KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2015

KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2015

	Individual Quarter (Q2)		Cumulative Quarter (6 Mths)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	74,299	105,666	128,802	182,741
Operating expenditure	(85,344)	36,262	(155,160)	(53,861)
Other income	3,225	(1,756)	7,182	224
Impairment on plant and machinery	-	(334)	-	(5,638)
Finance costs	(14,144)	(3,392)	(27,032)	(7,776)
(Loss) / Profit before taxation	(21,964)	136,446	(46,208)	115,690
Taxation	(12)	(11)	(25)	(25)
(Loss) / Profit after taxation	(21,976)	136,435	(46,233)	115,665
Discontinued Operations				
Loss After Taxation from discontinued operations				
- Discontinued Operations	-	(69,212)	-	(114,146)
	(21,976)	67,223	(46,233)	1,519
Other Comprehensive (Expenses) / Income				
Surplus on valuation of property, plant and machinery	-	-	-	243,218
Less: deferred tax	-	-	-	(60,806)
	(21,976)	67,223	(46,233)	183,932
(Loss) / Profit after taxation				
Equity holders of the parent	(16,815)	115,617	(35,319)	83,054
Non-controlling interest	(5,161)	(48,394)	(10,914)	(81,535)
	(21,976)	67,223	(46,233)	1,519
Total comprehensive (Expenses) / Income attributable to:				
Equity holders of the parent	(16,815)	115,617	(35,319)	168,672
Non-controlling interest	(5,161)	(48,394)	(10,914)	15,260
	(21,976)	67,223	(46,233)	183,932
(Loss) / Profit per share (Note 25)				
- Basic (LPS) / EPS (sen)- Continuing Operation	(1.61)	13.53	(3.39)	12.02
- Basic (LPS) / EPS (sen)- Discontinued Operation	-	(2.43)	-	(4.04)

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	As at End of Current Quarter 31.12.2015	As at Preceding Financial Year End 30.06.2015
	RM'000	RM'000
ASSETS		
Property, plant and equipment	1,077,373	1,092,062
Investment in RCULS	46,656	63,000
	1,124,029	1,155,062
Current assets		
Inventories	138,697	158,964
Receivables	174,708	176,978
Tax recoverable	1,137	930
Cash and bank balances	380	3,402
	314,922	340,274
TOTAL ASSETS	1,438,951	1,495,336
EQUITY AND LIABILITIES		
Share capital	209,872	209,872
Share premium	30,493	30,493
Treasury shares	(4,153)	(4,153)
Accumulated losses	(274,632)	(239,313)
Reserves	143,844	143,844
Equity attributable to owners of the parent	105,424	140,743
Non-controlling interest	290,115	301,029
Total equity	395,539	441,772
Non-current liabilities		
Deferred taxation	66,281	66,242
Loan and borrowings (Note 21)	-	590
	66,281	66,832
Current liabilities		
Trade and other payables	172,929	190,998
Overdrafts and short term borrowings (Note 21)	804,202	795,734
	977,131	986,732
Total liabilities	1,043,412	1,053,564
TOTAL EQUITY AND LIABILITIES	1,438,951	1,495,336
Net assets per share attributable to equity holders of the parent (sen)	37.97	42.41

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2015

	Attributable to Equity Holders of the Company								
	Non-distributable					Distributable			
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	RCULS	Retained Earnings/ (Accumulated losses)	Total	Non controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM’000	RM’000	RM'000
Balance at 1.07.2015	209,872	(4,153)	30,493	143,844	-	(239,313)	140,743	301,029	441,772
Loss after taxation for the financial period	-	-	-	-	-	(35,319)	(35,319)	(10,914)	(46,233)
Balance at 31.12.2015	209,872	(4,153)	30,493	143,844	-	(274,632)	105,424	290,115	395,539
Balance at 01.07.2014	209,872	(4,153)	30,493	120,786	261	(246,114)	111,145	(177,903)	(66,758)
Loss after taxation for the financial period	-	-	-	-	-	102,533	102,533	(81,534)	1,519
Comprehensive income/(expenses) for the financial period									
-Revaluation of property	-	-	-	85,618	-	-	85,618	96,794	182,412
Disposal of subsidiary	-	-	-	(62,560)	-	(72,845)	(135,405)	489,177	373,183
Total comprehensive income for the financial period	-	-	-	23,058	-`	29,688	52,746	504,436	557,114
Balance at 31.12.2014	209,872	(4,153)	30,493	143,844	261	(216,426)	163,891	326,474	490,356

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2015

	6 months ended 31.12.2015 RM'000	6 months ended 31.12.2014 RM'000
Cash Flows (For) / From Operating Activities		
(Loss) / Profit before taxation	(46,208)	1,544
Adjustments for non-cash flow :		
Allowance for impairment losses on property, plant and equipment	-	5,638
Allowance for impairment losses on receivables	-	44,617
Allowance for impairment losses on investment	5,184	
Depreciation of property, plant and equipment	14,706	12,084
Loss on disposal of investment	220	-
Gain on deconsolidation of subsidiary	-	(166,854)
Loss on share of disposal of subsidiary	-	23,639
Interest income	(6,403)	(12,941)
Interest expense	17,486	15,196
Operating loss before working capital changes	(15,014)	(77,077)
Decrease in inventories	20,267	116,354
Increase in receivables	2,270	(58,875)
(Decrease)/Increase in payables	(18,071)	55,835
Changes in working capital	(10,548)	36,237
Interest paid	(17,486)	(6,490)
Interest received	-	12,941
Income tax paid	(196)	(269)
Net Cash (For) / From Operating Activities	**(28,230)**	**42,419**
Cash Flows From/ (For) Investing Activities		
Purchase of property, plant and equipment	(12)	(50)
Deconsolidated subsidiary to associate	-	(31,500)
Interest received	6,403	-
Proceeds from disposal of security	10,940	1,820
Proceeds from disposal of property, plant and equipment	-	-
Net Cash From/ (For) Investing Activities	**17,331**	**(29,730)**
Cash Flows For Financing Activities		
Deposit pledged for bank borrowings withdrawn	-	(8,800)
Net repayment of bankers' acceptance	-	(1,500)
Repayment of loans	29	(9,602)
Repayment of hire purchase obligations	(1,879)	(30)
Net Cash For Financing Activities	**(1,850)**	**(19,932)**
Net Decrease In Cash And Cash Equivalents	**(12,750)**	**(7,243)**
Effects of foreign exchange rate changes	-	-
Cash and cash equivalents at beginning of period	(97,636)	(84,990)
Cash And Cash Equivalents At End Of Period	**(110,386)**	**(92,233)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2015 (CONT'D)

	6 months ended 31.12.2015 RM'000	6 months ended 31.12.2014 RM'000
Composition of cash and cash equivalents		
Cash and bank balances	380	1,873
Bank overdrafts	(110,766)	(94,106)
Cash And Cash Equivalents At End Of Period	**(110,386)**	**(92,233)**

The above condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

KINSTEEL BHD (210470-M)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of Malaysian Financial Reporting Standards 134 (MFRS134): “Interim Financial Reporting”, International Accounting Standard 34 (“IAS 34”) : “Interim Financial Reporting” and Chapter 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015. These explanatory notes attached to the interim financial statements 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 financial year ended 30 June 2015.

The financial statements have been prepared on the assumption the Group is going concerns. The Group incurred net losses during the financial period six-month ended 31 December 2015 of RM46 million, as of that date, the Group had net current liabilities of RM662 million.

The Group is currently working on the restructuring scheme and engaged with both financial lenders and major creditors in the exercise. A scheme adviser has been appointed. On 26 September 2013, Corporate Debt Restructuring Committee (“CDRC”) has approved the application for assistance to mediate between the Group and its lenders and the Group is required to submit a proposed restructuring scheme within 60 days and the proposed restructuring scheme must comply with CDRC’s restructuring principles for the Group to continue to remain under the informal standstill arrangement with the lenders.

On 30 April 2014, the Group’s scheme advisor has presented a proposed restructuring scheme and the proposed restructuring scheme was reviewed subsequently by an independent financial advisor. The existing loans of the Group will be restructured in accordance with the proposed restructuring scheme.

In June and July 2014, the Group has received approval from all the banks on the proposed restructuring scheme presented which was subjected to the terms and conditions. On 26 February 2015, the Group has signed a debt restructuring agreement (“DRA”) with all the banks on the restructuring scheme presented.

On 30 July 2015, the Group’s scheme advisor has presented a proposed DRA variations. The proposed DRA variations provide a better repayment scheme to the Group as compared to the DRA signed on 26 February 2015. On 21 August 2015, the Group received a letter from the lead bank which summarised the matters and events to be performed. Upon successful performance of the events, the bankers will table the proposed DRA variations to their management committee/EXCO/board as the case may be for decision.

On 28 October 2015, the Group received a reminder letter from the lead bank on the non-performance of the three major outstanding matters and events. The bankers have extended the deadline to 6 November 2015 for the Group to complete the outstanding matters.

On 11 November 2015, the Group announced that the stamp office has confirmed the adjudicated amount of stamp duties payable, and that the Group is to remit the balance stamp duties to the Creditors’ agent by 25 November 2015. As at to-date, the Group has yet to remit the balance stamp duties as the Group is currently making an appeal to the Stamp Office on the adjudicated amount.

Pending the outcome of the appeal, the Creditors’ agent has on 25 November 2015 notified the Group that the Proposed DRA Variations is still pending consideration by the Creditors. Group will make the necessary announcement on the details of the Proposed DRA Variations upon the receipt of the Creditors’ decision. Again, the Board wishes to reiterate that there is presently no default of payment by the Group under the terms of the DRA and that no event of default of the DRA has been declared by the Creditors.

1. Basis of preparation (Cont'd)

The basis for the preparation of the financial statements of the Group is therefore dependent upon the successful implementation of the proposed restructuring scheme, profitable operations of the Group to generate sufficient cash in the future to fulfill their obligations as and when they fall due and financial support from the lenders and shareholders.

The Directors are of the opinion that the Group will be able to operate profitably in the foreseeable future, and obtain continuing financial support from the lenders and shareholders and therefore continue as a going concern and accordingly, realise their assets and discharge their liabilities in the normal course of business.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the amount and classification of assets and liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group be not appropriate.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2015.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 11 Joint Arrangements – *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure Initiative*	1 January 2016
Amendments to MFRS 127 Consolidated and Separate Financial Statements – *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred until further notice
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets – *Clarification of Acceptance Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141: Agriculture: *Bearer Plants*	1 January 2016
Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entitles and MFRS 128 Investments in Associates and Joint Ventures – *Investment Entities : Applying the Consolidation Exception*	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

1. Basis of Preparation (Cont'd)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group operations except as follows:-

(i) MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

(ii) **MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

2. Auditors' report

The Auditors had qualified their audit opinion on its report for the Audited Financial Statements of the Company for the Financial Year Ended 30 June 2015 and pursuant to Paragraph 9.19(37) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Kinsteel had announced that on 11 November 2015.

Except for the effects of the matter described in the Basis for Qualified Opinion in the Auditors' report, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of the financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3. Seasonal or cyclical factors

The business operation of the Group is generally affected by the demand in construction sector, commodities market condition and correlated to the global economy, as well as the second quarter and third quarter festive seasons.

4. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter and financial period.

5. Material changes in estimates

There were no changes in the estimates of amount relating to the prior financial period that have a material effect in the current quarter under review.

6. Debt and equity securities

There have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year.

7. Dividends paid

No dividend was paid during the financial year.

8. Segmental information

Segmental information is not provided as the Group's primary business segment is principally engaged in the manufacturing and trading of steel related products and its operation is principally located in Malaysia.

9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10. Capital commitments

There were no material capital commitments approved and contracted for as at 31st December 2015.

11. Subsequent event

There were no material subsequent events that have not been reflected at the date of issue of this announcement.

12. Changes in the Composition of the Group

There is no material changes in the composition of the Group during the financial period ended 31 December 2015.

13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets, which upon becoming enforceable, may have a material effect on the net assets, profits or financial position of the Group except the followings:-

A claim has been filed in the Court by an insurance company against the Company together with its subsidiary, Perfect Channel Sdn. Bhd. ("PCSB") and its associate, Perwaja Steel Sdn. Bhd. ("PSSB") for the outstanding amount of RM2,722,767 together with interest of 8% per annum from 30 September 2014 until the date of full and final settlement. The case had been fixed for case management on 19 February 2016 and full trial (pending filing of all cause papers / settlement between parties, if any) will be on 25 until 27 April 2016.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. Review of performance of the Company and its principal subsidiaries

For the current quarter under review, the Group reported a higher revenue of RM74.299 million against the preceding quarter of RM54.503 million and a lower loss before tax of RM21.964 million against RM24.244 million in preceding quarter.

The Group posted a favorable results for the current quarter against preceding quarter, mainly due to the increase of selling quantity during the period under review.

15. Material changes in the current quarter results compared to the results of the immediate preceding quarter

	Q2 2016 (RM mil)	Q1 2016 (RM mil)
Revenue	74.30	54.50
Loss before tax	(21.96)	(24.24)

The Group’s revenue for the current quarter increased by 36% or RM19.8 million as compared to immediate preceding quarter mainly due to increase in selling quantity of its steel products in the current quarter.

The Group’s loss before taxation in the immediate preceding quarter amounted to RM24.24 million as compared to current quarter loss before tax of RM21.96 million were mainly due to the increase in selling quantity in the current quarter.

16. Prospects for the financial period ending 30 June 2016

The Group is undertaking a debt restructuring exercise to address its liquidity issue. The Group’s prospect is highly dependent on the successful implementation of the proposed restructuring scheme with its financial lenders and major creditors and profitable operations of the Group to generate sufficient cash in the future to fulfill their obligations as and when they fall due and financial support from the lenders and shareholders.

In view of the above, the prospects will continue to be challenging.

17. Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast in a public document during the current financial period.

18. Taxation

The Group’s effective tax rate for the current quarter and financial period is lower than the prevailing statutory tax rate of 25%, mainly due to the tax losses in the current quarter and financial period.

19. Loss Before Taxation

Included in the loss before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	6 months ended
	31.12.2015 RM'000	**31.12.2014 RM'000**	**31.12.2015 RM'000**	**31.12.2014 RM'000**
Allowance for impairment losses on property, plant and equipment	-	334	-	5,638
Allowance for impairment losses in investment	5,184	-	5,184	-
Depreciation of property, plant and equipment	7,800	(14,375)	14,706	12,084
Loss on disposal of investment	220	-	220	-
Interest expense	11,540	(11,840)	23,251	15,196
Rental of premises	-	174	-	520
Interest income	(5,645)	(6,376)	(12,168)	(12,941)

20. Status of Corporate Proposal

Proposed Par Value Reduction and Proposed Amendments
The Company had on 26 January 2016 proposed reduction of its existing issued and paid-up share capital from RM209,871,510 comprising 1,049,357,550 ordinary shares of RM0.20 each in Kinsteel Bhd to RM52,467,878 comprising 1,049,357,550 ordinary shares of RM0.05 each in Kinsteel Bhd via the cancellation of RM0.15 from the par value of each existing ordinary shares of RM0.20 each in Kinsteel Bhd pursuant to Section 64 of the Companies Act, 1965 ("Act") ("Proposed Par Value Reduction") and proposed amendments to the Memorandum of Association of KB to facilitate the Proposed Par Value Reduction ("Proposed Amendments").

Corporate Debt Restructuring Committee (CDRC)
The Company and its subsidiary, Perfect Channel Sdn Bhd had on 26 February 2015 entered into a Debt Restructuring Agreement ("DRA") with RHB Bank Berhad, OCBC Bank (Malaysia) Berhad, Bank Muamalat Malaysia Berhad, Standard Chartered Bank Malaysia Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Hong Leong Bank Berhad, AmIslamic Bank Berhad, Ambank (M) Berhad and TMF Trustees Malaysia Berhad (collectively referred to as " Creditors") for the proposed restructuring and settlement of debts owing to the Creditors (" Proposed Debts Restructuring").

As part of the Proposed Debts Restructuring, Kinsteel also proposes to undertake a corporate restructuring exercise involving a capital reduction of the Company's issued and paid-up share capital, a fund raising exercise and proposed disposal of the shares or assets of PCSB. ("Proposed Corporate Restructuring Exercise").

Further details of the Proposed Corporate Restructuring Exercise will be announced in due course upon finalization.

The Group is currently undergoing perfection of relevant security documentations and fulfillment of "Conditions Precedent" as stated in the said DRA.

20. Status of Corporate Proposal (Cont'd)

Perfect Channel Sdn Bhd

On 12 February 2015, the Company announced that the Company with its subsidiary, Perfect Channel Sdn Bhd had entered into a Memorandum of Agreement, with Vibrant Holdings Sdn Bhd ("Vibrant") and Beijing Industrial Designing and Researching Institute of China ("BIDR") to explore the possibility of Vibrant and BIDR undertaking the contract work for the Enhancement Project via the installation of a new blast furnace and related downstream manufacturing facilities and infrastructural work.

BIDR had made a feasibility study site visit to Perfect Channel Sdn Bhd on 11th and 12th March 2015 and further study is currently on going.

21. Group borrowings and debt securities

The Group's borrowings as at 31 December 2015 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings:-			
Bankers' acceptances	479,806	-	479,806
Murabahah Medium Term Loan	50,000	-	50,000
Short-term loan	-	163,614	163,614
Bank Overdraft	-	110,766	110,766
Hire purchase payables	-	16	16
	529,806	274,396	804,202
Long term borrowing:-			
Hire Purchase payables	-	-	-
Total	-	-	-
	529,806	274,396	804,202

22. Derivative Financial Instruments

There were no derivative financial instruments as at the reporting date.

23. Material Litigation

As at 29 February 2016, neither our Company nor any of our subsidiaries is engaged in any additional material litigation and arbitration either as plaintiff or defendant, save and except those that have been disclosed previously, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company or our subsidiaries.

24. Proposed Dividend

There was no dividend proposed or declared for the current quarter and the financial period.

25. (Loss) / Profit Per Share "(LPS) / EPS"

The basic LPS is calculated based on the Group's net loss attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the current quarter and the financial period as follows:

	Current quarter 3 months ended 31.12.2015 RM'000	**Cumulative period 6 months ended 31.12.2015 RM'000**
Net loss attributable to ordinary shareholders of the owners of the Company	(16,815)	(35,319)
Weighted average number of ordinary shares in issue	1,041,604	1,041,604
Basic LPS (sen)	(1.61)	(3.39)

26. Realised and Unrealised Losses Disclosure

The accumulated profits as at 31 December 2015 and 30 June 2015 is analysed as follows:

	As at 31.12.2015 RM'000	**As at 30.06.2015 RM'000**
Total accumulated losses :		
- Realised	(592,606)	(542,142)
- Unrealised	(66,780)	(66,809)
	(659,386)	(608,951)
Total share of loss of associate:		
- realised	(8,750)	(8,750)
- unrealised	-	-
	(668,136)	(617,701)
Less: Consolidation adjustments	393,504	378,388
Total Accumulated Losses	(274,632)	(239,313)

27. Comparatives

Certain comparative figures have been reclassified to conform with the current period's presentation.

28. Review by external auditors

The Board had engaged the external auditors to review and report on the interim condensed consolidated financial statements for the three-month period ended 31 December 2015. Accordingly, the interim condensed consolidated financial report for the financial period under review has been reviewed by the Company's external auditors in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".