

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 December 2020**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2020 RM'000	PRECEDING YEAR QUARTER 31/12/2019 RM'000	CURRENT FINANCIAL YEAR 31/12/2020 RM'000	PRECEDING FINANCIAL YEAR 31/12/2019 RM'000
Revenue	78,072	81,538	234,475	693,280
Cost of sales (N1)	(73,175)	(83,697)	(221,955)	(684,961)
Gross profit	4,897	(2,159)	12,520	8,319
Other income (N2)	553	1,140	2,755	1,683
Other expenses (N3)	(51)	(143)	(119)	(206)
Administrative expenses	(698)	(1,068)	(1,692)	(3,042)
<b>Profit from operations</b>	4,701	(2,230)	13,464	6,754
Share of results of associates	4,319	9,493	8,609	20,412
<b>Profit before interest and tax</b>	9,020	7,263	22,073	27,166
Finance cost	(37,460)	(38,811)	(119,629)	(59,227)
<b>Loss before tax</b>	(28,440)	(31,548)	(97,556)	(32,061)
Taxation	(569)	(220)	(951)	(1,833)
<b>Loss for the period</b>	(29,009)	(31,768)	(98,507)	(33,894)
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive loss</b>	(29,009)	(31,768)	(98,507)	(33,894)
<b>Loss for the period attributable to:</b>				
Owners of the Company	(21,828)	(23,653)	(75,338)	(22,928)
Non-controlling Interests	(7,181)	(8,115)	(23,169)	(10,966)
	(29,009)	(31,768)	(98,507)	(33,894)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(21,828)	(23,653)	(75,338)	(22,928)
Non-controlling Interests	(7,181)	(8,115)	(23,169)	(10,966)
	(29,009)	(31,768)	(98,507)	(33,894)
<b>Loss per share attributable to Owners of the Company :</b>				
- Basic (sen)	(1.65)	(2.36)	(5.71)	(2.29)
- Diluted (sen)	(1.65)	(2.36)	(5.71)	(2.29)

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

(The figures have not been audited)

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2020 RM'000	PRECEDING YEAR QUARTER 31/12/2019 RM'000	CURRENT FINANCIAL YEAR 31/12/2020 RM'000	PRECEDING FINANCIAL YEAR 31/12/2019 RM'000
<b>Notes: ( Refer to B1 "Review of Performance" for more information)</b>				
<b>N1) Included in Cost of Sales</b>				
- Amortisation of infrastructure development expenditure	(1,116)	-	(3,198)	-
- Depreciation	(72)	-	(215)	-
<b>N2) Included in Other Income</b>				
- Interest income	113	748	677	943
- Distribution income	126	321	661	430
- Fair value gain/(loss) on other investments	62	(21)	19	25
- Reversal of impairment on receivables	46	-	46	-
- Amortisation of deferred income	184	-	530	-
- Others	22	92	822	285
	<u>553</u>	<u>1,140</u>	<u>2,755</u>	<u>1,683</u>
<b>N3) Included in Other Expenses</b>				
- Bad debts written off	(18)	-	(36)	-
- Depreciation	(33)	(143)	(83)	(206)
	<u>(51)</u>	<u>(143)</u>	<u>(119)</u>	<u>(206)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.

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

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31/12/2020</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	3,090	3,260
Goodwill on consolidation	5,369	5,369
Infrastructure development expenditure	4,794,450	4,547,715
Investment in associates	209,818	201,210
Deferred tax asset	20,310	20,310
<b>Total Non-Current Assets</b>	<b>5,033,037</b>	<b>4,777,864</b>
<b>Current Assets</b>		
Trade and other receivables	37,709	33,319
Tax recoverable	1,256	604
Other investments	27,498	53,218
Deposits placed with licenced banks	558,855	717,946
Cash and bank balances	30,215	30,752
<b>Total Current Assets</b>	<b>655,533</b>	<b>835,839</b>
<b>TOTAL ASSETS</b>	<b>5,688,570</b>	<b>5,613,703</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,127,304	1,113,583
Redeemable Convertible Preference Shares ("RCPS")	318,959	330,325
Warrant reserve	90,246	90,246
Accumulated losses	(455,084)	(379,746)
<b>Attributable to Owners of the Company</b>	<b>1,081,425</b>	<b>1,154,408</b>
Non-controlling interests	1,467	24,636
<b>Total Equity</b>	<b>1,082,892</b>	<b>1,179,044</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	3,229,453	3,128,508
Deferred income	748,105	748,635
Deferred taxation	24,811	24,296
Other payables	271,705	214,193
<b>Total Non-Current Liabilities</b>	<b>4,274,074</b>	<b>4,115,632</b>
<b>Current Liabilities</b>		
Trade and other payables	331,554	318,962
Loans and borrowings	20	32
Tax payable	30	33
<b>Total Current Liabilities</b>	<b>331,604</b>	<b>319,027</b>
<b>TOTAL LIABILITIES</b>	<b>4,605,678</b>	<b>4,434,659</b>
<b>EQUITY AND LIABILITIES</b>	<b>5,688,570</b>	<b>5,613,703</b>
Net assets per share attributable to Owners of the Company (RM)	0.8190	0.8902

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.

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

**Interim financial report for the quarter ended 31 December 2020**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Attributable to Owners of the Company</u>				<b>Non- Controlling Interests</b>	<b>Total Equity</b>	
	<b>Share Capital</b>	<b>RCPS</b>	<b>Warrants Reserve</b>	<b>Accumulated Losses</b>			<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b><u>Current financial period</u></b>							
At 1 April 2020	1,113,583	330,325	90,246	(379,746)	1,154,408	24,636	1,179,044
<b>Total comprehensive loss</b>	-	-	-	(75,338)	(75,338)	(23,169)	(98,507)
<b>Transactions with owners:</b>							
Conversion of RCPS	13,721	(11,366)	-	-	2,355	-	2,355
At 31 December 2020	<u>1,127,304</u>	<u>318,959</u>	<u>90,246</u>	<u>(455,084)</u>	<u>1,081,425</u>	<u>1,467</u>	<u>1,082,892</u>
<b><u>Preceding financial year</u></b>							
At 1 April 2019	1,045,081	-	-	(344,824)	700,257	41,946	742,203
<b>Total comprehensive income</b>	-	-	-	(34,922)	(34,922)	(17,310)	(52,232)
<b>Transactions with owners:</b>							
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
<b>Total transactions with owners</b>	68,502	330,325	90,246	-	489,073	-	489,073
At 31 March 2020	<u>1,113,583</u>	<u>330,325</u>	<u>90,246</u>	<u>(379,746)</u>	<u>1,154,408</u>	<u>24,636</u>	<u>1,179,044</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 2020 and the accompanying explanatory notes attached to the interim financial report.

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

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 month ended 31/12/2020 RM'000</b>	<b>9 month ended 31/12/2019 RM'000</b>
<b>OPERATING ACTIVITIES:</b>		
Loss before taxation:	(97,556)	(32,061)
Adjustments for :		
Share of results of associates	(8,609)	(20,412)
Amortisation of infrastructure development expenditure	3,198	-
Amortisation of deferred income	(530)	-
Bad debts written off	36	-
Depreciation of property, plant and equipment	298	206
Distribution income from other investments	(661)	(430)
Fair value gain on other investments	(19)	(25)
Gain on disposal of property	-	(87)
Profit arising from IC Interpretation 12		
Service Concession Arrangements	(2,143)	(7,811)
Reversal of impairment loss on other receivables	(46)	-
Interest income	(677)	(943)
Interest expense	119,629	59,227
<b>Operating cash flows before changes in working capital</b>	<b>12,920</b>	<b>(2,336)</b>
Changes in Working Capital:		
Receivables	(5,489)	60,082
Payables	(74,576)	(58,372)
<b>Net cash flows from operations</b>	<b>(67,145)</b>	<b>(626)</b>
Income tax paid	(1,092)	(122)
Income tax refunded	-	600
<b>Net cash flows from operating activities</b>	<b>(68,237)</b>	<b>(148)</b>

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

(The figures have not been audited)

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

	<b>9 month ended 31/12/2020 RM'000</b>	<b>9 month ended 31/12/2019 RM'000</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(269)	(1,791)
Infrastructure development expenditure	(112,748)	(818,811)
Proceeds from disposal of property	-	250
Proceeds from other investments	26,400	(55,826)
Changes in associate balances	26	(38)
Placement of fixed deposits	(223,946)	(62,473)
Interest received	677	943
<b>Net cash flows used in investing activities</b>	<u>(309,860)</u>	<u>(937,746)</u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of government support loan	-	219,000
Drawdown of term loan	65,370	43,334
Interest paid	(87,243)	(59,227)
Finance cost related to lease liability	(12)	-
Issuance of RCPS	-	481,313
Transaction costs from rights issuance of RCPS	-	(4,000)
Proceeds from conversion of RCPS into share capital	2,355	7,856
Issuance of murabahah loan stocks	5,964	7,009
Amount owing to a corporate shareholder	8,089	67,932
<b>Net cash flows (used in)/from financing activities</b>	<u>(5,477)</u>	<u>763,217</u>
Net change in cash and cash equivalents	(383,574)	(174,677)
Cash and cash equivalents at beginning of financial period	516,241	745,575
Cash and cash equivalents at end of financial period	<u>132,667</u>	<u>570,898</u>

**Note :**

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

Cash and bank balances	30,215	79,761
Fixed deposits with licensed banks	558,855	729,169
Less: Deposits with maturity of more than 3 months	(456,403)	(238,032)
	<u>132,667</u>	<u>570,898</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2020 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 2020 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 2020.

#### **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 2020, except for the adoption of the following:

##### Amendments to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments to MFRSs does not have any material impact on the financial statements of the Group upon their initial application.

#### **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.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **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 RM1,119,075,861.06 to RM1,127,304,262.35 by way of conversion of 35,314,200 RCPS together with cash payment of RM0.04 each RCPS into 35,314,200 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 December 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.



**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 December 2020**  
(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>31/12/2020</u>	<u>31/12/2019</u>	<u>Changes</u>		<u>31/12/2020</u>	<u>31/12/2019</u>	<u>Changes</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
<b><u>Segmental Revenue</u></b>								
Toll concession	78,072	81,538	(3,466)	-4%	234,475	693,280	(458,805)	-66%
Investment holding, management services and others *	-	-	-	-	-	-	-	-
	<u>78,072</u>	<u>81,538</u>	<u>(3,466)</u>	<u>-4%</u>	<u>234,475</u>	<u>693,280</u>	<u>(458,805)</u>	<u>-66%</u>
<b><u>(Loss)/Profit before tax</u></b>								
Toll concession	(33,028)	(37,572)	4,544	-12%	(106,682)	(45,245)	(61,437)	136%
Investment holding, management services and others *	4,588	6,024	(1,436)	-24%	9,126	13,184	(4,058)	-31%
	<u>(28,440)</u>	<u>(31,548)</u>	<u>3,108</u>	<u>-10%</u>	<u>(97,556)</u>	<u>(32,061)</u>	<u>(65,495)</u>	<u>204%</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 RM78.1 million in the current quarter compared to RM81.5 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.

The Group recorded a loss before tax of RM28.4 million in the current quarter compared to RM31.5 million in the preceding year quarter. The loss before tax was mainly due to the recognition of interest expense of RM36.8 million (preceding year quarter: RM36.7 million) in respect of financing cost for completed sections which are opened for traffic. The loss before tax was mitigated by the share of profit from associates of RM4.3 million in the current quarter. The share of profit from associates is lower as compared to RM9.5 million in the preceding year quarter due to lower work progress achieved from the on-going projects during the current quarter as well as finalisation of development cost for completed phases which resulted in cost savings in the preceding year quarter.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

The Group recorded lower revenue of RM78.1 million in the current quarter compared to RM111.9 million recorded in the immediate preceding quarter due to a lower rate of construction activity during the Conditional Movement Control Order ("CMCO") that came into effect on 14 October 2020.

The Group recorded a loss before tax of RM28.4 million in the current quarter compared to RM30.0 million in the immediate preceding quarter. The losses before tax mainly arises from the recognition of interest expense of RM36.8 million (immediate preceding quarter: RM40.5 million) in respect of the financing cost for completed sections which are opened for traffic. The Group recorded a lower share of profit from associates of RM4.3 million in the current quarter as compared to RM4.6 million in the immediate preceding quarter.

### **B3. Prospects**

The Government of Malaysia had implemented a nationwide Movement Control Order ("MCO") on 18 March 2020 which had a severe impact on most businesses including the WCE Project, whereby construction activities were temporarily halted and traffic volumes recorded a substantial decrease.

The situation improved once the Conditional Movement Control Order ("CMCO") was implemented on 4 May 2020 but recently, the Government re-introduced the MCO 2.0 on 13 January 2021 following the significant spike in cases across the country. Whilst this is expected to have an adverse impact on traffic volume on the opened sections, the Group does not foresee that this would have a significant impact on either the ongoing construction activities or the financial position of the Group.

#### **(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. 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.

#### (c) Construction

KEB Builders Sdn Bhd, a wholly owned subsidiary of the Company, has entered into a Memorandum of Agreement (“MOA”) to undertake, on a design, build and manage basis, the construction works of a proposed access from West Coast Expressway to a mixed development project in Kota Seri Langat. This Proposed Access will be known as the Kota Seri Langat “*Left-In and Left-Out Interchange*” and includes the construction works of a bridge, main drainage, water pipes and associated works for a total consideration of RM126.8 million (“the Seri Langat Project”). The Seri Langat Project is expected to contribute positively towards the future earnings of WCEHB Group.

### **B4. Profit Forecast and Guarantee**

No profit forecast or guarantee was issued in respect of the current financial year.

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 December 2020**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2020 RM'000	Preceding Year Quarter 31/12/2019 RM'000	Current Year To-date 31/12/2020 RM'000	Preceding Year To-date 31/12/2019 RM'000
<u>Income Tax</u>				
Current year	-	-	-	-
Prior year	437	-	437	-
	<u>437</u>	<u>-</u>	<u>437</u>	<u>-</u>
<u>Deferred Tax</u>				
Current year	132	220	514	1,833
Total	<u>569</u>	<u>220</u>	<u>951</u>	<u>1,833</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 Dec 2020 RM'000	Balance as at 31 Dec 2020 RM'000	Intended timeframe for utilisation from 31 Dec 2020 RM'000
- Injection as equity, convertible and/ or subordinated advances into WCESB	320,000	(320,000)	-	Completed
- 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>(481,313)</u>	<u>-</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 December 2020 are as follows:

	<b>RM'000</b>
- secured	3,031,436
- unsecured	198,037
Total borrowings	<u>3,229,473</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 filed, the High Court has delivered its judgement on three (3) applications where a total sum of approximately RM0.3 million of the land compensation awards were successfully reduced.

The remaining six (6) applications have been fixed for case management/hearing at the High Court in March 2021.

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

**WCE HOLDINGS BERHAD (534368-A)**  
**Interim financial report for the quarter ended 31 December 2020**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B10. Dividend**

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

**B11. Loss Per Share**

**Basic**

The basic loss per share is calculated as follows :

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2020	Preceding Year Quarter 31/12/2019	Current Financial Year 31/12/2020	Preceding Financial Year 31/12/2019
Loss attributable to owners of the company (RM'000)	(21,828)	(23,653)	(75,338)	(22,928)
Weighted average number of ordinary shares ('000)	1,320,371	1,002,736	1,320,371	1,002,736
Basic loss per share (sen)	(1.65)	(2.36)	(5.71)	(2.29)

**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 2020 was not subject to any qualification.

**B13. Authorisation for Issue**

The interim financial reports were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 February 2021.

By order of the Board

Raw Koon Beng  
Company Secretary