

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2020**

(The figures have been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2020 RM'000	PRECEDING YEAR QUARTER 31/3/2019 RM'000	CURRENT FINANCIAL YEAR 31/3/2020 RM'000	PRECEDING FINANCIAL YEAR 31/3/2019 RM'000
Revenue	121,465	266,573	814,745	759,644
Cost of sales	(116,458)	(261,754)	(801,419)	(755,232)
Gross profit	5,007	4,819	13,326	4,412
Other income (N1)	1,024	18,272	2,682	20,749
Other expenses (N2)	(2,520)	(31,348)	(2,701)	(31,431)
Administrative expenses (N3)	(2,585)	(1,946)	(5,627)	(6,044)
Profit/(Loss) from operations	926	(10,203)	7,680	(12,314)
Share of results of associates	9,948	12,917	30,360	43,889
Profit before interest and tax	10,874	2,714	38,040	31,575
Finance cost	(34,640)	(2,794)	(93,867)	(8,579)
(Loss)/Profit before tax	(23,766)	(80)	(55,827)	22,996
Taxation	5,428	102	3,595	(1,261)
(Loss)/Profit for the period	(18,338)	22	(52,232)	21,735
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	(18,338)	22	(52,232)	21,735
(Loss)/Profit for the period attributable to:				
Owners of the Company	(11,994)	(371)	(34,922)	20,467
Non-controlling Interests	(6,344)	393	(17,310)	1,268
	(18,338)	22	(52,232)	21,735
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(11,994)	(371)	(34,922)	20,467
Non-controlling Interests	(6,344)	393	(17,310)	1,268
	(18,338)	22	(52,232)	21,735
(Loss)/Earnings per share attributable to Owners of the Company :				
- Basic (sen)	(1.12)	(0.04)	(3.25)	2.04
- Diluted (sen)	(1.12)	(0.04)	(3.25)	2.04

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2020**

(The figures have been audited)

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

INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER 31/3/2020 RM'000	PRECEDING YEAR QUARTER 31/3/2019 RM'000	CURRENT FINANCIAL YEAR 31/3/2020 RM'000	PRECEDING FINANCIAL YEAR 31/3/2019 RM'000

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

- Interest income	274	829	1,217	2,887
- Distribution income	560	129	990	439
- Fair value gain on other investments	-	16	-	31
- Impairment on receivables from former associates no longer required	-	16,334	-	16,334
- Others	190	964	475	1,058
	<u>1,024</u>	<u>18,272</u>	<u>2,682</u>	<u>20,749</u>

N2) Included in Other Expenses

- Bad debts written off	-	(77)	-	(77)
- Depreciation	(91)	(31)	(297)	(114)
- Fair value loss on other investments	(2,394)	-	(2,369)	-
- Provision for impairment on receivable	(35)	-	(35)	-
- Compensation of loss payable to a former associate	-	(31,240)	-	(31,240)
	<u>(2,520)</u>	<u>(31,348)</u>	<u>(2,701)</u>	<u>(31,431)</u>

N3) Included in Administrative Expenses

- Professional fees on bridging loan	-	-	-	(1,125)
- Stamp duty on loan agreement	-	-	-	(750)
- Other administrative expenses	(2,585)	(1,946)	(5,627)	(4,169)
	<u>(2,585)</u>	<u>(1,946)</u>	<u>(5,627)</u>	<u>(6,044)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 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 2020**

(The figures have been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/3/2020	31/03/2019
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	3,260	2,387
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	4,547,715	3,562,511
Investment in associates	201,210	170,850
Deferred tax assets	20,310	-
Total Non-Current Assets	4,777,864	3,741,117
Current Assets		
Trade and other receivables	33,319	105,217
Tax recoverable	604	1,082
Other investments	53,218	23,271
Deposits placed with licenced banks	717,946	918,788
Cash and bank balances	30,752	2,346
Total Current Assets	835,839	1,050,704
TOTAL ASSETS	<u>5,613,703</u>	<u>4,791,821</u>
EQUITY AND LIABILITIES		
Share capital	1,113,583	1,045,081
Redeemable Convertible Preference Shares ("RCPS")	330,325	-
Warrant reserve	90,246	-
Accumulated losses	(379,746)	(344,824)
Attributable to Owners of the Company	<u>1,154,408</u>	<u>700,257</u>
Non-controlling interests	<u>24,636</u>	<u>41,946</u>
Total Equity	1,179,044	742,203
Non-current Liabilities		
Loans and borrowings	3,128,508	2,720,207
Deferred income	748,635	652,382
Deferred taxation	24,296	7,594
Other payables	214,193	131,000
Total Non-Current Liabilities	4,115,632	3,511,183
Current Liabilities		
Trade and other payables	318,962	388,402
Loans and borrowings	32	150,000
Tax payable	33	33
Total Current Liabilities	319,027	538,435
TOTAL LIABILITIES	4,434,659	4,049,618
EQUITY AND LIABILITIES	<u>5,613,703</u>	<u>4,791,821</u>
Net assets per share attributable to Owners of the Company (RM)	<u>1.0751</u>	<u>0.6983</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 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 2020
(The figures have been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company					Non- Controlling Interests	Total Equity
	Share Capital	RCPS	Warrants Reserve	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
<u>Current financial period</u>							
At 1 April 2019	1,045,081	-	-	(344,824)	700,257	41,946	742,203
Total comprehensive loss	-	-	-	(34,922)	(34,922)	(17,310)	(52,232)
Transactions with owners:							
Rights issue of RCPS with warrants	-	391,067	90,246	-	481,313	-	481,313
Transaction costs of RCPS issuance	-	(4,000)	-	-	(4,000)	-	(4,000)
Conversion of RCPS	68,502	(56,742)	-	-	11,760	-	11,760
Total transactions with owners	68,502	330,325	90,246	-	489,073	-	489,073
At 31 March 2020	1,113,583	330,325	90,246	(379,746)	1,154,408	24,636	1,179,044
<u>Preceding financial year</u>							
At 1 April 2018	1,045,081	-	-	(365,291)	679,790	40,678	720,468
Total comprehensive income	-	-	-	20,467	20,467	1,268	21,735
At 31 March 2019	1,045,081	-	-	(344,824)	700,257	41,946	742,203

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 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 2020**

(The figures have been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 month ended 31/3/2020 RM'000	12 month ended 31/3/2019 RM'000
OPERATING ACTIVITIES:		
(Loss)/Profit before taxation:	(55,827)	22,996
Adjustments for :		
Share of results of associates	(30,360)	(43,889)
Amortisation of infrastructure development expenditure	441	-
Amortisation of deferred income	(75)	-
Bad debts written off	-	77
Compensation of loss payable to a former associate	-	31,240
Depreciation of property, plant and equipment	315	114
Distribution income from other investments	(990)	(439)
Fair value gain on other investment	2,369	(959)
Gain on disposal of property	(176)	-
Impairment loss on receivables no longer required	-	(16,334)
Profit arising from IC Interpretation 12		
Services Concession Arrangements	(8,727)	(7,882)
Property, plant and equipment written off	74	-
Impairment loss on trade and other receivables	35	2
Interest income	(1,219)	(3,046)
Interest expense	93,864	8,579
Operating cash flows before changes in working capital	(276)	(9,541)
Changes in Working Capital:		
Receivables	64,628	(13,645)
Payables	(64,648)	(56,987)
Net cash flows used in operations	(296)	(80,173)
Income tax refunded/(paid)	465	(353)
Net cash flows from/(used in) operating activities	169	(80,526)

WCE HOLDINGS BERHAD (534368-A)**Interim financial report for the quarter ended 31 March 2020**

(The figures have been audited)

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

	12 month ended 31/3/2020 RM'000	12 month ended 31/3/2019 RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,882)	(587)
Infrastructure development expenditure	(994,320)	(886,998)
Proceeds from disposal of property	592	128
Proceeds from other investments	(31,326)	(13,411)
Changes in associate balances	(3)	(327)
(Placement)/upliftment of fixed deposits	(101,940)	186,387
Interest received	1,217	1,848
Net cash flows used in investing activities	<u>(1,127,662)</u>	<u>(712,960)</u>
FINANCING ACTIVITIES		
Drawdown of government support loan	219,000	150,000
Drawdown of term loan	224,399	403,207
Repayment of term loan	(150,000)	-
Interest paid	(9,248)	(8,579)
Issuance of RCPS	481,313	-
Finance lease liabilities	(19)	-
Transaction costs from rights issuance of RCPS	(4,000)	-
Proceeds from conversion of RCPS into share capital	11,760	-
Issuance of murabahah loan stocks	7,009	24,870
Amount owing to a corporate shareholder	72,903	35,291
Net cash flows from financing activities	<u>853,117</u>	<u>604,789</u>
Net change in cash and cash equivalents	(274,376)	(188,697)
Cash and cash equivalents at beginning of financial period	745,575	934,272
Cash and cash equivalents at end of financial period	<u><u>471,199</u></u>	<u><u>745,575</u></u>

Note :

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

Cash and bank balances	30,752	2,346
Fixed deposits with licensed banks	717,946	918,788
Less: Deposits with maturity of more than 3 months	(277,499)	(175,559)
	<u><u>471,199</u></u>	<u><u>745,575</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 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 2019 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 2019.

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 2019, except for the adoption of the following:

New MFRS

MFRS 16 Leases

Amendments to MFRSs

MFRS 9 Financial Instruments

MFRS 112 Income Taxes

MFRS 119 Employee Benefits

MFRS 123 Borrowing Costs

MFRS 128 Investments in Associates and Joint Ventures

New IC Interpretation (“IC Int”)

IC Int 23 Uncertainty over Income Tax Treatments

The initial adoption of the above MFRS, amendments to MFRSs and new IC Int does not have any material impact on the financial statements of the Group, except as mentioned below:

MFRS 16 Leases

The adoption of MFRS 16 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to identification of lease arrangements and accounting treatments for both lessors and lessees are amended to comply with MFRS 16. The effect of adoption MFRS 16 as at 1 April 2019 are as follows:

	Increase/(Decrease) RM’000
<u>Non-current assets</u>	
Property, plant and equipment	67
<u>Non-current liabilities</u>	
Loans and borrowings	18
<u>Current liabilities</u>	
Loans and borrowings	49

NOTES TO CONDENSED FINANCIAL STATEMENTS

A3. Seasonality or Cyclicity of Operations

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

A4. Unusual Items

There were no unusual items that have material effects on the financial statements in the current quarter.

A5. Material Changes in Estimates

There were no material changes in estimates that have a material effect in the current year quarter and current financial year.

A6. Debt and Equity Securities

In the quarter under review, the Company increased its:

- (i) share capital from RM1,090,840,737.52 to RM1,113,582,629.27 by way of conversion of 97,602,400 RCPS together with cash payment of RM0.04 each RCPS into 97,602,400 new shares.

There were no other 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

There were no material events subsequent to the financial period ended 31 March 2020.

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 been audited)

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

	Current quarter				Cumulative quarter			
	31/3/2020	31/3/2019	Changes		31/3/2020	31/3/2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<u>Segmental Revenue</u>								
Toll concession	121,465	265,748	(144,283)	-54%	814,745	754,633	60,112	8%
Investment holding, management services and others *	-	825	(825)	100%	-	5,011	(5,011)	100%
	<u>121,465</u>	<u>266,573</u>	<u>(145,108)</u>	<u>-54%</u>	<u>814,745</u>	<u>759,644</u>	<u>55,101</u>	<u>7%</u>
<u>(Loss)/Profit before tax</u>								
Toll concession	(32,809)	2,125	(34,934)	-1644%	(78,054)	7,783	(85,837)	-1103%
Investment holding, management services and others *	9,043	(2,205)	11,248	-510%	22,227	15,213	7,014	46%
	<u>(23,766)</u>	<u>(80)</u>	<u>(23,686)</u>	<u>29608%</u>	<u>(55,827)</u>	<u>22,996</u>	<u>(78,823)</u>	<u>-343%</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 RM121.5 million in the current quarter compared to RM266.6 million in the preceding year quarter. The lower IC12 construction revenue recognised for the WCE Project in the current quarter was mainly due to a lower rate of construction activity upon the completion of Sections 5, 8, 9 and 10 (i.e. 4 out of 11 sections) of the Project. In addition, all construction activities were temporarily halted with the implementation of the Movement Control Order (“MCO”) by the Government on 18 March 2020.

The Group recorded a loss before tax of RM23.8 million in the current quarter compared to RM0.08 million in the preceding year quarter. During the current quarter, the loss before tax mainly arises from the recognition of interest expense of RM33.9 million in respect of the financing cost for sections which are complete and open for traffic. The loss before tax was cushioned by the profit arising from the share of results of associates which amounted to RM9.9 million during the current quarter. However, share of results of associates has also decreased to RM9.9 million in the current quarter compared to RM12.9 million in the preceding year quarter. This is due to lower profits registered by Bandar Rimayu Sdn Bhd resulting from the delay in its launches due to product adjustments.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B2. Comparison with Immediate Preceding Quarter's Results

The Group recorded slightly higher revenue of RM96.3 million in the current quarter compared to RM83.2 million recorded in the immediate preceding quarter due to the commencement of tolling for Sections 8, 9 and 10 on 30 January 2020 and Section 5 on 1 March 2020.

The Group recorded a loss before tax of RM23.8 million in the current quarter compared to RM29.9 million in the immediate preceding quarter. The decrease in loss before tax is mainly contributed by the toll collection for Sections 5, 8, 9 and 10 which commenced during the current quarter. The loss before tax of RM23.8 million incurred during the current quarter mainly arises from the recognition of interest expense of RM33.9 million in respect of the financing cost for completed sections which are opened for traffic. However, the loss before tax was cushioned by the profit arising from the share of results of associates which amounted to RM9.9 million during the current quarter. Share of results of associates has slightly increased to RM9.9 million in the current quarter compared to RM9.5 million in the immediate preceding quarter.

B3. Prospects

Following the COVID-19 pandemic, the Government of Malaysia implemented a nationwide Movement Control Order ("MCO") effective from 18 March 2020. This had a severe impact on most businesses including the WCE Project. Construction activities on the uncompleted sections were temporarily stopped and traffic volumes on the opened sections recorded a substantial decrease.

With the implementation of the Conditional Movement Control Order ("CMCO") on 4 May 2020, the construction works have restarted with strict adherence to COVID-19 Standard Operating Procedures ("SOP") and Protocols. Traffic volume in the opened sections have also returned to the pre-MCO levels.

(a) Toll concession

The 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 WCE Project is divided into 11 sections of which Section 8 (Hutan Melintang - Teluk Intan) opened for traffic on 31 May 2019 followed by Sections 9 (Kampung Lekir - Changkat Cermin) and 10 (Changkat Cermin - Beruas) on 23 September 2019. On 10 December 2019, Section 5 (Bandar Bukit Raja to Kapar) was also opened for traffic. To-date, a total of 4 out of 11 sections have been opened for traffic and commenced tolling.

To ensure the successful completion of the WCE Project, WCESB assembled a project management team to undertake the WCE Project and the appointment of IJMC-KEB Joint Venture as the Turnkey/Engineering and Procurement Contractor for the construction of the WCE Project has allowed our Group to leverage on the manpower, skills and technical resources of IJM, which has a proven track record in undertaking projects of this nature.

NOTES TO CONDENSED FINANCIAL STATEMENTS

B3. Prospects (Cont'd)

(a) Toll concession (Cont'd)

The toll concession segment has reported a loss before tax in the current quarter mainly due to interest expense incurred in relation to the project financing for completed sections of the WCE Project. In accordance with MFRS 123, an entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use is complete. The interest expense was capitalised as part of the infrastructure development expenditure prior to the completion of the construction works. Upon the completion of sectional construction, the interest expense for these sections will be charged to statement of profit or loss. Following the gazette for tolling for Section 8, 9 and 10, West Coast Expressway Sdn Bhd has commenced tolling with effect on 30 January 2020 and correspondingly, the amortisation of infrastructure expenditure was charged to statement of profit or loss.

Going forward, the Group is expected to incur losses in the early years of toll operations due to the cessation of capitalisation of interest expenses for completed sections and the non-cash expenditure in respect of the amortisation of infrastructure development expenditure. Nevertheless, the commencement of toll operations of the West Coast Expressway is expected to improve the future financial performance of the Group in terms of cash flows and is expected to provide the Group a stable recurrent income over the concession period.

(b) Property development

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, tight financing and economic impact of COVID-19 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.

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 been audited)

NOTES TO CONDENSED FINANCIAL STATEMENTS**B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/3/2020 RM'000	Preceding Year Quarter 31/3/2019 RM'000	Current Year To-date 31/3/2020 RM'000	Preceding Year To-date 31/3/2019 RM'000
<u>Income Tax</u>				
Current year	-	7	-	7
Prior year	-	7	-	7
RPGT	5	-	13	
	<u>5</u>	<u>14</u>	<u>13</u>	<u>14</u>
<u>Deferred Tax</u>				
Current year	(4,983)	402	(3,158)	1,765
Prior year	(450)	(518)	(450)	(518)
Total	<u>(5,428)</u>	<u>(102)</u>	<u>(3,595)</u>	<u>1,261</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) Status of corporate proposals announced but not completed**

All corporate proposals announced have been completed as at the date of this announcement.

(b) Status of utilisation of proceeds

The Company has successfully raised a total of RM481.31 million from the Rights Issue of RCPS with free detachable warrants, which was completed on 25 November 2019. The status of utilisation of proceeds is as follows:-

	Proposed utilisation RM'000	Utilisation as at 31 Mar 2020 RM'000	Balance as at 31 Mar 2020 RM'000	Intended timeframe for utilisation from 31 Mar 2020 RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	320,000	(278,440)	41,560	Within 9 months
- Repayment of the Bridging Loan				
- Principal amount	150,000	(150,000)	-	Completed
- Partial settlement of interest incurred	4,000	(4,000)	-	Completed
- General working capital	3,313	(3,313)	-	Completed
- Defray Rights Issue expenses	4,000	(4,000)	-	Completed
	<u>481,313</u>	<u>(439,753)</u>	<u>41,560</u>	

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 2020 are as follows:

	RM'000
- secured	2,930,492
- unsecured	198,000
Total borrowings	<u>3,128,492</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 – Land Acquisition Claims

On 15 October 2018, 14 December 2018, 28 February 2019, 19 April 2019 and 17 July 2019, West Coast Expressway Sdn Bhd ("WCESB"), a 80%-owned subsidiary of the Company, has filed nine (9) applications amounting to RM28.15 million in aggregate pursuant to Section 38(1) of the Land Acquisition Act 1960 ("Land Acquisition Act") ("Applications") with the land administrator of the Klang District and the Kuala Langat District respectively, requiring the said land administrators to refer WCESB's objection to certain land compensation amounts awarded by them to land owners pursuant to the land acquisition for the WCE Project, to the High Court for determination. Out of the nine (9) applications, six (6) applications have been served with the private valuation report where WCESB is claiming for a reduction by RM10.71 million.

In accordance with Section 38(5) of the Land Acquisition Act, the land administrators are required to refer WCESB's objection to the High Court within six (6) months from the receipt of the Applications. In this regard, WCESB's objection to the land compensation amounts awarded have been fixed for case management at the Shah Alam High Court on July 2020.

The Board is of the opinion that WCESB has a fair chance of success in its Applications.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

B10. Dividend

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

B11. Earnings Per Share

Basic

The basic (loss)/earnings per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/3/2020	Preceding Year Quarter 31/3/2019	Current Financial Year 31/3/2020	Preceding Financial Year 31/3/2019
(Loss)/profit attributable to owners of the company (RM'000)	(11,994)	(371)	(34,922)	20,467
Weighted average number of ordinary shares ('000)	1,073,792	1,002,736	1,073,792	1,002,736
Basic (loss)/earnings per share (sen)	(1.12)	(0.04)	(3.25)	2.04

Diluted

The diluted earnings per share, assuming full conversion of the warrants, is equal to the basic earnings per share as the outstanding warrants are anti-dilutive due to the average market price of ordinary shares during the period being below the exercise price of the warrants.

B12. Audit Report

The auditors' report of the financial statements for the year ended 31 March 2019 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 29 June 2020.

By order of the Board

Raw Koon Beng
Company Secretary