

WMG HOLDINGS BHD.

(Company no. 1166985-X)

(Incorporated in Malaysia)

Unaudited Interim Financial Statements

For The Fourth Quarter Ended 31 December 2018

WMG HOLDINGS BHD. (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2018

Index	page
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash flows	6 - 7
Notes to the interim financial statements	8 – 13
Additional information required by the Bursa Malaysia Securities Berhad	14 - 16
Authorisation for issue of the interim financial statements	16

Condensed Consolidated Statement of Comprehensive Income

	Note	Individual Quarter		Financial Year-to-date	
		3 months ended		12 months ended	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
		RM'000	RM'000	RM'000	RM'000
Revenue	8	7,667	9,550	25,198	20,992
Cost of sales		(6,594)	(4,680)	(21,628)	(12,874)
Gross profit		1,073	4,870	3,570	8,118
Other income	9	613	171	2,034	599
Other expenses	10	(53)	168	(2,119)	(16,858)
Finance costs		(1,588)	(1,418)	(5,652)	(2,387)
Distribution costs		(67)	(27)	(154)	(198)
Administrative expenses		(5,657)	(7,894)	(17,987)	(11,518)
Loss from operations		(5,679)	(4,130)	(20,308)	(22,244)
Interest on fixed deposits		89	359	426	697
Loss before tax	11	(5,590)	(3,771)	(19,882)	(21,547)
Income tax expense	13	(905)	7	(2,731)	(168)
Loss for the period		(6,495)	(3,764)	(22,613)	(21,715)
Other comprehensive income, net of tax:		-	-	-	-
Total comprehensive loss for the period		(6,495)	(3,764)	(22,613)	(21,715)
Loss attributable to owners of the Company		(6,495)	(3,764)	(22,613)	(21,715)
Total comprehensive loss attributable to owners of the Company		(6,495)	(3,764)	(22,613)	(21,715)
Loss per share attributable to owners of the Company:	14	Sen	Sen	Sen	Sen
- Basic		(1.09)	(0.82)	(3.96)	(6.75)
- Diluted		(0.56)	(0.31)	(1.94)	(3.65)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

WMG HOLDINGS BHD. (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2018

Condensed Consolidated Statement of Financial Position

ASSETS	Note	AS AT 31/12/2018 RM'000	AS AT 31/12/2017 RM'000
Non-current Assets			
Property, plant and equipment		22,805	62,436
Land held for property development	15	144,903	146,916
Investment properties	24	85,812	24,272
Other investment		115	115
Deferred tax assets		2,347	2,864
		<u>255,982</u>	<u>236,603</u>
Current Assets			
Property development costs	16	48,011	36,132
Inventories	17	39,917	41,411
Trade and other receivables		19,719	19,531
Income tax refundable		2,080	3,901
Investment securities		1,133	497
Other current assets		690	1,305
Cash and bank balances	20	12,852	66,043
		<u>124,402</u>	<u>168,820</u>
Total Assets		<u>380,384</u>	<u>405,423</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	19	113,002	102,526
Trade and other payables		33,234	36,951
Income tax payable		50	52
		<u>146,286</u>	<u>139,529</u>
Non-current Liabilities			
Deferred tax liabilities		3,445	3,671
Borrowings	19	30,390	14,347
		<u>33,835</u>	<u>18,018</u>
Total Liabilities		<u>180,121</u>	<u>157,547</u>
Equity attributable to owners of the			
Share capital	18	229,133	205,073
Irredeemable convertible preference shares	18	203,339	203,339
Redeemable convertible preference shares	18	149,173	173,233
Merger deficit		(312,039)	(312,039)
Accumulated losses		(69,343)	(21,730)
Total Equity		<u>200,263</u>	<u>247,876</u>
Total Equity and Liabilities		<u>380,384</u>	<u>405,423</u>
Net assets per share attributable to owners of the Company (RM)		0.47	0.58

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity

	Note	Share capital	ICPS	RCPS	Merger deficit	Accumulated losses	Total Equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jan 2017		*	-	-	-	(15)	(15)
Total comprehensive loss for the period		-	-	-	-	(21,715)	(21,715)
Transactions with owners:							
Shares issued for:							
- Acquisition of subsidiary companies		115,489	203,339	173,233			492,061
- Share Exchange with Tekala		89,584					89,584
Acquisition of subsidiary companies					(312,039)		(312,039)
At 31 December 2017		<u>205,073</u>	<u>203,339</u>	<u>173,233</u>	<u>(312,039)</u>	<u>(21,730)</u>	<u>247,876</u>
At 1 Jan 2018		205,073	203,339	173,233	(312,039)	(21,730)	247,876
Total comprehensive loss for the period		-	-	-	-	(22,613)	(22,613)
Transfer to share capital arising from redemption of RCPS		24,060	-	-	-	(24,060)	-
Redemption of RCPS	25	-	-	(24,060)	-	(940)	(25,000)
At 31 December 2018		<u>229,133</u>	<u>203,339</u>	<u>149,173</u>	<u>(312,039)</u>	<u>(69,343)</u>	<u>200,263</u>

Notes: * represents RM2.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows

	Note	12 months ended	
		31/12/2018 RM'000	31/12/2017 RM'000
Cash flows from operating activities			
Loss before tax		(19,882)	(21,547)
Adjustments for:			
Depreciation		2,432	1,198
Finance costs		5,652	2,388
Equipment written off		35	-
Investment income		(23)	(14)
Interest income		(426)	(697)
Gain from disposal of property, plant and equipment		(516)	(200)
Net fair value loss on investment securities		-	2
Impairment of goodwill		-	15,151
Impairment loss on other receivables		-	72
Impairment loss on inventories		51	-
Other expenses	10	853	-
Unrealised gain on exchange differences		(3)	-
		<u>8,055</u>	<u>17,900</u>
Operating loss before working capital changes		(11,827)	(3,647)
(Increase)/decrease in property development costs		(7,759)	22,744
Increase in land held for development		(2,109)	(13,026)
Decrease/(increase) in inventories		2,379	(30,219)
(Increase)/decrease in receivables		(185)	7,748
Decrease in other current assets		615	412
(Decrease)/increase in payables		(4,083)	3,616
Decrease in other liabilities		-	(1,159)
Cash flows used in operations		<u>(22,969)</u>	<u>(13,531)</u>
Interest paid capitalized under property development costs		(684)	-
Interest on current, overdue and project accounts received		279	235
Income tax refunded		1,024	124
Income tax paid		(2,130)	(225)
Net cash flows used in operating activities		<u>(24,480)</u>	<u>(13,397)</u>
Cash flows from investing activities			
Acquisition of subsidiaries		-	47,209
Addition to investment properties		(23,356)	(8,905)
Decrease in deposits pledged		-	(802)
Investment income		23	14
Interest income received		146	463
Purchase of investment securities		(636)	(14)
Purchase of property, plant and equipment		(157)	(138)
Proceeds from disposal of investment securities		-	300
Proceeds from disposal of plant and equipment		516	200
Net cash flows (used in)/from investing activities		<u>(23,464)</u>	<u>38,327</u>

WMG HOLDINGS BHD. (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2018

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Note	12 months ended	
		31/12/2018 RM'000	31/12/2017 RM'0000
Cash flows from financing activities			
Proceeds from bankers' acceptances		10,569	4,099
Proceeds from revolving credits		8,500	24,000
Proceeds from bridging finance		5,275	-
Proceeds from term loans		14,866	16,933
Repayment of bankers' acceptances		(7,654)	(4,875)
Repayment of revolving credits		(6,008)	(16)
Repayment of obligations under finance leases		(240)	(64)
Finance costs paid		(5,627)	(2,428)
Redemption of RCPS		(25,000)	-
Net cash flows (used in)/from financing activities		<u>(5,319)</u>	<u>37,649</u>
Net (decrease)/increase in cash and cash equivalents		(53,263)	62,579
Cash and cash equivalents at beginning of financial year		<u>62,579</u>	<u>*</u>
Cash and cash equivalents at end of financial period	20	<u>9,316</u>	<u>62,579</u>

** - representing RM2.

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

(A) Notes to the interim financial statements

1) Basis of preparation

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

The unaudited condensed consolidated interim financial statements for the year ended 31 December 2018 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. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes to the interim financial statements provide an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

2) Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for year ended 31 December 2017.

3) Seasonality of operations

The Group's operations are not seasonal and cyclical in nature.

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 Group during the interim period under review.

7) Share capital and treasury shares

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period under review except for the partial redemption of 25,000,000 RCPS at the redemption price of RM1.00 per RCPS out of the Company's retained earnings pursuant to Section 72 (4(a)) of the Companies Act, 2016.

8) Segment information

Business Segments

	12 months ended 31 December 2018				
	Property development	Trading of building materials	Others	Adjustment/ Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	7,624	17,574	-	-	25,198
Inter-segment	-	-	-	-	-
Total	7,624	17,574	-	-	25,198
Results					
Depreciation	730	40	1,662	-	2,432
Interest income	187	200	39	-	426
Other non-cash expenses	-	-	-	-	-
Segment loss	(17,032)	(687)	(2,163)	-	(19,882)

9) Other income

Included in other income is gain from disposal of equipment of RM0.52 million.

10) Other expenses

Included in other expenses for the current year are charges imposed by the Inland Revenue Board of RM0.85 million; and impairment of goodwill and stamp duties on acquisition of subsidiaries of RM16.69 million for the corresponding year.

11) Loss before tax

Included in the loss before tax are the following items:

	Individual Quarter		Financial Year-to-date	
	3 months ended		12 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	89	359	426	697
(b) Other income including investment income	613	171	2,034	599
(c) Interest expenses	1,588	1,418	5,652	2,387
(d) Depreciation and amortization	603	752	2,432	1,198
(e) Provision for and write off of receivables	-	72	-	72
(f) Provision for and write off of inventories	51	-	51	-
(g) Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	-	-	-	-
(j) Gain or loss on derivatives	-	-	-	-

12) Events after the reporting period

There were no material events subsequent to the end of the interim period.

13) Income tax expense

	Individual Quarter 3 months ended		Financial Year-to-date 12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Current income tax	58	-	58	843
Under/(over) provision of income tax in previous year	-	(7)	-	34
Provision/(reversal) of deferred tax	847	-	780	(709)
Tax review	-	-	1,893	-
	<u>905</u>	<u>(7)</u>	<u>2,731</u>	<u>168</u>

The income tax expense for the current period under review is mainly due to the tax arising from the tax review exercise by Inland Revenue Board.

14) Loss per share

	Individual Quarter 3 months ended		Financial Year-to-date 12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Loss net of tax attributable to owners of the Company (RM'000)	(6,495)	(3,764)	(22,613)	(21,715)
Less: cumulative dividend on RCPS	(2,735)	(3,176)	(11,037)	(6,283)
Loss net of tax attributable to owners of the Company used in the computation of basic loss per share (RM'000)	(9,230)	(6,940)	(33,650)	(27,998)
Add back: cumulative dividend on RCPS	2,735	3,176	11,037	6,283
Loss net of tax attributable to owners of the Company used in the computation of diluted loss per share (RM'000)	<u>(6,495)</u>	<u>(3,764)</u>	<u>(22,613)</u>	<u>(21,715)</u>
Weighted average number of ordinary shares for basic loss per share computation ('000)	848,731	848,731	848,731	415,042
Effect of dilution – RCPS ('000)	310,000	360,000	315,342	179,507
Weighted average number of ordinary shares for diluted loss per share computation ('000)	<u>1,158,731</u>	<u>1,208,731</u>	<u>1,164,073</u>	<u>594,549</u>
Basic loss per share (sen)	(1.09)	(0.82)	(3.96)	(6.75)
Diluted loss per share (sen)	(0.56)	(0.31)	(1.94)	(3.65)

15) Land held for Development

	As at 31.12.2018	As at 31.12.2017
	RM'000	RM'000
At beginning of year	146,916	-
At acquisition of Target companies	-	121,809
Additions	2,096	13,026
Transfer (to)/from property development costs	(4,109)	12,081
At end of period	<u>144,903</u>	<u>146,916</u>

As at 31.12.2018, the Group has a total land bank of approximately 638 acres, comprising 431 acres in Sandakan and 207 acres in Kota Kinabalu.

16) Property development costs

	As at	As at	
	31.12.2018	31.12.2017	
	RM'000	RM'000	
Balance at cost	<u>48,011</u>	<u>36,132</u>	
	Long-term	Development	
	leasehold	expenditure	
	RM'000	RM'000	
At 31.12.2018		Total	
		RM'000	
Cumulative property development cost			
At 01.01.2018	9,753	28,260	38,013
Transfer from land held for development	1,086	3,023	4,109
Cost incurred during the period	-	10,156	10,156
At 31.12.2018	<u>10,839</u>	<u>41,439</u>	<u>52,278</u>
Cumulative costs recognized in statement of comprehensive income			
At 01.01.2018	(558)	(1,323)	(1,881)
Recognised during the period	(25)	(2,361)	(2,386)
At 31.12.2018	<u>(583)</u>	<u>(3,684)</u>	<u>(4,267)</u>
Property development costs at 31.12.2018	<u>10,256</u>	<u>35,703</u>	<u>48,011</u>

As at 31.12.2018, the Group has two ongoing projects namely the commercial project, Sejati Corporate Garden at RM5.9 million, with percentage of completion of 32% and the residential project, Sri Indah Kondominium at RM12.7 million, with a percentage of completion of 15%, totalling RM18.60 million and the projects to be launched amounted to RM29.41 million.

WMG HOLDINGS BHD. (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2018

17) Inventories

	As at 31.12.2018	As at 31.12.2017
	RM'000	RM'000
Properties	38,929	40,347
Trading inventories	988	1,064
Balance at cost	<u>39,917</u>	<u>41,411</u>

Included in Properties is a property transferred from Investment Property at its carrying amount of RM935,363 in 2018. (2017: nil)

18) Share capital, ICPS and RCPS

The details of share capital, ICPS and RCPS of the Company are as follows:-

	No. of Ordinary Shares	Amount RM
Share capital		
As at 01.01.2018	426,167,169	205,072,913
Add: Transfer arising from redemption of RCPS	-	24,060,150
As at 31.12.2018	<u>426,167,169</u>	<u>229,133,063</u>
	No. of Preference Shares	Amount RM
Irredeemable convertible preference shares (ICPS)		
As at 01.01.2018 and 31.12.2018	<u>211,281,792</u>	<u>203,338,864</u>
Redeemable convertible preference shares (RCPS)		
As at 01.01.2018	180,000,000	173,233,080
Less: Redemption	(25,000,000)	(24,060,150)
As at 31.12.2018	<u>155,000,000</u>	<u>149,172,930</u>

19) Borrowings

The Group's borrowings and debt securities are as follows:

	As at fourth quarter ended 31.12.2018			As at fourth quarter ended 31.12.2017		
	Long Term	Short Term	Total borrowings	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Bankers' acceptances (BA)	-	4,282	4,282	-	1,367	1,367
Revolving credits (RC)	-	100,800	100,800	-	98,308	98,308
Overdraft (OD)	-	116	116	-	44	44
Bridging finance (BF)	1,150	4,125	5,275	-	-	-
Term loans (TL)	28,416	3,418	31,834	14,293	2,674	16,967
Obligations under finance leases	824	261	1,085	54	133	187
	<u>30,390</u>	<u>113,002</u>	<u>143,392</u>	<u>14,347</u>	<u>102,526</u>	<u>116,873</u>

The interest rates for BA, RC, TL, BF and OD range from 1% to 2% above the cost of fund of the banks. There are no borrowings denominated in foreign currency.

WMG HOLDINGS BHD. (1166985-X)

Interim financial statements for the fourth quarter ended 31 December 2018

20) Cash and Cash Equivalents

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Fixed deposits	4,054	39,423
Cash on hand and at banks	8,798	26,620
Cash and bank balances	12,852	66,043
Less: deposits pledged for banking facilities	(3,420)	(3,420)
Less: bank overdrafts	(116)	(44)
	<u>9,316</u>	<u>62,579</u>

21) Contingencies

There were no changes in contingent liabilities since the last balance sheet date, 31 December 2017 to 22 February 2019, the latest practicable date which is not earlier than 7 days from the issue of this interim financial statements.

22) Capital Commitments

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Approved and contracted for:		
- Investment property	35,092	54,513
	<u>35,092</u>	<u>54,513</u>

23) Dividends

For the period ended 31 December 2018, the Directors do not recommend payment of dividend. (2017:Nil).

The total dividend for the current financial year is Nil (2017: Nil).

24) Investment properties

Included in investment properties are a hypermarket under construction of RM44.63 million (2017:RM20.64 million) and land, factory buildings and related plant and machineries (previously classified as Properties, Plant and Equipment) of RM37.2 million. (2017:nil)

25) Redemption of RCPS

The amount of RM939,850 representing the difference between the redemption amount RM25 million and the carrying amount RM24,060,150 of the RCPS redeemed is transferred to revenue reserve.

26) Comparative figures

Comparative figures are presented commencing from the quarter ended 30 September 2018 as the Group was only formed in July 2017 upon the acquisitions of subsidiaries by the Company as previously disclosed.

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

1. Performance review

The Group's performance is as tabulated below:

	Individual Quarter				Financial Year to date			
	3 months ended				12 months ended			
	31.12.2018	31.12.2017	Changes		31.12.2018	31.12.2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	7,667	9,550	(1,883)	(20)	25,198	20,992	4,206	20
Gross profit	1,073	4,870	(3,797)	(78)	3,570	8,118	(4,548)	(56)
Loss Before Interest and Tax	(4,002)	(2,353)	(1,649)	70	(14,230)	(19,160)	4,930	(26)
Loss Before Tax	(5,590)	(3,771)	(1,819)	48	(19,882)	(21,547)	1,665	(8)
Loss After Tax	(6,495)	(3,764)	(2,731)	73	(22,613)	(21,715)	(898)	4
Loss attributable to ordinary equity holders of the Company	(6,495)	(3,764)	(2,731)	73	(22,613)	(21,715)	(898)	4

For the current quarter and year ended 31 December 2018, the Group recorded revenue of RM7.67 million and RM25.20 million and incurred loss before tax of RM5.59 million and RM19.88 million respectively. For the corresponding periods in 2017 which comprised the six months ended 31 December 2017, the Group recorded revenue of RM9.55 million and RM20.99 million and loss before tax of RM3.77 million and RM21.55 million respectively.

There were no launches of new property development projects by the Group during the quarter and year under review. The Group generated a total revenue for the current quarter and year of RM7.67 million and RM25.20 million respectively. RM2.14 million (28%) and RM7.62 (30%) were from property development and RM5.53 million (72%) and RM17.58 million (70%) were from trading of building materials for the current quarter and year respectively.

Sales of residential properties amounted to RM1.72 million and RM6.60 million for the current quarter and year respectively while the balance of RM0.42 million and RM1.02 million were from sale of commercial properties for the current quarter and year respectively.

Sales of building materials to contractors engaged by the Group for its property development projects amounted to RM2.47 million and RM7.87 million, representing 45% of the total sales of building materials of RM5.53 million and RM17.58 million for the current quarter and year.

The Group recorded a gross profit of RM3.57 million for the year under review. After taking into account interest income and other income totalling RM2.46 million and deducting expenses of RM25.91 million including finance cost of RM5.65 million, other expenses of RM2.12 million, administrative expenses of RM17.99 million, the Group incurred a loss before tax of RM19.88 million.

Administrative expenses of RM17.99 million comprised mainly fixed and semi-fixed costs namely staff costs, directors' remuneration, overheads and office expenses (including depreciation RM2.43 million) of approximately RM5.94 million, RM5.65 million and RM6.40 million respectively.

2. Comments on material changes in profit/(loss) before taxation

The Group recorded a loss before tax of RM5.59 million for the current quarter under review compared to loss before tax of RM5.62 million for the immediate preceding quarter as follows:-.

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2018	30.09.2018		
	RM'000	RM'000	RM'000	%
Revenue	7,667	8,034	(367)	(5)
Gross profit	1,073	911	162	18
Loss Before Interest and Tax	(4,002)	(4,176)	174	(4)
Loss Before Tax	(5,590)	(5,624)	34	(1)
Loss After Tax	(6,495)	(7,503)	1,008	(13)
Loss attributable to ordinary equity holders of the Company	(6,495)	(7,503)	1,008	(13)

Revenue for the current quarter decreased by RM0.37 million or 5% mainly due to lower sales of properties whereas loss before tax for the current quarter is comparable to the immediate preceding quarter loss before tax.

For the current quarter under review, revenue from the property segment and building material segment amounted to RM2.14 million and RM5.53 million respectively as compared to preceding quarter of RM2.40 million and RM5.63 million respectively.

3. Commentary on Prospects

As at 31 December 2018, the Group has unbilled sales of approximately RM27.51 million and the gross development value of unsold units of its ongoing projects amounted to approximately RM106.80 million.

Barring any unforeseen circumstances, the Board expects the Group's operating environment for the coming financial year to remain challenging due to the slow property market, the financing conditions faced by potential buyers and the property market sentiments.

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 13 to the interim financial statements.

6. Corporate proposals

There were no corporate proposals announced but not completed as at 22 February 2019, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements other than the proposed voluntary liquidation/de-registration of non-operating subsidiaries as announced on 3 December 2018.

7. Group borrowings and debt securities

This is stated in note 19 to the interim financial statements.

8. Changes in material litigation

The Group did not have any material litigation as at 22 February 2019, 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 23 to the interim financial statements.

10. Earnings/(loss) per share

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

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 2017 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 Berhad listing requirements is stated in note 11 to the interim financial statements.

13. Disclosure of derivatives

The Group did not enter into any derivatives during the period ended 31 December 2018 or the previous financial year ended 31 December 2017.

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 31 December 2018 and 31 December 2017.

15. Breakdown of realised and unrealised profits or losses

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(69,343)	(21,730)
- Unrealised	-	-
	(69,343)	(21,730)
Less: Consolidation adjustments	-	-
Total Group accumulated losses as per consolidated accounts	(69,343)	(21,730)

(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 26 February 2019.