

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine(9) months ended 30 September 2019

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	8,798	9,499	27,785	26,453
Operating Expenses	(10,370)	(10,120)	(31,696)	(30,129)
Profit/(Loss) from Operations	<u>(1,572)</u>	<u>(621)</u>	<u>(3,911)</u>	<u>(3,676)</u>
Net interest income/(expense)	308	96	792	261
Profit/(Loss) before taxation	<u>(1,264)</u>	<u>(525)</u>	<u>(3,119)</u>	<u>(3,415)</u>
Income tax expense	(711)	(823)	(1,814)	(3,017)
Net Profit/(Loss) for the period	<u><u>(1,975)</u></u>	<u><u>(1,348)</u></u>	<u><u>(4,933)</u></u>	<u><u>(6,432)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	<u>1,010</u>	<u>169</u>	<u>(2,654)</u>	<u>(2,266)</u>
Other comprehensive (loss)/income for the period, net of tax	<u>1,010</u>	<u>169</u>	<u>(2,654)</u>	<u>(2,266)</u>
Total comprehensive income/(loss) for the period	<u><u>(965)</u></u>	<u><u>(1,179)</u></u>	<u><u>(7,587)</u></u>	<u><u>(8,698)</u></u>
Attributable to:				
Equity holders of the Company	(2,182)	(1,934)	(5,969)	(7,983)
Non-controlling interests	<u>207</u>	<u>586</u>	<u>1,036</u>	<u>1,551</u>
	<u><u>(1,975)</u></u>	<u><u>(1,348)</u></u>	<u><u>(4,933)</u></u>	<u><u>(6,432)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(1,676)	(1,912)	(7,537)	(9,399)
Non-controlling interests	<u>711</u>	<u>733</u>	<u>(50)</u>	<u>701</u>
	<u><u>(965)</u></u>	<u><u>(1,179)</u></u>	<u><u>(7,587)</u></u>	<u><u>(8,698)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.37)	(0.33)	(1.02)	(1.37)

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)

(Incorporated in Malaysia)

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**For the Nine(9) months ended 30 September 2019**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30-Sep-19 Unaudited RM'000	30-Sep-18 Unaudited RM'000	30-Sep-19 Unaudited RM'000	30-Sep-18 Unaudited RM'000
Profit before taxation				
Included in the Profit before tax are the following items:				
Allowance for impairment of receivables	(173)	111	-	284
Amortisation of product development expenditure	461	365	1,149	1,053
Bad debts recovered	(78)	-	(78)	-
Bad debts written off	(172)	(3)	-	169
Depreciation of plant and equipment	358	292	959	893
(Gain)/loss on disposal of plant and equipment	101	(33)	(173)	(307)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(192)	(66)	15	141
- Unrealised	85	(125)	131	(79)
<u>Interest expense/(income)</u>				
- Interest expense	5	8	24	27
- Interest income	(633)	(105)	(816)	(288)
Inventories written down	-	-	-	-
Inventories written off	-	-	-	-
Property, plant and equipment written off	24	-	24	-

There is no income/expenses in relation to the below items :

- Allowance for impairment of joint venture
- Exceptional items (Otherwise disclosed)
- Gain/loss on derivatives
- Impairment loss on goodwill
- Impairment loss on investment in an associate
- Investment income - Profit Guarantee ; and
- Product development expenditure written off

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2019

	30-Sep-19 Unaudited RM'000	31-Dec-18 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	5,225	5,464
Intangible Asset	3,153	3,497
Other investment	2,009	2,009
Trade and other receivables	39	43
Deferred tax assets	35	39
	<u>10,461</u>	<u>11,052</u>
Current Assets		
Other investment	4,005	4,440
Inventories	2,213	2,244
Trade and other receivables	24,979	24,418
Amount due from related company	-	-
Amount due from jointly controlled entity	-	-
Tax refundable	13	13
Cash and bank balances	10,131	13,696
	<u>41,341</u>	<u>44,811</u>
Asset classified as held for sale	-	-
TOTAL ASSETS	<u>51,802</u>	<u>55,863</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	62,946	62,946
Share premium	-	-
Treasury shares	(566)	(566)
Warrant reserve	9,816	9,816
Accumulated losses	(41,764)	(35,795)
Foreign currency translation reserve	(3,742)	(2,174)
	<u>26,690</u>	<u>34,227</u>
Non-controlling interests	<u>7,253</u>	<u>8,940</u>
Total equity	<u>33,943</u>	<u>43,167</u>
Current Liabilities		
Trade and other payables	15,379	11,994
Loans and borrowings	130	117
Amount due to a director	550	-
Tax payable	1,277	-
	<u>17,336</u>	<u>12,111</u>
Non-current Liabilities		
Loans and borrowings	457	521
Deferred tax liabilities	58	56
Provision for gratuity	8	8
	<u>523</u>	<u>585</u>
Total liabilities	<u>17,859</u>	<u>12,696</u>
TOTAL EQUITY AND LIABILITIES	<u>51,802</u>	<u>55,863</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	4.57	5.86

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine(9) months ended 30 September 2019

	(Note a) Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non-Controlling Interests RM'000	Total RM'000
Six(9) months ended 30 September 2019									
Balance at 1 January 2019	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167
Total comprehensive income/(loss) for the period	-	-	-	-	(1,568)	(5,969)	(7,537)	(51)	(7,588)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(1,636)	(1,636)
Balance at 30 September 2019	62,946	-	(566)	9,816	(3,742)	(41,764)	26,691	7,253	33,944
Eighteen (18) months ended 31 December 2018									
Balance at 1 July 2017	62,946	-	(566)	9,816	2,414	(20,124)	54,486	10,373	64,859
Issuance of shares	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(4,588)	(15,671)	(20,259)	(731)	(20,989)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(703)	(703)
Balance at 31 December 2018	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167

Note a

With the Companies Act 2016 ("NewAct") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,261,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**For the Nine(9) months ended 30 September 2019**

	9 months ended	
	30-Sep-19	30-Sep-18
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(3,119)	(3,415)
Adjustment for :		-
Allowance for impairment of receivables	-	284
Allowance for impairment of amount owing from joint venture	-	-
Amortisation of product development expenditure	1,149	1,053
Bad debts recovered	(78)	-
Bad debts written off	-	169
Depreciation of plant and equipment	959	893
Deposit and prepayment written off	-	-
(Gain)/loss on disposal of plant and equipment	(173)	(307)
(Gain)/loss on foreign exchange translation - Realised	15	141
(Gain)/loss on foreign exchange translation - Unrealised	131	(79)
Impairment loss on investment in associate	-	-
Investment income from profit guarantee	-	-
Interest expense	24	27
Interest income	(816)	(288)
Inventories write-down	-	-
Inventories written off	-	-
Plant and equipment written off	24	-
Operating profit before working capital changes	<u>(1,884)</u>	<u>(1,522)</u>
Changes in working capital :		
Increase/(Decrease) in inventories	31	1,657
Increase/(Decrease) in trade and other receivables	(625)	2,677
Decrease in amount due from an joint venture	-	-
(Decrease)/Increase in trade and other payables	3,385	(1,075)
(Decrease)/Increase in amount due to a Director	550	(11)
Cash flows (used in)/generated from operating activities	<u>1,457</u>	<u>1,726</u>
Interest expense	-	-
Tax paid	(531)	(2,593)
Net cash (used in)/generated from operating activities	<u>926</u>	<u>(867)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Addition) / Return of other investment	435	-
Interest received	816	288
Purchase of plant and equipment	(571)	(390)
Product development expenditure	(805)	(738)
Net cash used in investing activities	<u>(125)</u>	<u>(840)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	(24)	(27)
Dividend paid by subsidiaries to non-controlling interests	(1,636)	(703)
Repayment of loans and borrowings	(51)	(94)
Net cash generated from/(used in) financing activities	<u>(1,711)</u>	<u>(824)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(910)	(2,531)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(2,655)	(2,266)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>13,696</u>	<u>26,598</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>10,131</u>	<u>21,801</u>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and banks balances.

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Significant Accounting Policies

The accounting policies applied by the Group in preparing the condensed consolidated interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2018.

The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2018 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

3. Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter under review.

5. Changes in Accounting Estimates and Errors

There were no changes in accounting estimates or error that have a material effect in the current quarter under review.

6. Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-back, shares cancellations, shares held as treasury shares and resale of treasury shares in the current quarter under review.

7. Dividend Paid

No dividend has been proposed or paid in the current quarter under review.

8. Segmental Information

Segmental information of the results of the Group for the cumulative quarter is as follows:

(i) Geographical Segment

<u>9 months ended</u> <u>30 September 19</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	13,229	170	17,314	1,183	(4,111)	27,785
Segment results	(556)	(1,127)	4,735	(3,700)	(3,263)	(3,911)
Interest (expense)/income	(24)	-	-	-	816	792
Profit/(loss) before taxation	(580)	(1,127)	4,735	(3,700)	(2,447)	(3,119)
Segment assets	51,304	7,635	30,632	30,762	(68,531)	51,802
Segment liabilities	35,981	4,450	6,931	43,537	(73,040)	17,859

<u>9 months ended</u> <u>30 September 18</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	6,062	269	20,409	881	(1,168)	26,453
Segment results	(4,691)	(909)	7,333	(5,141)	(268)	(3,676)
Interest (expense)/income	(27)	-	-	-	288	261
Profit/(loss) before taxation	(4,718)	(909)	7,333	(5,141)	20	(3,415)
Segment assets	49,294	7,676	36,832	31,736	(61,319)	64,219
Segment liabilities	29,162	3,387	5,968	40,752	(67,791)	11,478

8. Segmental Information (cont'd)

(ii) Business Segment

<u>9 months ended</u> <u>30 September 19</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	28,082	3,814	(4,111)	27,785
Segment results	5,139	(5,787)	(3,263)	(3,911)
Interest income/(expense)	(24)	-	816	792
Profit/(loss) before taxation	5,115	(5,787)	(2,447)	(3,119)
Segment assets	102,205	18,128	(68,531)	51,802
Segment liabilities	43,534	47,365	(73,040)	17,859

<u>9 months ended</u> <u>30 September 18</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	26,268	1,353	(1,168)	26,453
Segment results	5,561	(8,969)	(268)	(3,676)
Interest income/(expense)	(27)	-	288	261
Profit/(loss) before taxation	5,534	(8,969)	20	(3,415)
Segment assets	121,626	3,912	(61,319)	64,219
Segment liabilities	54,670	24,599	(67,791)	11,478

9. Related parties transactions

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30-Sept-19 RM'000	30-Sept-18 RM'000	30-Sept-19 RM'000	30-Sept-18 RM'000
Sales to a related party	11	1	35	4
Purchase from a related party	39	14	106	36
	<u>50</u>	<u>15</u>	<u>141</u>	<u>40</u>

The transactions were carried out in the ordinary course of business and are on normal commercial terms

10. Subsequent Events

There was no material event took place between 1st January 2019 to the seventh day before the date of issuing this report.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

11. Performance Review

Table 1: Financial review for current quarter and financial year to date

Business Segment	Current quarter 3 months ended			Cumulative quarter 9 months ended		
	30-Sept-19	30-Sept-18	Changes	30-Sept-19	30-Sept-18	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Mobile Solutions and Trading						
Revenue	10,740	9,069	18%	28,082	26,268	7%
Profit/(loss) before taxation	3,099	2,208	40%	5,115	5,534	-8%
Cloud Service Solutions						
Revenue	1,110	784	42%	3,814	1,353	182%
Profit/(loss) before taxation	(1,916)	(2,791)	-31%	(5,787)	(8,969)	-35%
Adjustment						
Revenue	(3,052)	(354)	762%	(4,111)	(1,168)	252%
Profit/(loss) before taxation	(2,447)	58	4319%	(2,447)	20	-12235%
Total						
Revenue	8,798	9,499	-7%	27,785	26,453	5%
Profit/(loss) before taxation	(1,264)	(525)	141%	(3,119)	(3,415)	-9%
Profit/(loss) after taxation	(1,975)	(1,348)	47%	(4,933)	(6,432)	-23%
Profit/(loss) attributable to owners of the company	(2,182)	(1,934)	13%	(5,969)	(7,983)	-25%

Review of result for the quarter

For the quarter under review, the Group reported a revenue of RM8.8 million, which was 7% lower than the RM9.5 million reported in the previous year corresponding quarter, due to the depreciate of Ringgit Malaysia against Pakistan Rupee resulted in lower revenue contribution from Mobile Solutions and Trading segment.

The Group posted a loss before tax of RM1.26 million in the current quarter as compared to a loss before tax of RM0.5 million reported in Q3 previous year mainly due to lower profit contributed from Mobile Solution and Trading segment. Additionally, the group also registered a withholding tax expenses of RM0.5 million for dividend received from subsidiary company in Pakistan in this current quarter.

Review of result for the 9-months of financial period

For the financial period under review, the Group reported a revenue of RM27.79 million, which was 5% higher than the RM26.45 million reported in previous year corresponding period, mainly due to higher sales in Cloud Solution Service.

The Group posted a loss before tax of RM3.12 million for the current period as compared to RM3.42 million in previous year corresponding period. The lower loss before tax was mainly due to lower operating expenses.

Table 2: Financial review for current quarter compared with immediate preceding quarter

Business Segment	Current quarter 3 months ended		
	30-Sept-19	30-Jun-19	Changes
	RM'000	RM'000	(%)
Mobile Solutions and Trading			
Revenue	10,740	9,177	17%
Profit/(loss) before taxation	3,099	992	212%
Cloud Service Solutions			
Revenue	1,110	1,111	0%
Profit/(loss) before taxation	(1,916)	(2,081)	8%
Adjustment			
Revenue	(3,052)	(569)	436%
Profit/(loss) before taxation	(2,447)	24	-10296%
Total			
Revenue	8,798	9,719	-9%
Profit/(loss) before taxation	(1,264)	(1,065)	19%
Profit/(loss) after taxation	(1,975)	(1,688)	17%
Profit/(loss) attributable to owners of the company	(2,182)	(2,125)	3%

Review of result of third quarter 2019 vs second quarter 2019

The Group reported a revenue of RM 8.8 million in this current quarter under review as compared to RM9.7 million in the preceding quarter. The quarter-on-quarter decrease was due to lower revenue contribution from Mobile Solution and Trading service.

The Group reported a loss before tax of RM1.26 million as compared to RM1.07 million in the preceding quarter. The increase of quarter-on-quarter loss before tax was attributable to a withholding tax of RM0.5 million for dividend received from subsidiary company in Pakistan in this current quarter.

12. Commentary on Prospects

This quarter, the company recorded total revenue of RM8.80 million, a reduction of RM0.92 million from the previous quarter. The overall business environment has remained stable, but our sales and technical team has been preoccupied with some existing projects and tenders, hence an impact on our revenue.

We continue to gain ground in our display panel business, albeit at a slower than expected pace. The common obstacle we have been encountering is the reduction of budgets for businesses and particularly event organizers, who have in the past provided significant business to us. Nevertheless, we have a growing database of clientele, and sales prospects are positive in the near future. More importantly, we are establishing ourselves as a “go-to” name for digital signage and are adjusting our marketing strategy and positioning the brand accordingly.

Our larger projects are actively being developed, but as mentioned before, the requirements for large enterprises are much more stringent in terms of their corporate identity requirements, installation standards, and overall outlook. Hence, a lot more time and effort are necessary for us to fulfill these projects which demand heavy customization. In fact, several of the projects involve one-off installations of large indoor and outdoor digital screens, and we ourselves are faced with a learning curve to satisfy clients.

Malaysia & South East Asia

The Group are continuing their ongoing negotiations with several clients for larger projects. However, these take time to come to fruition, and the prospective clients are continuing to test the suitability of our solutions. There are 2 large shopping malls that are in the closing stages of negotiation, and for one of them we are simply awaiting confirmation before we begin work. This is a high-profile mall, and if successful, will help to propel us to the forefront of digital signage providers in Malaysia.

The Group has also begun collaborative discussions with several retail Point-Of-Sales (“POS”) system providers. These system suppliers already have a well-established client base, which we will be able to access. We have both the manpower and ability to integrate our displays with the POS systems to provide a complete end-to-end solution to the retailers, particularly in the food & beverage industry.

Hong Kong & China

Factories for digital signage panels continue to flourish, but we have encountered some difficulty in marketing our software via these channels. We have continued to direct resources to finding a marketing strategy that allows us to most effectively sell our product in spite of the limited resources in dealing with clients from around the world.

Our software is still proven to provide the best value for money in terms of functions per dollar spent. Feedback from clients remains positive, hence the continued use by many large companies, including an international hotel chain with almost 100 properties.

13. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

14. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-Sept-19	30-Sept-18	30-Sept-19	30-Sept-18
	RM'000	RM'000	RM'000	RM'000
In respect of current period:-				
- Malaysian tax	-	-	-	-
- Foreign tax	711	823	1,814	3,017
	<u>711</u>	<u>823</u>	<u>1,814</u>	<u>3,017</u>

Foreign income tax is calculated at the statutory tax rate of 29% of the estimated assessable profit for the current and the statutory tax rate of 30% of the actual profit for previous corresponding periods for subsidiary company in Pakistan.

15. Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2019 and 31 December 2018 are as follows:

	30-Sept-19	31-Dec-18
	RM'000	RM'000
Current		
<u>Secured</u>		
- Term loan	66	64
- Obligations under finance leases	63	52
	<u>129</u>	<u>116</u>
Non-current		
<u>Secured</u>		
- Term loan	187	242
- Obligations under finance leases	270	279
	<u>457</u>	<u>521</u>
Total Group borrowings	<u>586</u>	<u>637</u>

The Group did not have any debt securities as at 30 September 2019.

16. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings as at 31 September 2019 and 31 December 2018 are analysed as follows:

	30-Sept-19 RM'000	31-Dec-18 RM'000
The accumulated losses of the Group		
- Realised	(41,709)	(35,739)
- Unrealised	(55)	(56)
Total Group accumulated losses as per unaudited consolidated financial statement	<u>(41,764)</u>	<u>(35,795)</u>

17. Changes in Material Litigation

As at the seventh (7th) day before the date of issuing this report, the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

18. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and non-controlling interests by the weighted average number of ordinary shares in the respective period as follows:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-Sept-19	30-Sept-18	30-Sept-19	30-Sept-18
Profit/(Loss) after tax and non-controlling interests (RM'000)	(2,182)	(1,934)	(5,969)	(7,983)
Weighted average number of ordinary shares in issue	584,288,820	584,288,820	584,288,820	584,288,820
<u>Profit/(Loss) Per Share</u>				
Basic Earnings/(Diluted) Sen	(0.37)	(0.33)	(1.02)	(1.37)

19. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

20. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

21. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not qualified.

By order of the Board of Directors

Lim Seng Boon
Director
21 November 2019