

PERAK CORPORATION BERHAD
Company No: 210915-U
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2018 - unaudited

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30-Jun 2018 RM'000	Preceding Corresponding Quarter Ended 30-Jun 2017 RM'000	Current Period Ended 30-Jun 2018 RM'000	Preceding Corresponding Period Ended 30-Jun 2017 RM'000
Revenue	43,192	51,002	91,344	82,114
Cost of sales	(12,886)	(12,972)	(22,831)	(21,170)
Gross Profit	30,306	38,030	68,512	60,944
Other operating income	1,364	2,808	2,029	7,387
Operating expenses	(49,574)	(35,818)	(87,877)	(63,424)
Operating profit	(17,904)	5,020	(17,335)	4,907
Finance costs	(6,933)	(4,007)	(17,055)	(8,248)
Share of results in associates	(135)	730	(398)	-
Loss before tax	(24,972)	1,743	(34,789)	(3,341)
Taxation	(4,034)	(4,578)	(8,412)	(7,610)
Loss for the period	(29,006)	(2,835)	(43,200)	(10,951)
Other comprehensive income:				
Net loss on available for sale financial assets				
Gain on fair value	-	-	-	-
Total comprehensive income	(29,006)	(2,835)	(43,200)	(10,951)
Loss for the period attributable to:				
Owners of the parent	(18,062)	1,578	(18,570)	(5,213)
Non-controlling interests	(10,944)	(4,413)	(24,630)	(5,738)
	(29,006)	(2,835)	(43,200)	(10,951)
Total comprehensive income for the period, net of tax attributable to:				
Owners of the parent	(18,062)	1,578	(18,570)	(5,213)
Non-controlling interests	(10,944)	(4,413)	(24,630)	(5,738)
	(29,006)	(2,835)	(43,200)	(10,951)
Earnings per share attributable to equity holders of the parent:				
EPS (sen)	(18.06)	1.58	(18.57)	(5.21)

The above condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes attached to the interim financial statements.

PERAK CORPORATION BERHAD
Company No: 210915-U
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
For the period ended 30 June 2018 - unaudited

	30-Jun 2018 RM'000	31-Dec 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	383,423	364,817
Port facilities	170,777	171,451
Investment properties	6,311	4,751
Inventories	22,711	22,711
Investment in associates	3,179	3,577
Other investments	455	455
Intangible assets	44,455	42,772
Finance lease receivables	429	429
	<u>631,741</u>	<u>610,963</u>
Current assets		
Inventories	220,584	198,317
Finance lease receivables	56	110
Trade and other receivables	197,300	217,110
Other current assets	14,637	16,268
Other investment	357	418
Tax recoverable	966	4,869
Cash and bank balances	27,534	32,569
	<u>461,434</u>	<u>469,661</u>
Total assets	<u>1,093,175</u>	<u>1,080,624</u>
Equity and liabilities		
Current liabilities		
Borrowings	414,276	414,762
Trade and other payables	218,948	185,072
Deferred tax liabilities	-	23,520
Tax payable	4,446	4,779
	<u>637,670</u>	<u>628,133</u>
Net current assets	<u>(176,236)</u>	<u>(158,472)</u>
Non-current liabilities		
Borrowings	117,601	121,795
Trade and other payables	72,614	17,899
Deferred tax liabilities	12,813	12,812
	<u>203,028</u>	<u>152,506</u>
Total liabilities	<u>840,698</u>	<u>780,639</u>
Net assets	<u>252,477</u>	<u>299,985</u>
Equity attributable to owners of the parent		
Share capital	272,770	272,770
Retained earnings	94,922	113,484
	<u>367,692</u>	<u>386,254</u>
Non-controlling interests	(115,215)	(86,269)
Total equity	<u>252,477</u>	<u>299,985</u>
Total equity and liabilities	<u>1,093,175</u>	<u>1,080,624</u>

The above condensed consolidated statements of financial position should be read in conjunction with the accompanying notes attached to the interim financial statements.

PERAK CORPORATION BERHAD
 Company No: 210915-U
 (Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the period ended 30 June 2018 - unaudited

|– Attributable to Equity Holders of the Parent - |

	Equity total RM'000	Non-distributable Equity RM'000	Share Capital RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Non- Controlling Interest RM'000
At 1 January 2018	298,177	386,262	272,770	-	113,492	(88,085)
Total comprehensive income	(43,200)	(18,570)	-	-	(18,570)	(24,630)
<u>Transactions with owners</u>						
Dividend paid by a subsidiary to a non-controlling interest	(2,500)	-	-	-	-	(2,500)
At 30 June 2018	252,476	367,692	272,770	-	94,922	(115,215)
<u>6 months ended 30 June 2017</u>						
At 1 January 2017	670,642	549,153	100,000	172,770	288,441	81,851
Total comprehensive income	(10,950)	(5,213)	-	-	(5,213)	(5,737)
Acquisition of subsidiary	4	-	-	-	-	4
<u>Transactions with owners</u>						
Dividend paid by a subsidiary to a non-controlling interest	(2,500)	-	-	-	-	(2,500)
At 30 June 2017	657,196	543,940	100,000	172,770	283,228	73,618

The above condensed consolidated statements of changes in equity should be read in conjunction accompanying notes attached to the with the interim financial statements.

PERAK CORPORATION BERHAD
Company No: 210915-U
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period ended 30 June 2018 - unaudited

	6 MONTHS ENDED	
	30-Jun 2018 RM'000	30-Jun 2017 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash collection from trade/other receivables	201,548	95,322
Cash received from other income	5,567	4,651
Cash paid for other expenses	(64,444)	(72,385)
Cash paid to trade/other payables	(99,856)	(45,453)
Cash paid for tax	(4,260)	(9,111)
Net cash generated/(used in) from operating activities	<u>38,555</u>	<u>(26,976)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	386	667
Purchase of property plant & equipment	(5,671)	(97,469)
Purchase of port facilities	(20,527)	(36,629)
Purchase of other investment	-	(1,900)
Development costs	(5,648)	(11,026)
Net cash used in investing activities	<u>(31,460)</u>	<u>(146,357)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash repayment from amounts borrowed	(9,850)	(3,108)
Dividend paid on ordinary shares to minority shareholders	(2,500)	(2,647)
Repayment of hire purchase principal	(10)	(23)
Cash paid for interest costs	(3,742)	(4,359)
(Placement)/uplift of fixed deposits	1,356	-
Receipt of advances from borrowings	3,983	60,000
Receipt of advances from borrowings	-	73,415
Net cash (used in)/generated from financing activities	<u>(10,763)</u>	<u>123,278</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,669)	(50,055)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	22,131	90,157
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>18,463</u>	<u>40,102</u>
Cash and cash equivalents comprise :		
Cash and bank balances	27,534	45,551
Bank balances and deposits pledged for guarantees and other banking facilities granted to certain subsidiaries	(9,071)	(5,449)
	<u>18,463</u>	<u>40,102</u>

The above condensed consolidated statements of cashflow should be read in conjunction with the accompanying notes attached to the interim financial statements.

PERAK CORPORATION BERHAD
(Company no. 210915-U)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
- SECOND QUARTER ENDED 30 JUNE 2018

A1 Basis of Preparation

The interim financial report has been prepared in accordance with MFRS134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report except that the Company has prepared the statements of cash flows using the direct method. The Company decided to continue using the direct method in the preparation of its statements of cash flows.

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 Company and its subsidiaries ("the Group") since the year ended 31 December 2017.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the year ended 31 December 2017. The new, revised and amended MFRS and IC Interpretations, which are effective for the financial periods beginning on or after 1 January 2018, did not have any material impact on the financial results of the Group.

A3 Changes in estimates

There were no changes in estimates that have had a material effect in the current financial period results.

A4 Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial period.

A5 Segmental Information

	3 months ended		6 months ended	
	30/6/18	30/6/17	30/6/18	30/6/17
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
Port & Logistics	28,981	25,710	67,734	53,239
Property development	5,415	15,825	5,589	15,825
Hospitality & tourism	8,796	5,181	18,020	8,763
Management services and others	2,500	6,788	2,500	6,789
Total revenue	45,692	53,504	93,843	84,616
Eliminations	(2,500)	(2,502)	(2,500)	(2,502)
	43,192	51,002	91,343	82,114
Segment results				
Port & Logistics	10,462	9,978	28,699	23,183
Property development	7,428	13,540	7,185	13,540
Hospitality & tourism	(31,419)	(17,911)	(52,447)	(31,519)
Management services and others	(8,808)	(2,725)	(15,328)	(6,675)
	(22,337)	2,882	(31,891)	(1,471)
Eliminations	(2,500)	(1,869)	(2,500)	(1,870)
Share of results in associates	(135)	730	(398)	-
	(24,972)	1,743	(34,789)	(3,341)

All inter-segment transactions have been entered into in the normal course of business and have been established on negotiated terms.

All activities of the Group's operations are carried out in Malaysia.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last financial statements.

Comparison between 2 Qtr 2018 and 2 Qtr 2017

Group Summary

The Group revenue for the current financial quarter of RM43.2 million reported decreased by 15% as compared with RM51 million recorded in the corresponding period last year. The decrease in revenue is mainly contributed from tourism segment and property development segment.

Port & Logistics

The port & logistics segment become the Group's main source of revenue for the current financial quarter with RM29 mil compared to RM25.7 mil in last year. The PBT of this segment is higher compared to the period in 2017.

Its revenue comprises mainly of revenue from port operations for the provision of port facilities and ancillary services at Lumut Maritime Terminal (LMT) and contractual revenue under the operation and maintenance of Lekir Bulk Terminal (LBT) besides the revenue from sales and rental of LMT port related industrial land. For the period under review, the revenue of RM29 million (30/6/17: RM25.7 million) increased by 13% mainly as a result of increased cargo throughput of 0.2% from LMT and 42% from LBT. This consequently resulted in an overall increase in profit before tax of 5% amounting to RM10.5 million (30/6/17: RM10 million).

The summary results are as follows:

	Current quarter		% change
	30/6/18	30/6/17	
Revenue	RM'000	RM'000	
Port Operations	28,981	25,710	13%
Total	28,981	25,710	13%
Profit before tax			
Port Operations	10,462	9,978	5%
Total	10,462	9,978	5%
			% change
Throughput	metric tonnes		
LMT	1,020,977	1,018,859	0.2%
LBT	3,614,256	2,536,615	42%

Property development

This segment provided the revenue of 13% (30/06/17: 31%) to the Group's total revenue.

It derives mainly from sales of development land, profits from property development joint ventures project and other ancillary services. For the current financial quarter under review, the revenue decreased from RM15.8 million (16 acres at Zone 9) to RM5.4 million (8.28 acres at Zone 8) mainly contributed from sales of development land. The segment profit before tax amounted to RM7.4 million (30/6/17: PBT RM13.5 million).

Hospitality & tourism

This segment contributed revenue from hotel operation and rental income amounting to RM8.8 million (30/6/17: RM5.2 million) for the current financial quarter under review. The segment also contributed a loss before tax of RM31 million (30/6/17: LBT RM18 million) for the current financial quarter under review.

Management services and others

No land sales in the current quarter (30/6/17:RM4.3 million). The segment recording a loss before tax of RM11.3 million increase from RM4.6 million the same period last year.

Comparison between 6 months ended 30 June 2018 and 30 June 2017

Group Summary

The Group revenue for the current financial period has increased by 11% of RM91.3 million from RM82.1 million recorded in the corresponding period last year. Loss before tax for the current financial period has increased from RM3.3 mil to RM34.8 mil.

Port & Logistics

The port & logistics segment become the Group's main source of revenue for the current financial period with RM67.7 mil compared to RM53.2 mil in last year. The PBT of this segment is higher compared to the same period in last year.

For the period under review, revenue increased by 27% to RM67.7 million (30/6/17: RM53.2 million) mainly as a result of 13% and 31% increase cargo throughput at LMT and LBT. This consequently resulted in 24% overall increase in profit before tax to RM28.7 million (30/6/17: RM23.2 million).

The summary results are as follows:

	30/6/18	30/6/17	
	RM'000	RM'000	% change
Revenue			
Port Operations	67,734	53,239	27%
Total	<u>67,734</u>	<u>53,239</u>	<u>27%</u>
Profit before tax			
Port Operations	28,699	23,183	24%
Total	<u>28,699</u>	<u>23,183</u>	<u>24%</u>
Throughput	metric tonnes		% change
LMT	2,176,938	1,932,052	13%
LBT	7,317,194	5,579,694	31%

Property development

This segment provided the revenue of 6% (30/06/17: 19%) to the Group's total revenue and the PBT of this segment is lower compared to the period in 2017.

For the period under review, the revenue decreased to RM5.6 million (30/6/17: RM15.8 million). The segment profit before tax amounted to RM7.2 million (30/6/17: PBT RM13.5 million).

Hospitality & tourism

This segment contributed revenue from hotel and rest house operation, development and operation of themepark and rental income amounting to RM18.0 million (30/6/17: RM8.7 million) due to higher demand for convention and foods and beverages for the period under review. The segment also contributed a loss before tax of RM52.4 million (30/6/17: LBT RM31.5 million) after inclusion of operating loss of the animation themepark.

Management services and others

No land sales recorded in the current financial period (30/6/17:RM4.3 million). The segment recording a loss before tax of RM17.8 million increase from RM8.5 million the same period last year.

A6 Comments about Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal and cyclical factors. However, there is a compensating effect on its results due to the performance of the various segmental activities of the Group.

A7 Profit for the period

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30/6/18	30/6/17	30/6/18	30/6/17
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	917	1,474	1,538	4,105
Interest expense	(6,933)	(4,008)	(17,055)	(8,249)
Depreciation and amortisation	(4,857)	(3,234)	(9,707)	(5,483)

Save as disclosed above, foreign exchange gain or loss is not applicable and there were no gain/loss on disposal of the quoted investment, during the current financial period as well as in the preceding corresponding period.

A8 Taxation

The taxation charge for the Group comprises:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30/06/18	30/06/17	30/06/18	30/06/17
	RM'000	RM'000	RM'000	RM'000
Current tax	4,034	4,578	8,412	7,610
	<u>4,034</u>	<u>4,578</u>	<u>8,412</u>	<u>7,610</u>

The Group's effective tax rate for the current financial year was higher than the statutory tax rate of 24% (2017: 24%) principally due to losses incurred by certain subsidiaries, certain expenses being disallowed for tax purposes.

A9 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the quarter attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the current financial period by the Company.

	Current quarter		Cumulative quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30/06/18	30/06/17	30/06/18	30/06/17
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	(18,062)	1,578	(18,570)	(5,213)
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share (sen) for:	(18.06)	1.58	(18.57)	(5.21)

A10 Intangible assets

There were no changes in estimates of the amounts reported on 30 June 2018 and current financial period ended 30 June 2018.

A11 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	As at	As at
	30/06/18	30/06/17
	RM'000	RM'000
Cash and bank balances	27,534	45,551
Less: Pledged	(9,071)	(5,449)
Cash and cash equivalents	18,463	40,102

A12 Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs that are based on observable market data, either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.

	Total	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
30 June 2018				
Available for sale financial assets				
Equity shares	357	357	-	-
31 December 2017				
Available for sale financial assets				
Equity shares	418	418	-	-

A13 Borrowings

The Group's borrowings at the end of the current financial period were as follows:

	As at 30/06/18 RM'000	As at 31/12/17 RM'000
(a) <u>Short term borrowings (current)</u>		
Secured :		
Hire purchase and lease	710	860
Revolving credits	140,000	140,687
Term financing	2,860	5,720
Term loan	260,254	262,372
Overdraft	10,452	5,123
	<u>414,276</u>	<u>414,762</u>
(b) <u>Long term borrowings (non-current)</u>		
Secured :		
Hire purchase and lease	6,453	6,313
Revolving credits	46,258	50,592
Term financing	31,320	31,320
RCPS	33,570	33,570
	<u>117,601</u>	<u>121,795</u>
Total borrowings	<u>531,877</u>	<u>536,557</u>

(c) Currency

None of the Group's borrowings is denominated in foreign currency.

(d) There was no borrowing default or breach of any borrowings agreement by the Group during the current financial period.

A14 Debt and Equity securities

There were no issuance and repayment of debt securities, share buy-backs and share cancellations in the current financial period.

A15 Dividend paid

No dividend was paid during the period ended 30 June 2018.

A16 Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and port facilities as at 30 June 2018 are as follows:

	As at 30/06/18 RM'000	As at 31/12/17 RM'000
i) Authorised but not contracted for	-	206,791
ii) Authorised and contracted for	-	<u>47,091</u>

A17 Changes in Contingent Liabilities and Contingent Assets

The group does not have any material contingent liabilities nor contingent assets during the current financial period except for :

- a) The Company has issued a corporate guarantee of RM30.0 million to a financial institution as part of collateral for a secured revolving credit facility of RM30.0 million to the Company's wholly owned subsidiary on 8 August 2012. To date, around RM30.0 million has been utilised.
- b) On 10 July 2014, a subsidiary of the Company, PCB Development Sdn Bhd ("PCBD"), has provided a corporate guarantee of RM280.0 million to a financial institution for syndicate loan facilities granted to Animation Theme Park Sdn Bhd ("ATP"), a 51% owned subsidiary company of PCBD. As at 30 June 2017, the facilities have been fully utilised. As at the reporting date, ATP has made repayment up to RM15.0 million.

A18 Related party transactions

The following table provides information on the transactions which have been entered into with related parties :

	3 months ended 30/6/18 RM'000	3 months ended 30/6/17 RM'000	6 months ended 30/6/18 RM'000	6 months ended 30/6/17 RM'000
Transactions with:				
Ultimate Holding Corporation ("UHC")				
Advances received/(paid)	44,167	63,979	50,881	67,086
Rental payable	340	946	680	1,033
Fellow subsidiaries of the UHC				
Interest income	(87)	(51)	(237)	(209)
Trading	-	(2,650)	-	(2,650)
Rental income/expenses	150	(464)	300	(464)
Project expenses	-	(75)	-	(75)
Advances received/(paid)	6,703	(328)	6,298	(328)

Related parties

Companies in which a director of subsidiary, has substantial interests:

Port services receivable	9,652	10,397	27,235	20,562
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Account balances with significant related parties of the Group at the current financial period ended 30 June 2018 and 30 June 2017 are as follows:

	RM'000	RM'000
Receivables	41,488	80,537
Payables	(121,793)	(70,486)

Account balances with fellow subsidiaries

Receivables	90,678	87,263
Payables	(7,480)	(2,811)

Account balances with related parties

Receivables	6,038	11,014
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A19 Significant event

(a) The Company had on 28 February 2012 (entered into a conditional Settlement Agreement ("Settlement Agreement") with Perak Equity Sdn Bhd ("PESB") to partially settle the total debt of RM104.62 million owing as at 31 December 2011 by PESB to the Company by way of set-off against the total purchase consideration of RM70.27 million for two (2) properties to be acquired by the Company from PESB ("Proposed Settlement"). On 26 July 2012, the Proposed Settlement and Proposed Acquisitions have been duly approved by the Shareholders at an Extraordinary General Meeting. As at the reporting date, the Settlement Agreement has yet to be completed as certain conditions precedent have not been fulfilled.

A20 Material events subsequent to the end of the current financial year

There were no material events subsequent to the end of the current financial period that have not been reflected in this interim financial report, made up to the latest practicable date.

Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1 Performance Review

Explanatory comments on the performance of each the Group's business activities are provided in Note A5.

B2 Comment on Material Change in Profit Before Taxation

The Group made a loss before taxation (LBT) of RM25 million in the current financial quarter ended 30 June 2018 as compared to a loss before taxation of RM9.8 million for the immediate preceding quarter ended 31 March 2018. The increase in LBT is mainly due to increase in operating expenses in ATP and unrealised sales by Animation Theme Park and PCB Development.

B3 Commentary on Prospects

The port & logistics segment is expecting growth of its cargo throughput during the year. Business activities at Bandar Meru Raya are expected to increase during the year and the Group is embarking on long-term strategies for township development segment which is expected to result in lower land sales in the short and immediate term. The immediate focus of the Group is to fully operationalise and turnaround the Movie Animation Theme Park to reach above its breakeven point as well to continue creating sustainable earnings for township development segment.

Therefore, the Group expects its financial results for the financial year ending 31

December 2018 to remain challenging until the above objectives are realized.

B4 Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the current financial period.

B5 Corporate Proposals

There are no corporate proposals announced and not completed as at the date of this announcement.

B6 Changes in Material Litigation

There were no pending material litigations as at the latest practicable date.

B7 Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

B8 Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 30 June 2018 or the previous financial period ended 30 June 2017.

B9 Risks and policies of derivatives

The Group did not enter into any derivatives during the current financial period.

B10 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 2018 and 30 June 2017.

B11 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

B12 Dividends

The directors do not recommend a payment of dividend by the Company in respect of the current financial period.