

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2015 – unaudited

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To-Date Ended	Preceding Year To-Date Ended
		31 March		31 March	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		441,500	479,620	441,500	479,620
Profit from operations		4,944	11,358	4,944	11,358
Finance costs		(5,759)	(4,919)	(5,759)	(4,919)
(Loss) / Profit before tax	A10	(815)	6,439	(815)	6,439
Tax expense	A11	(885)	(1,000)	(885)	(1,000)
(Loss) / Profit for the period		(1,700)	5,439	(1,700)	5,439
Other comprehensive income, net of tax					
Exchange differences on translation foreign operations		7,313	(437)	7,313	(437)
Hedge of net investment		-	-	-	-
Total other comprehensive income for the period, net of tax		7,313	(437)	7,313	(437)
Total comprehensive income for the period		5,613	5,002	5,613	5,002
(Loss) / Profit attributable to:					
Owners of the Company		(1,855)	5,283	(1,855)	5,283
Non-controlling interests		155	156	155	156
(Loss) / Profit for the period		(1,700)	5,439	(1,700)	5,439
Total comprehensive income attributable to:					
Owners of the Company		5,458	4,846	5,458	4,846
Non-controlling interests		155	156	155	156
Total comprehensive income for the period		5,613	5,002	5,613	5,002
Basic (loss) / earnings per ordinary share (sen)	A12(a)	(0.39)	1.11	(0.39)	1.11
Diluted (loss) / earnings per ordinary share (sen)	A12(b)	(0.39)	1.09	(0.39)	1.09

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015 – unaudited

	Note	31 March 2015 RM'000	31 December 2014 RM'000
Assets			
Non-current assets			
Property, plant and equipment		443,794	409,509
Prepaid lease payments	A 13	13,301	12,909
Intangible assets	A 14	11,945	11,945
Investment property		6,122	5,833
Deferred tax assets		109	54
		475,271	440,250
Current assets			
Derivative financial assets		23,362	11,315
Inventories		793,621	724,648
Trade and other receivables		217,568	207,320
Prepayments and other assets		23,369	33,094
Deposits, bank and cash balances		38,201	41,317
		1,096,121	1,017,694
Total assets		1,571,392	1,457,944
Equity			
Share capital		119,629	119,629
Treasury shares		(5,195)	(5,195)
Foreign currency translation reserve		24,543	17,230
Retained profits		186,894	188,749
Equity attributable to owners of the Company		325,871	320,413
Non-controlling interests		4,113	3,958
Total equity		329,984	324,371
Non-current liabilities			
Amount owing to holding company		7,170	12,320
Loans and borrowings	A 16	149,891	145,041
Provision for employee benefit		742	701
Deferred tax liabilities		14,652	14,842
		172,455	172,904
Current liabilities			
Derivative financial liabilities		19,424	12,772
Trade and other payables		209,683	225,090
Loans and borrowings	A 16	836,732	720,773
Dividend payables		1,715	1,715
Tax payable		1,399	319
		1,068,953	960,669
Total liabilities		1,241,408	1,133,573
Total equity and liabilities		1,571,392	1,457,944
Net assets per share (sen)			
attributable to owners of the Company		68.42	67.27

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2015 – unaudited

	Attributable To Owners Of The Company				Non-controlling Interests	Total Equity	
	Non-distributable		Distributable				
	Share Capital	Treasury Share	Foreign Currency Translation Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 January 2015	119,629	(5,195)	17,230	188,749	320,413	3,958	324,371
(Loss) / Profit for the period	-	-	-	(1,855)	(1,855)	155	(1,700)
Other comprehensive income for the period:							
foreign currency translation	-	-	7,313	-	7,313	-	7,313
Total comprehensive income for the period	-	-	7,313	(1,855)	5,458	155	5,613
Balance at 31 March 2015	119,629	(5,195)	24,543	186,894	325,871	4,113	329,984
Balance at 1 January 2014	119,629	(5,195)	8,026	206,306	328,766	4,908	333,674
(Loss) / Profit for the year	-	-	-	(17,557)	(17,557)	265	(17,292)
Other comprehensive income for the year:							
foreign currency translation	-	-	9,204	-	9,204	-	9,204
Total comprehensive income for the year	-	-	9,204	(17,557)	(8,353)	265	(8,088)
Issuance of new shares in subsidiary	-	-	-	-	-	500	500
Dividend payable by:							
- subsidiary to non-controlling interest	-	-	-	-	-	(1,715)	(1,715)
Contribution from/distribution to owners of the Company	-	-	-	-	-	(1,215)	(1,215)
Balance at 31 December 2014	119,629	(5,195)	17,230	188,749	320,413	3,958	324,371

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2015 – unaudited

	Three Month Ended	
	31-Mar-15	31-Mar-14
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	(815)	6,439
Adjustments for:		
Non-cash and non-operating items	4,932	12,987
Operating profit before working capital changes	4,117	19,426
Changes in working capital		
Net change in current assets	(90,600)	32,302
Net change in current liabilities	13,520	(106,154)
Cash generated from operations	(72,963)	(54,426)
Tax paid	(1,409)	(3,673)
Interest paid	(4,795)	(3,932)
Interest received	67	43
Net cash (used in) operating activities	(79,100)	(61,988)
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,661)	(12,989)
Payment for the lease rental	(124)	(124)
Net cash (used in) investing activities	(19,785)	(13,113)
Cash flows from financing activities		
Bank and other borrowings	106,896	66,415
Payment to holding company	(5,150)	-
Changes in Fixed deposit pledged	500	2
Net cash from financing activities	102,246	66,417
Net decrease in cash and cash equivalents	3,361	(8,684)
Effect of exchange rate changes	(6,514)	5,921
Cash and cash equivalents at the beginning of financial period	39,236	25,255
Cash and cash equivalents at the end of financial period	36,083	22,492
Cash and cash equivalents at the end of financial period comprise of :		
Deposits, bank and cash balances	38,201	24,560
Bank overdrafts	(1,113)	(1,000)
	37,088	23,560
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	(1,005)	(1,068)
	36,083	22,492

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A. Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of Guan Chong Berhad (“GCB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 December 2014. 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 year ended 31 December 2014.

A2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2014 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the financial year ended 31 December 2014, except for those standards, amendments and IC interpretation which are effective from the annual period beginning on or after 1 January 2015. The adoptions of these standards, amendments and IC interpretations have no material impact on this Condensed Report.

A3. Seasonal or cyclical factors

The cocoa processing industry is, to a certain extent, subject to the seasonal pattern of the consumption of cocoa-based products within a year.

A4. Unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence.

A5. Material changes in estimates

There was no material changes in estimates of amounts reported that will have a material effect during the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

There was no dividend declared or paid by the Company during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A8. Segmental information

The Group presenting segmental information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets.

Three Month Ended 31 March 2015	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	193,938	233,629	5,977	7,956	-	441,500
Internal segment revenue	93,059	452,827	222,454	-	(768,340)	-
Total revenue	286,997	686,456	228,431	7,956	(768,340)	441,500
Segment result	3,650	10,582	4,916	(9,328)	1,705	11,525
Interest income						67
Finance cost						(5,759)
Depreciation & amortisation						(6,648)
Profit before tax						(815)
Tax expenses						(885)
Loss for the period						(1,700)
Segment assets	763,913	152,128	618,727	29,557	-	1,564,325
Deferred tax assets						109
Tax recoverable						6,958
Total assets						1,571,392
Segment liabilities	25,720	197,052	5,667	10,295	-	238,734
Deferred tax liabilities						14,652
Tax payables						1,399
Borrowings						986,623
						1,241,408

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A8. Segmental information – (cont'd)

Three Month Ended 31 March 2014	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	192,610	273,132	4,019	9,859	-	479,620
Internal segment revenue	68,149	391,200	261,883	6	(721,238)	-
Total revenue	260,759	664,332	265,902	9,865	(721,238)	479,620
Segment result	11,700	3,078	3,868	(230)	(797)	17,619
Interest income						43
Finance cost						(4,919)
Depreciation & amortisation						(6,304)
Profit before tax						6,439
Tax expenses						(1,000)
Profit for the period						5,439
Segment assets	698,000	228,155	523,968	26,355	-	1,476,478
Deferred tax assets						74
Tax recoverable						17,127
Total assets						1,493,679
Segment liabilities	38,955	89,567	5,306	563	-	134,391
Deferred tax liabilities						16,227
Tax payables						636
Borrowings						1,003,749
						1,155,003

A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A10. Profit before tax

Included in the profit before tax are the following items:

	Current Quarter Ended 31-Mar-15 RM'000	Current Year To-Date 31-Mar-15 RM'000
Amortisation of prepaid lease payments	167	167
Bad debts written off	1	1
Depreciation	6,481	6,481
Realised loss on foreign exchange	20,026	20,026
Unrealised gain on foreign exchange	(3,948)	(3,948)
Realised loss on commodity future contracts	1,155	1,155
Unrealised gain on commodity future contracts	(3,599)	(3,599)
Unrealised gain on commodity option contracts	(3,501)	(3,501)
Unrealised loss on forward currency contracts	2,407	2,407
Unrealised gain on currency option contracts	(790)	(790)
Write down of inventories	2,828	2,828
Interest expense	4,795	4,795
Interest income	(67)	(67)

A11. Tax expense

	Current Quarter Ended		Current Year To-Date Ended	
	31-Mar-15 RM'000	31-Mar-14 RM'000	31-Mar-15 RM'000	31-Mar-14 RM'000
Income tax expense:				
- Current period estimate	1,384	379	1,384	379
Deferred tax				
- Originated of temporary differences	(440)	626	(440)	626
- (Over) provision in prior year	(59)	(5)	(59)	(5)
	885	1,000	885	1,000

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate for the current interim period was higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.

The Group's effective tax rate for the corresponding interim period ended 31 March 2014 was higher than the statutory tax rate due principally to certain expenses which are not deductible for tax purposes.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A12. (Loss) / Earnings per share

- (a) Basic earnings per share are calculated by dividing the net (loss) / profit for the period by the weighted average number of ordinary shares in issue during the financial period as follows:-

	Current Quarter Ended		Current Year To-Date Ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
(Loss) / Profit for the financial period attributable to owners of the Company (RM'000)	(1,855)	5,283	(1,855)	5,283
Weighted average number of ordinary shares in issue ('000)	476,274	476,274	476,274	476,274
Basic (loss) / earnings per share (sen)	(0.39)	1.11	(0.39)	1.11

- (b) For the purpose of calculating diluted EPS, profit for the period and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares convert under warrants issued as shown below:

	Current Quarter Ended		Current Year To-Date Ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
(Loss) / Profit for the financial period attributable to owners of the Company (RM'000)	(1,855)	5,283	(1,855)	5,283
Weighted average number of ordinary shares in issue ('000)	476,274	476,274	476,274	476,274
Effect of dilution of warrants	-	6,228	-	6,228
Adjusted weighted average number of ordinary shares in issue and issuable	476,274	482,502	476,274	482,502
Diluted (loss) / earnings per share (sen)	* (0.39)	1.09	* (0.39)	1.09

* There is no dilutive effect of the potential ordinary shares convert under warrants issued since the exercise price is above the average market value at the company's shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A13. Prepaid lease payments

	31-Mar-15 RM'000	31-Dec-14 RM'000
Cost:		
At 1 January	12,909	13,029
Add: Payment for sub-leases	124	124
Additions	-	-
	13,033	13,153
Less: Amortisation of prepaid lease payments	(167)	(621)
Sub-lease rental	(158)	(259)
Foreign exchange difference	593	636
At 31 December	13,301	12,909
Analysed as:		
Sub-leases of warehouse	1,050	1,084
Leasehold land	12,251	11,825
	13,301	12,909

A14. Intangible assets

	Goodwill RM'000	Technical know-how RM'000	Clientele list RM'000	Total RM'000
Cost:				
At 1 January 2015 / 31 December 2014	12,650	1,016	972	14,638
Acquisition of subsidiary	-	-	-	-
Adjustment	-	-	-	-
At 31 March 2015	12,650	1,016	972	14,638
Accumulated amortisation and impairment				
At 1 January 2014	-	(152)	(292)	(444)
Amortisation	-	(51)	(97)	(148)
Impairment	(705)	(813)	(583)	(2,101)
At 31 December 2014 and 1 January 2015	(705)	(1,016)	(972)	(2,693)
Amortisation	-	-	-	-
Impairment	-	-	-	-
At 31 March 2015	(705)	(1,016)	(972)	(2,693)
Net carrying amount:				
At 31 December 2014	11,945	-	-	11,945
At 31 March 2015	11,945	-	-	11,945

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A15. Fair value information

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 other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs are unobservable inputs for the asset or liability.

As at reporting date, the Group held the following financial assets or liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2015				
Financial assets				
Derivative assets :				
- forward foreign currency contracts	-	2,564	-	2,564
- commodity futures contract	20,798	-	-	20,798
	20,798	2,564	-	23,362
Financial liabilities				
Derivative liabilities :				
- commodity futures contract	19,424	-	-	19,424
	19,424	-	-	19,424
31 December 2014				
Financial assets				
Derivative assets :				
- forward foreign currency contracts	-	3,089	-	3,089
- commodity futures contract	8,226	-	-	8,226
	8,226	3,089	-	11,315
Financial liabilities				
Derivative liabilities :				
- forward foreign currency contracts	-	284	-	284
- commodity futures contract	11,698	-	-	11,698
- option foreign currency contracts	-	790	-	790
	11,698	1,074	-	12,772

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A16. Loans and borrowings

The Group's borrowings at the end of the current quarter are as follows:

		Denominated in currency	31-Mar-15 RM'000	31-Dec-14 RM'000
Current				
Secured	- Bank overdrafts	RM	848	893
	- Bankers' acceptances	RM	6,159	6,944
	- Term loans	RM	3,197	3,827
		USD	61,225	51,090
	- Trade loans	USD	698,354	593,901
	- Revolving credit	RM	66,183	63,447
	- Obligation under finance leases	RM	500	448
Unsecured	- Bank overdrafts	RM	266	223
			836,732	720,773
Non-Current				
Secured	- Term loans	RM	19,475	20,330
		USD	130,120	124,318
	- Obligation under finance leases	RM	296	393
			149,891	145,041
			986,623	865,814

A17. Contingent liabilities

There were no material contingent liabilities as at 31 March 2015.

A18. Commitments

(a) Lease commitments

At the end of the current quarter, the Group has the following outstanding land lease rental commitments:-

Authorised and contracted for	RM'000 2,034
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(b) Capital commitments

At the end of the current quarter, capital expenditure of the Group contracted but not provided for are as follows :-

Authorised and contracted for :	RM'000
Property, plant and equipment	2,677

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

A19. Significant related party transactions

(a) Related party relationship

- i) **SMC Food 21 Pte. Ltd.** – A company in which certain directors of a subsidiary have financial interest.
- ii) **Sanae Foods Sdn Bhd** – A company in which certain directors of a subsidiary have financial interest.

(b) Related party transactions

	Current Quarter Ended	Current Year To-Date
	31 Mar 2015	Ended
	RM'000	31 Mar 2015
		RM'000
SMC Food 21 Pte. Ltd.		
- Sale of goods	1,787	1,787
- Purchase of goods	(1,811)	(1,811)
- Sales commission	(5)	(5)
Sanae Foods Sdn Bhd		
- Sale of goods	263	263

A20. Material events subsequent to the end of the current quarter

There was no material events subsequent to the current quarter ended 31 March 2015 that have not been reflected in this quarterly report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

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

B1. Review of performance

The Group's revenue of RM 441.5 million for the current quarter ended 31 March 2015 is lower than the revenue in the previous corresponding quarter ended 31 March 2014 of RM 479.6 million. The decrease of 7.95% in turnover is mainly due to the decreased sales volume of cocoa butter.

The Group made a loss before tax for the quarter ended 31 March 2015 of RM 0.8 million as compared with the profit before tax of RM 6.4 million in the preceding year corresponding quarter ended 31 March 2014. This is mainly due to higher net loss on foreign exchange, which arising from weaker of Ringgit Malaysia against US Dollar and Great Britain Pound and also resulted by higher finance cost, for the quarter ended 31 March 2015 as compared to the preceding year corresponding quarter ended 31 March 2014.

B2. Comment on material change in profit before tax

The Group recorded a loss before tax of RM 0.8 million for the current quarter as compared to a loss before tax of RM 12.1 million in the preceding quarter. This is mainly due to the increased sales volume and selling price of cocoa butter, while sales price of cocoa cake and powder picked up. The higher net gain on commodity future and option contract also contributed to the decrease of loss before tax for current quarter.

B3. Commentary of prospects

The Group expects the business environment for the financial year ending 31 December 2015 to be challenging. While the cocoa bean prices continue to be volatile, the demand for cocoa solids remains uncertain.

The Group will continue to focus on turnaround efforts which include reducing inventory level, exploring new markets for its wide range of cocoa ingredients, growing industrial chocolate business and optimising production according to market conditions.

B4. Profit forecast or profit guarantee

There were no profits forecast or profit guarantee issued by the Group.

B5. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

B6. Derivative financial instruments

Details of the outstanding derivative financial instruments as at 31 March 2015 are as follows:

	Derivative	Contract Amount RM'000	Fair Value - Net Gains/ (Losses) RM'000	Purpose
1	Forward Foreign Exchange Contracts: Sale Contracts - Less than 1 year - 1 year to 3 years Purchase Contracts - Less than 1 year	 159,339 61,428 30,550	 783 (1,198) (7)	For hedging currency risk
2	Commodity Futures Sale Contracts - Less than 1 year - 1 year to 3 years Purchase Contracts - Less than 1 year - 1 year to 3 years	 284,422 62,102 300,152 61,725	 13,772 1,950 (13,343) (950)	For hedging price risk

The fair values of the above derivatives are determined by using the market rates at the end of reporting period and changes in the fair values are recognised in the profit and loss. The subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or a liability with the corresponding gain or loss recognised in the profit or loss.

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

B7. Material litigation

There was no material litigation against the Group as at the date of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 31 MARCH 2015

B8. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter.

B9. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 31 March 2015 and 31 December 2014 is analysed as follows:-

	Current Quarter Ended 31-Mar-15 RM'000	Preceding Year To-Date Ended 31-Dec-14 RM'000
Total retained profits of the Company and the subsidiaries:		
- Realised	198,766	232,128
- Unrealised	4,499	(25,448)
	203,265	206,680
Less: Consolidated adjustments	(16,371)	(17,931)
Total group retained profits as per consolidated financial statements	186,894	188,749

B10. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

Tay Hoe Lian
 Managing Director
 Dated: 22.5.2015