

**WMG HOLDINGS BHD.**

(Company no. 1166985-X)

(Incorporated in Malaysia)

**Unaudited Interim Financial Statements**

**For The Third Quarter Ended 30 September 2018**

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

Interim financial statements for the third quarter ended 30 September 2018

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**Condensed Consolidated Statement of Comprehensive Income**

	Note	Individual Quarter		Financial Year-to-date	
		3 months ended		9 months ended	
		30/09/2018	30/09/2017	30/09/2018	30/09/2017
		RM'000	RM'000	RM'000	RM'000
Revenue	8	8,034	11,442	17,531	11,442
Cost of sales		(7,123)	(8,194)	(15,034)	(8,194)
Gross profit		911	3,248	2,497	3,248
Other income	9	372	428	1,421	428
Other expenses	10	(1,635)	(341)	(2,066)	(341)
Finance costs		(1,448)	(969)	(4,064)	(969)
Distribution costs		36	(171)	(87)	(171)
Administrative expenses		(3,975)	(3,624)	(12,330)	(3,624)
Loss from operations		(5,739)	(1,429)	(14,629)	(1,429)
Interest on fixed deposits		115	338	337	338
Exceptional items		-	(16,685)	-	(16,685)
Loss before tax	11	(5,624)	(17,776)	(14,292)	(17,776)
Income tax expense	13	(1,879)	(175)	(1,826)	(175)
Loss for the period		(7,503)	(17,951)	(16,118)	(17,951)
Other comprehensive income, net of tax:		-	-	-	-
Total comprehensive loss for the period		(7,503)	(17,951)	(16,118)	(17,951)
Loss attributable to owners of the Company		(7,503)	(17,951)	(16,118)	(17,951)
Total comprehensive loss attributable to owners of the Company		(7,503)	(17,951)	(16,118)	(17,951)
Loss per share attributable to owners of the Company:	14	Sen	Sen	Sen	Sen
- Basic		(1.21)	(7.83)	(2.88)	(7.83)
- Diluted		(0.65)	(4.63)	(1.38)	(4.63)

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 third quarter ended 30 September 2018

**Condensed Consolidated Statement of Financial Position**

<b>ASSETS</b>	<b>Note</b>	<b>AS AT 30/09/2018 RM'000</b>	<b>AS AT 31/12/2017 RM'000</b>
<b>Non-current Assets</b>			
Property, plant and equipment		61,858	62,436
Land held for property development	15	143,177	146,916
Investment properties	24	39,231	24,272
Other investment		115	115
Deferred tax assets		2,751	2,864
		<u>247,132</u>	<u>236,603</u>
<b>Current Assets</b>			
Property development costs	16	45,486	36,132
Inventories	17	39,397	41,411
Trade and other receivables		17,617	19,531
Income tax refundable		2,078	3,901
Investment securities		1,118	497
Other current assets		3,109	1,305
Cash and bank balances	20	13,127	66,043
		<u>121,932</u>	<u>168,820</u>
<b>Total Assets</b>		<u>369,064</u>	<u>405,423</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Borrowings	19	102,191	102,526
Trade and other payables		27,540	36,951
Income tax payable		-	52
		<u>129,731</u>	<u>139,529</u>
<b>Non-current Liabilities</b>			
Deferred tax liabilities		3,501	3,671
Borrowings	19	29,074	14,347
		<u>32,575</u>	<u>18,018</u>
<b>Total Liabilities</b>		<u>162,306</u>	<u>157,547</u>
<b>Equity attributable to owners of the</b>			
Share capital	18	230,073	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		(63,788)	(21,730)
<b>Total Equity</b>		<u>206,758</u>	<u>247,876</u>
<b>Total Equity and Liabilities</b>		<u>369,064</u>	<u>405,423</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		0.49	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**

	< ----- Attributable to owners of the Company ----- >					
Note	Share capital	ICPS	RCPS	Merger deficit	Accumulated losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 Jan 2017</b>	*	-	-	-	(15)	(15)
Total comprehensive loss for the period	-	-	-	-	(17,951)	(17,951)
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)
<b>At 30 September 2017</b>	<b>205,073</b>	<b>203,339</b>	<b>173,233</b>	<b>(312,039)</b>	<b>(17,966)</b>	<b>251,640</b>
<b>At 1 Jan 2018</b>	205,073	203,339	173,233	(312,039)	(21,730)	247,876
Total comprehensive loss for the period	-	-	-	-	(16,118)	(16,118)
Transfer to share capital arising from redemption of RCPS	25,000	-	-	-	(25,000)	-
Redemption of RCPS	25	-	(24,060)	-	(940)	(25,000)
<b>At 30 September 2018</b>	<b>230,073</b>	<b>203,339</b>	<b>149,173</b>	<b>(312,039)</b>	<b>( 63,788)</b>	<b>206,758</b>

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	9 months ended	
		30/09/2018 RM'000	30/09/2017 RM'000
<b>Cash flows from operating activities</b>			
Loss before tax		(14,292)	(17,776)
<b>Adjustments for:</b>			
Depreciation		1,829	446
Finance costs		4,064	969
Equipment written off		35	-
Investment income		(22)	(7)
Interest income		(337)	(338)
Gain from disposal of property, plant and equipment		(521)	(199)
Unrealised loss on foreign exchange		-	3
Impairment of goodwill		-	15,151
Other expenses	10	853	-
		<u>5,901</u>	<u>16,025</u>
Operating loss before working capital changes		(8,391)	(1,751)
Increase in property development costs		(5,155)	(3,069)
Increase in land held for development		(382)	(1,766)
Decrease in inventories		2,014	2,360
Decrease/(Increase) in receivables		1,914	(3,518)
(Increase)/Decrease in other current assets		(1,803)	313
Decrease in payables		(9,410)	(3,980)
Decrease in other liabilities		-	(1,159)
Cash flows used in operations		<u>(21,213)</u>	<u>(12,570)</u>
Interest paid capitalized under property development costs		(368)	-
Interest on current, overdue and project accounts received		225	132
Income tax refunded		1,015	124
Income tax paid		(1,979)	(152)
Net cash flows used in operating activities		<u>(22,320)</u>	<u>(12,466)</u>
<b>Cash flows from investing activities</b>			
Investment income		22	7
Interest income received		112	206
Increase in deposit pledged		-	(52)
Increase in investment securities		(622)	(7)
Increase in investment properties		(14,690)	(3,703)
Purchase of property, plant and equipment		(153)	(47)
Proceeds from disposal of plant and equipment		521	200
Net cash flows used in investing activities		<u>(14,810)</u>	<u>(3,396)</u>

**Condensed Consolidated Statement of Cash Flows (Cont'd)**

	Note	9 months ended	
		30/09/2018 RM'000	30/09/2017 RM'0000
<b>Cash flows from financing activities</b>			
Proceeds from bankers' acceptances		6,553	3,230
Proceeds from revolving credits		3,000	20,000
Repayment of bankers' acceptances		(3,743)	(1,854)
Repayment of revolving credits		(6,008)	(24)
Proceeds from term loan		10,297	-
Repayment of obligations under finance leases		(131)	(32)
Finance costs paid		(4,064)	(969)
Redemption of RCPS		(25,000)	-
Net cash flows (used in)/from financing activities		<u>(19,096)</u>	<u>20,351</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(56,226)	4,489
<b>Cash and cash equivalents at beginning of financial year</b>		<u>62,579</u>	<u>47,214</u>
<b>Cash and cash equivalents at end of financial period</b>	20	<u>6,353</u>	<u>51,703</u>

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 period ended 30 September 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*

	<b>9 months ended 30 September 2018</b>				
	<b>Property development</b>	<b>Trading of building materials</b>	<b>Others</b>	<b>Adjustment/ Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
External	5,483	12,048	-	-	17,531
Inter-segment	-	-	-	-	-
<b>Total</b>	<b>5,483</b>	<b>12,048</b>	<b>-</b>	<b>-</b>	<b>17,531</b>
<b>Results</b>					
Depreciation	549	30	1,250	-	1,829
Interest income	152	151	34	-	337
Other non-cash expenses	-	-	-	-	-
<b>Segment loss</b>	<b>(12,391)</b>	<b>(453)</b>	<b>(1,448)</b>	<b>-</b>	<b>(14,292)</b>

**9) Other income**

Included in other income is gain from disposal of equipment of RM520,555.

**10) Other expenses**

Included in other expenses are charges of RM852,636 imposed pertaining to tax review exercise by the Inland Revenue Board.

**11) Loss before tax**

Included in the loss before tax are the following items:

	<b>Individual Quarter</b>		<b>Financial Year-to-date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30/09/2018</b>	<b>30/09/2017</b>	<b>30/09/2018</b>	<b>30/09/2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Interest income	115	338	337	338
(b) Other income including investment income	372	428	1,421	428
(c) Interest expenses	1,448	969	4,064	969
(d) Depreciation and amortization	648	446	1,829	446
(e) Provision for and write off of receivables	-	-	-	-
(f) Provision for and write off of inventories	-	-	-	-
(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	-	-	-	-
(k) Exceptional items				
- Goodwill on share exchange with Tekala	-	15,151	-	15,151
- Stamp duties on acquisition of subsidiaries	-	1,534	-	1,534

**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 9 months ended	
	30.09.2018 RM'000	30.09.2017 RM'000	30.09.2018 RM'000	30.09.2017 RM'000
Current income tax	-	175	-	175
Reversal of deferred tax	(14)	-	(67)	-
Tax review	1,893	-	1,893	-
	<u>1,879</u>	<u>175</u>	<u>1,826</u>	<u>175</u>

There is no current income tax other than the tax arising from the tax review exercise by Inland Revenue Board for the current quarter and period under review.

**14) Loss per share**

	Individual Quarter 3 months ended		Financial Year-to-date 9 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Loss net of tax attributable to owners of the Company (RM'000)	(7,503)	(17,951)	(16,118)	(17,951)
Less: cumulative dividend on RCPS	(2,735)	(3,107)	(8,302)	(3,107)
Loss net of tax attributable to owners of the Company used in the computation of basic loss per share (RM'000)	(10,238)	(21,058)	(24,420)	(21,058)
Add back: cumulative dividend on RCPS	2,735	3,107	8,302	3,107
Loss net of tax attributable to owners of the Company used in the computation of diluted loss per share(RM'000)	(7,503)	(17,951)	(16,118)	(17,951)
Weighted average number of ordinary shares for basic loss per share computation ('000)	848,731	268,890	848,731	268,890
Effect of dilution – RCPS ('000)	310,000	118,681	317,143	118,681
Weighted average number of ordinary shares for diluted loss per share computation ('000)	<u>1,158,731</u>	<u>387,571</u>	<u>1,165,874</u>	<u>387,571</u>
<b>Basic loss per share (sen)</b>	(1.21)	(7.83)	(2.88)	(7.83)
<b>Diluted loss per share (sen)</b>	(0.65)	(4.63)	(1.38)	(4.63)

**15) Land held for Development**

	<b>As at 30.09.2018</b>	<b>As at 31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	146,916	-
At acquisition of Target companies	-	121,809
Additions	370	13,026
Transfer (to)/from property development costs	(4,109)	12,081
At end of period	<u>143,177</u>	<u>146,916</u>

As at 30.09.2018, the Group has a total land bank of approximately 637 acres, comprising 431 acres in Sandakan and 206 acres in Kota Kinabalu.

**16) Property development costs**

	<b>As at 30.09.2018</b>	<b>As at 31.12.2017</b>	
	<b>RM'000</b>	<b>RM'000</b>	
Balance at cost	<u>45,486</u>	<u>36,132</u>	
	<b>Long-term leasehold</b>	<b>Development expenditure</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 30.09.2018</b>			
<b>Cumulative property development cost</b>			
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	-	6,599	6,599
At 30.09.2018	<u>10,839</u>	<u>37,882</u>	<u>48,721</u>
<b>Cumulative costs recognized in statement of comprehensive income</b>			
At 01.01.2018	(558)	(1,323)	(1,881)
Recognised during the period	(78)	(1,276)	(1,354)
At 30.09.2018	<u>(636)</u>	<u>(2,599)</u>	<u>(3,235)</u>
<b>Property development costs at 30.09.2018</b>	<u>10,203</u>	<u>35,283</u>	<u>45,486</u>

As at 30.09.2018, the Group has two ongoing projects namely the commercial project, Sejati Corporate Garden at RM5.4 million, with percentage of completion of 23% and the residential project, Sri Indah Kondominium at RM11.3 million, with a percentage of completion of 12%, totalling RM16.70 million and the projects to be launched amounted to RM28.79 million.

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**17) Inventories**

	<b>As at 30.09.2018</b> <b>RM'000</b>	<b>As at 31.12.2017</b> <b>RM'000</b>
Completed properties	38,344	40,347
Trading inventories	1,053	1,064
Balance at cost	<u>39,397</u>	<u>41,411</u>

**18) Share capital, ICPS and RCPS**

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

	<b>No. of Ordinary Shares</b>	<b>Amount RM</b>
<b>Share capital</b>		
As at 01.01.2018	426,167,169	205,072,913
Arising from redemption of RCPS pursuant to section 72 (4(a)) of the Companies Act, 2016	-	25,000,000
As at 30.09.2018	<u>426,167,169</u>	<u>230,072,913</u>
	<b>No. of Preference Shares</b>	<b>Amount RM</b>
<b>Irredeemable convertible preference shares (ICPS)</b>		
As at 01.01.2018 and 30.09.2018	<u>211,281,792</u>	<u>203,338,864</u>
<b>Redeemable convertible preference shares (RCPS)</b>		
As at 01.01.2018	180,000,000	173,233,080
Redeemed on 9 February 2018	(25,000,000)	(24,060,150)
As at 30.09.2018	<u>155,000,000</u>	<u>149,172,930</u>

**19) Borrowings**

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

	<b>As at third quarter ended 30.09.2018</b>			<b>As at third quarter ended 30.09.2017</b>		
	Long Term	Short Term	Total borrowings	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Secured</b>						
Bankers' acceptances (BA)	-	4,177	4,177	-	3,519	3,519
Revolving credits (RC)	-	95,300	95,300	-	94,300	94,300
Overdraft (OD)	2,470	884	3,354	-	-	-
Term loan (TL)	25,727	1,538	27,265	-	-	-
Obligations under finance leases	877	292	1,169	95	124	219
	<u>29,074</u>	<u>102,191</u>	<u>131,265</u>	<u>95</u>	<u>97,943</u>	<u>98,038</u>

The interest rates for BA, RC, OD and TL range from 1% to 2% above the cost of fund of the banks.

There are no borrowings denominated in foreign currency.

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**20) Cash and Cash Equivalents**

	<b>As at 30.09.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
Fixed deposits	5,335	26,620
Cash on hand and at banks	7,792	39,423
Cash and bank balances	13,127	66,043
Less: deposits pledged for banking facilities	(3,420)	(3,420)
Less: bank overdrafts	(3,354)	(44)
	<u>6,353</u>	<u>62,579</u>

**21) Contingencies**

There were no changes in contingent liabilities since the last balance sheet date, 31 December 2017 to 19 November 2018, the latest practicable date which is not earlier than 7 days from the issue of this interim financial statements.

**22) Capital Commitments**

	<b>As at 30.09.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
Approved and contracted for:		
- Investment property	41,106	54,513

**23) Dividends**

For the period ended 30 September 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 is a hypermarket and a shoplot under construction of RM35.57 million and RM1.70 million respectively.

**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 of the preceding year corresponding period comprising for the three months ended 30 September 2017 are presented commencing from the current quarter 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**

For the current quarter and period ended 30 September 2018, the Group recorded revenue of RM8.03 million and RM17.53 million and incurred loss before tax of RM5.62 million and RM14.29 million respectively.

For the corresponding quarter and period ended 30 September 2017 which comprised the three months ended 30 September 2017, the Group recorded revenue of RM11.44 million and loss before tax of RM17.78 million.

The higher loss before tax in the corresponding quarter and period was mainly due to the non-recurring charges of RM16.68 million incurred on the acquisitions of subsidiaries in the previous year as shown below.

	Individual Quarter				Financial Year to date			
	3 months ended				9 months ended			
	30.09.2018	30.09.2017	Changes		30.09.2018	30.09.2017	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	8,034	11,442	(3,408)	(30)	17,531	11,442	6,089	53
Gross profit	911	3,248	(2,337)	(72)	2,497	3,248	(751)	(23)
Loss Before Interest and Tax	(4,176)	(16,807)	12,631	75	(10,228)	(16,807)	6,579	39
Loss Before Tax	(5,624)	(17,776)	12,152	68	(14,292)	(17,776)	3,484	20
Loss After Tax	(7,503)	(17,951)	10,448	58	(16,118)	(17,951)	1,833	10
Loss attributable to ordinary equity holders of the Company	(7,503)	(17,951)	10,448	58	(16,118)	(17,951)	1,833	10

There were no launches of new property development projects by the Group during the quarter and period under review. The Group generated a total revenue for the current quarter and period of RM8.03 million and RM17.53 million respectively. RM2.40 million (30%) and RM5.48 (31%) were from property development and RM5.63 million (70%) and RM12.05 million (69%) were from trading of building materials for the current quarter and period respectively.

Sales of residential properties amounted to RM2.40 million and RM4.88 for the current quarter and period respectively while the balance of RM0.60 million was from sale of commercial properties in the period under review.

Sales of building materials to contractors engaged by the Group for its property development projects amounted to RM1.82 million and RM5.42 million, representing 32% and 45% of the total sales of building materials of RM5.63 million and RM12.05 million for the current quarter and period respectively.

The Group recorded a gross profit of RM2.50 million for the period under review. After taking into account interest income and other income totalling RM1.76 million and deducting expenses of RM18.55 million including finance cost of RM4.06 million, other expenses of RM2.07 million, administrative expenses of RM12.33 million, the Group incurred a loss before tax of RM14.29 million.

Administrative expenses of RM12.33 million comprised mainly fixed and semi-fixed costs namely staff costs, directors' remuneration, overheads and office expenses (including depreciation RM1.83 million) of approximately RM4.16 million, RM3.50 million and RM4.67 million respectively.

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

The Group recorded a loss before tax of RM5.62 million for the current quarter under review compared to loss before tax of RM4.06 million for the immediate preceding quarter as follows:-

	Current quarter	Immediate preceding quarter	Changes	
	30.09.2018	30.06.2018	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	8,034	5,631	2,403	43
Gross profit	911	1,146	(235)	(21)
Loss Before Interest and Tax	(4,176)	(2,327)	(1,849)	(79)
Loss Before Tax	(5,624)	(4,061)	(1,563)	(38)
Loss After Tax	(7,503)	(4,041)	(3,462)	(86)
Loss attributable to ordinary equity holders of the Company	(7,503)	(4,041)	(3,462)	(86)

Revenue for the current quarter increased by RM2.40 million or 43% mainly due to higher sales of building materials and properties whereas loss before tax for the current quarter increased by RM1.56 million or 38% as compared to the immediate preceding quarter mainly due to higher expenses and finance costs.

For the current quarter under review, revenue from the property segment and building material segment amounted to RM2.40 million and RM5.63 million respectively as compared to preceding quarter of RM2.16 million and RM3.47 million respectively.

## 3. Commentary on Prospects

As at 30 September 2018, the Group has unbilled sales of approximately RM30.08 million and the gross development value of unsold units of its ongoing projects amounted to approximately RM107.64 million.

The Group's performance for the current financial year is adversely affected 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 19 November 2018, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial statements.

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**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 19 November 2018, 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 30 September 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 30 September 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:

	<b>As at 30.09.2018</b> <b>RM'000</b>	<b>As at 31.12.2017</b> <b>RM'000</b>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(63,788)	(21,730)
- Unrealised	-	-
	(63,788)	(21,730)
Less: Consolidation adjustments	-	-
Total Group accumulated losses as per consolidated accounts	(63,788)	(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 23 November 2018.