30 April 2019, the Company announced the completion of the disposal of the Second Tranche Sale Share consisting of 400,000,000 ordinary shares in Talam Transform Berhad (“Talam”) by the Company to the purchaser.

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

There were no contingent liabilities at the end of this quarter and as at the date of this report.

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(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**

	<u>Current quarter</u>				<u>Cumulative quarter</u>			
	<u>31/3/2019</u>	<u>31/3/2018</u>	<u>Changes</u>		<u>31/3/2019</u>	<u>31/3/2018</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>(Restated)</u>				<u>(Restated)</u>		
<u>Segmental Revenue</u>								
Toll concession - infrastructure development expenditure	265,748	337,517	(71,769)	-21%	754,633	880,590	(125,957)	-14%
Investment holding, management services and others	825	-	825	100%	5,011	-	5,011	100%
	<u>266,573</u>	<u>337,517</u>	<u>(70,944)</u>	<u>-21%</u>	<u>759,644</u>	<u>880,590</u>	<u>(120,946)</u>	<u>-14%</u>
<u>Profit before tax</u>								
Toll concession - infrastructure development expenditure	2,125	4,201	(2,076)	-49%	7,783	9,532	(1,749)	-18%
Investment holding, management services and others *	(2,205)	(5,598)	3,393	-61%	15,213	19,257	(4,044)	-21%
	<u>(80)</u>	<u>(1,397)</u>	<u>1,317</u>	<u>-94%</u>	<u>22,996</u>	<u>28,789</u>	<u>(5,793)</u>	<u>-20%</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 RM266.6 million in the current quarter compared to RM337.5 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 loss before tax of RM0.08 million in the current quarter compared to a loss of RM1.40 million in the preceding year's corresponding quarter. During the current quarter, the Group has finalised a Global Settlement Agreement with a former associate resulting in a net loss of RM14.9 million which was offset by the share of profit from associate amounting to RM12.9 million. In the preceding year quarter, the Group incurred a higher loss due to an impairment on other receivables of RM20.4 million which was then offset by the share of profit from associate of RM6.1 million. The Group has recorded higher share of profit from associates of RM12.9 million in the current year quarter compared to RM6.1 million in the preceding year quarter due to higher profit registered by Bandar Rimbayu Sdn Bhd as a result of the finalisation of development cost for completed phases.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Immediate Preceding Quarter's Results

The Group recorded revenue of RM266.6 million in the current quarter compared to RM123.3 million recorded in the immediate preceding quarter due mainly to higher IC12 construction revenue recognised for WCE Project in the current quarter. This is mainly due to the land acquisition progress payment of RM57.1 million as well as the higher construction progress as compared to the immediate preceding quarter.

The Group recorded a loss before tax of RM0.08 million in the current quarter compared to a profit before tax of RM10.7 million recorded in the immediate preceding quarter. The loss before tax of RM0.08 million is mainly due to the Global Settlement Agreement entered by the Group with a former associate resulting in a net loss of RM14.9 million which was then offset by the share of profit from associate amounting to RM12.9 million in the current quarter. In the immediate preceding quarter, the Group has also recorded the share of profit from associate amounting to RM12.9 million. The strong profit registered by the associate during the current quarter arises from the finalisation of development cost for completed phases whereas in the immediate preceding year quarter was due to the sale of a parcel of commercial land and the completion of certain phases of the property development.

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. Section 8 (Hutan Melintang to Teluk Intan) is expected to be opened for traffic in the second quarter of 2019. The construction of the remaining sections is currently on going and some sections are expected to be completed from third quarter of 2019 onwards.

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 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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(The figures have not been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

B5. Taxation

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2019 RM'000	Preceding Year Quarter 31/3/2018 RM'000	Current Year To-date 31/3/2019 RM'000	Preceding Year To-date 31/3/2018 RM'000
Income Tax				
Current year	7	(1)	7	4
Prior year	7	(1,390)	7	(331)
RPGT	-	72	-	72
	<u>14</u>	<u>(1,319)</u>	<u>14</u>	<u>(255)</u>
Deferred Tax				
Current year	402	1,202	1,765	2,603
Prior year	(518)	(5)	(518)	(5)
Total	<u>(102)</u>	<u>(122)</u>	<u>1,261</u>	<u>2,343</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.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B6. Status of Corporate Proposals (cont'd)

(a) Cont'd

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.

Upon completion of sale of the first tranche shares on 18 April 2016, 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.

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 2019	Balance as at 31 Mar 2019	Intended timeframe for utilisation from 31 Mar 2019
	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	(2,300)	-	* Completed
	<u>42,500</u>	<u>(42,500)</u>	<u>-</u>	

* The excess amounts had been utilised as working capital.

On 30 April 2019, the Company announced the completion of the sale of the second tranche shares.

(b) 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**").

NOTES TO CONDENSED FINANCIAL STATEMENTS

B6. Status of Corporate Proposals (cont'd)

(b) Status of corporate proposals announced but not completed (Cont'd)

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.

On 19 December 2018, the Company submitted an application to Bank Negara Malaysia to seek its approval for the issuance of the RCPS to non-resident shareholders of WCEHB. On 18 February 2019, the Company obtained the approval from Bank Negara Malaysia for the issuance of the RCPS to non-resident shareholders of WCEHB.

On 21 March 2019, the Company submitted an application to Bursa Malaysia Securities Berhad (“Bursa Securities”) in respect of the admission of RCPS and Warrants to be Official List of Bursa Securities as well as the listing and quotation of the RCPS and Warrants to be issued pursuant to the Proposed Rights Issue of RCPS, and the new WCEHB Shares to be issued pursuant to the conversion of the RCPS and the exercise of the Warrants, on the Main Market of Bursa Securities. On 26 April 2019, the Company obtained the approval from Bursa Securities for the admission of RCPS and Warrants as well as the listing and quotation of the RCPS and Warrants.

B7. Group Borrowings and Debt Securities

The Group’s borrowings which are denominated in Ringgit Malaysia as at 31 March 2019 are as follows:

	RM’000
- secured	2,733,147
- unsecured	137,060
Total borrowings	<u>2,870,207</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 31/3/2019	Preceding Year Quarter 31/3/2018 (Restated)	Current Financial Year 31/3/2019	Preceding Financial Year 31/3/2018 (Restated)
Profit attributable to owners of the company (RM'000)	(371)	(1,748)	20,467	25,073
Weighted average number of ordinary shares ('000)	1,002,736	1,002,736	1,002,736	1,002,736
Basic earnings per share (sen)	(0.04)	(0.17)	2.04	2.50

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 23 May 2019.

By order of the Board

Raw Koon Beng
Company Secretary