

**WMG HOLDINGS BHD.**

(Company no. 1166985-X)

(Incorporated in Malaysia)

**Unaudited Interim Financial Statements**

**For The Second Quarter Ended 30 June 2017**

**WMG HOLDINGS BHD.** (1166985-X)

Interim financial statements for the second quarter ended 30 June 2017

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**Statement of Comprehensive Income**

	Note	<b>Individual Quarter</b>		<b>Financial Year-to-date</b>	
		<b>3 months ended</b>		<b>6 months ended</b>	
		<b>30/06/2017</b>	<b>30/06/2016</b>	<b>30/06/2017</b>	<b>30/06/2016</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	8	-	-	-	-
Cost of sales		-	-	-	-
Gross loss		-	-	-	-
Administrative expenses		-	-	-	-
Loss from operations		-	-	-	-
Interest on fixed deposits		-	-	-	-
Loss before tax	9	-	-	-	-
Income tax expense	11	-	-	-	-
Loss for the period		-	-	-	-
Other comprehensive income, net of tax:		-	-	-	-
Total comprehensive loss for the period		-	-	-	-
Loss attributable to owners of the Company		-	-	-	-
Total comprehensive loss attributable to owners of the Company		-	-	-	-
Loss per share attributable to owners of the Company:	12	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic/Diluted		-	-	-	-

The statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**Statement of Financial Position**

<b>ASSETS</b>	<b>Note</b>	<b>AS AT 30/06/2016 RM'000</b>	<b>AS AT 31/12/2016 RM'000</b>
<b>Non-current Assets</b>		-	-
		-	-
<b>Current Assets</b>			
Inventories			
Trade receivables		-	-
Other receivables		-	-
Prepayments		-	-
Other investments		-	-
Fixed deposits		-	-
Cash and bank balances		5	*
		5	*
<b>Total Assets</b>		<b>5</b>	<b>*</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		*	*
Reserves		(15)	(15)
<b>Total Equity</b>		<b>(15)</b>	<b>(15)</b>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		-	-
		-	-
<b>Current Liabilities</b>			
Trade payables		-	-
Other payables		20	15
		20	15
<b>Total Liabilities</b>		<b>20</b>	<b>15</b>
<b>Total Equity and Liabilities</b>		<b>5</b>	<b>*</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>			

Note: \* represents RM2.

The statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**Statement of Changes in Equity**

< -----Attributable to owners of the Company----->  
 <----- Non-distributable ----->

	Share Capital	Share Premium	Treasury Shares	Other Reserves	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 Jan 2016</b>	*	-	-	-	(5)	(5)
Total comprehensive loss for the period	-	-	-	-	-	-
<b>At 30 June 2016</b>	*	-	-	-	(5)	(5)
<b>At 1 Jan 2017</b>	*	-	-	-	(15)	(15)
Total comprehensive loss for the period	-	-	-	-	-	-
<b>At 30 June 2017</b>	*	-	-	-	(15)	(15)

Note: \* represents RM2.

The statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**Statement of Cash Flows**

	<b>6 months ended</b>	
	<b>30/06/2017</b>	<b>30/06/2016</b>
	<b>RM'000</b>	<b>RM'0000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	**	**
<b>Adjustments for:</b>		
Dividend income	-	-
Operating loss before working capital changes	**	**
(Decrease)/increase in payables	5	**
Net cash flows used in operating activities	5	-
<b>Cash flows from investing activities</b>		
Dividend income	-	-
Net cash flows (used in)/from investing activities	-	-
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Net cash flows from financing activities	-	-
<b>Net decrease in cash and cash equivalents</b>	5	-
<b>Cash and cash equivalents at beginning of financial year</b>	**	**
<b>Cash and cash equivalents at end of financial period</b>	15 5	**

Note: \*\* less than RM1,000

The statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

## **(A) Notes to the interim financial statements**

### **1) Basis of preparation**

WMG Holdings Bhd is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad on 31 July 2017.

The unaudited interim financial statements, for the period ended 30 June 2017, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

This is the first set of interim financial report and the explanatory notes attached to the interim financial report 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 December 2016.

### **2) Accounting Policies**

The accounting policies and presentation adopted for the interim financial reporting are consistent with those adopted for the audited financial statements of the company for the year ended 31 December 2016.

### **3) Seasonality of operations**

The above is not applicable.

### **4) Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the interim period under review.

### **5) Changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or the prior financial year that have a material effect in the interim period under review.

### **6) Changes in the composition of the Group**

There were no changes in the composition of the Company during the interim period under review.

### **7) Share capital, share premium and treasury shares**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period under review.

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**8) Segment information**

There is no segmental information as the Company is an investment holding.

**9) Loss before tax**

Included in the loss before tax are the following items:

	Individual Quarter		Financial Year-to-date	
	3 months ended		6 months ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	-	-	-	-
(b) Other income including investment income	-	-	-	-
(c) Interest expenses	-	-	-	-
(d) Depreciation and amortization	-	-	-	-
(e) Provision for and write off of receivables	-	-	-	-
(f) Provision for and write off of inventories (included in other expenses)	-	-	-	-
(g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets/other investments	-	-	-	-
(i) Foreign exchange gain/(loss)	-	-	-	-
(j) Gain or loss on derivatives	-	-	-	-

**10) Events after the reporting period**

There were no material events subsequent to the end of the interim period other than the followings:

The Company (WMG) was listed on Bursa Malaysia Securities Berhad on 31 July 2017 pursuant to the Reverse Takeover of Tekala Corporation Berhad (Tekala) by WMG.

As an integral part of the RTO of Tekala by WMG, WMG (as buyer) and Syarikat Kretam (Far East) Holdings Sdn Bhd (SKHSB) (as seller) and Tekala on 3 December 2015, entered into

- (i) Share Sale Agreements whereby, WMG acquired the entire interests in Ritai Sdn Bhd, Cosmopolitan Company Sdn Berhad, Syarikat Far East Development Sdn Bhd, Velda Development Sdn Bhd and Wah Mie Realty Sdn Bhd from SKHSB for a total purchase consideration of RM511,281,792 (Acquisitions of Target Companies) satisfied by the issuance of:-
  - (a) 240,000,000 new ordinary shares in WMG at an issue price of RM0.50 each;
  - (b) 180,000,000 new redeemable convertible preference shares in WMG at an issue price of RM1.00 each; and
  - (c) 211,281,792 new irredeemable convertible preference shares in WMG at an issue price of RM1.00 each.



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- (ii) The Scheme Agreement to implement the Share Exchange which involved the exchange of the entire issued and paid-up share capital of Tekala, comprising 139,975,300 ordinary shares in Tekala (Tekala Shares) (excluding 13,008,000 Tekala Shares held as treasury shares) for 186,167,149 new WMG Shares on the basis of 133 new WMG Shares for every 100 existing Tekala Shares held and the assumption of Tekala's listing status of WMG (Share Exchange with Tekala).

The effective dates of the acquisitions of Target Companies and the Share Exchange were 3 July 2017 and 19 July 2017 respectively.

**11) Income tax expense**

	Individual Quarter		Financial Year-to-date	
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Current income tax	-	-	-	-

**12) Loss per share**

	Individual Quarter		Financial Year-to-date	
	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>(a) Basic loss per share</b>				
Loss attributable to owners of the Company (RM)	-	-	-	-
Weighted average number of ordinary shares in issue			-	-
Basic loss per share (sen)	-	-	-	-
<b>(b) Diluted loss per share</b>				
Loss attributable to owners of the Company (RM)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable for dilutive effects of share options granted			-	-
Diluted loss per share (sen)	-	-	-	-

The Company has no potential ordinary shares in issue as at the end of financial period and therefore, basic and diluted loss per share are equal.

**13) Contingencies**

There were no changes in contingent liabilities since the last balance sheet date, 31 December 2016 to 25 August 2017, the latest practicable date which is not earlier than 7 days from the issue of this interim financial statements.

**14) Dividends**

For the period ended 30 June 2017, the Directors do not recommend payment of dividend. (2016:Nil).

The total dividend for the current financial year is Nil (2016: Nil).

## **(B) Additional information required by Bursa Malaysia Securities Berhad's Listing Requirements**

### **1. Performance review**

For the current quarter ended 30 June 2017, the Group recorded revenue and profit before tax of RM Nil as compared to revenue and profit before tax of RM Nil in the previous corresponding quarter.

For the current period ended 30 June 2017, the Group recorded revenue of RM Nil as compared to the previous corresponding period of RM Nil and a loss before tax of RM Nil as compared to loss before tax of RM Nil in the previous corresponding period.

### **2. Comments on material changes in profit before taxation**

The Group loss before tax of RM Nil for the current quarter as compared to the immediate preceding quarter loss before tax of RM Nil.

### **3. Commentary on Prospects**

Barring any unforeseen circumstances, the Directors expect the property development of the Target companies acquired to be satisfactory.

### **4. Profits forecast and profit guarantee**

The above is not applicable as no profit forecast and profit guarantee were provided.

### **5. Income tax expense**

This is stated in note 11 to the interim financial report.

### **6. Corporate proposals**

There were no corporate proposals announced but not completed as at 25 August 2017, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements.

### **7. Group borrowings and debt securities**

There were no Group borrowings and debt securities as at 30 June 2017 and 31 December 2016.

### **8. Changes in material litigation**

The Group did not have any material litigation as at 25 August 2017, the latest practicable date which is not earlier than 7 days from the date of issue of these interim financial statements.

### **9. Dividends**

This is stated in note 14 to the interim financial statements.

### **10. Earnings/(loss) per share**

This is stated in note 12 to the interim financial statements.

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**11. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Company for the preceding financial year ended 31 December 2016 was not subject to any qualification.

**12. Profit/(loss) before tax**

Disclosure of items as required under Appendix 9B, Part A(16) of Bursa Malaysia Securities Bhd listing requirements is stated in note 9 to the interim financial statements.

**13. Disclosure of derivatives**

The Group did not enter into any derivatives during the period ended 30 June 2016 or the previous financial year ended 31 December 2016.

**14. 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 or loss as at 30 June 2017 and 31 December 2016.

**15. Breakdown of realised and unrealised profits or losses**

The above disclosure in the format prescribed by Bursa Malaysia Securities Bhd is as follows:

	<b>As at 30.06.2017 RM'000</b>	<b>As at 31.12.2016 RM'000</b>
Total accumulated losses of the Company:		
- Realised	(15)	(15)
- Unrealised	-	-
	(15)	(15)
Less: Consolidation adjustments	-	-
Total Group accumulated losses as per accounts	(15)	(15)

**(C) Authorisation for issue of interim financial statements**

The Board of Directors of the Company had authorised this unaudited interim financial statements for issue on 6 September 2017.