

# TATT GIAP GROUP BERHAD

(732294-W)

(Incorporated in Malaysia)

## Unaudited condensed consolidated statement of comprehensive income for the period ended 31 December 2015

	Note	Individual Quarter		Cumulative Quarter	
		3-months period ended 31-Dec-15 RM'000	31-Dec-14 RM'000	12-months period ended 31-Dec-15 RM'000	31-Dec-14 RM'000
<b>Continuing operations</b>					
Revenue		32,361	58,288	175,637	251,682
Cost of sales		(34,070)	(65,188)	(176,745)	(240,914)
<b>Gross profit / (loss)</b>		(1,709)	(6,900)	(1,108)	10,768
Other operating income		1,368	(307)	3,269	4,075
Distribution expenses		(938)	(1,102)	(4,642)	(5,441)
Administrative expenses		(3,208)	(5,075)	(14,040)	(16,765)
Other operating expenses		(2,696)	(277)	(4,470)	(1,615)
<b>Results from operating activities</b>		(7,183)	(13,661)	(20,991)	(8,978)
Finance costs		(2,560)	(3,606)	(10,681)	(10,811)
<b>Operating loss</b>	1	(9,743)	(17,267)	(31,672)	(19,789)
Share of profit/(loss) of equity accounted associates, net of tax		(199)	37	(332)	1,011
<b>Loss before tax</b>		(9,942)	(17,230)	(32,004)	(18,778)
Income tax expense		-	(709)	(13)	(709)
<b>Loss from continuing operations</b>		(9,942)	(17,939)	(32,017)	(19,487)
<b>Other comprehensive expenses, net of tax</b>					
Loss on available-for-sale financial assets		-	(25)	(12)	(25)
<b>Total comprehensive expense for the period</b>		(9,942)	(17,964)	(32,029)	(19,512)
<b>Loss for the period attributable to:</b>					
Owners of the Company		(9,313)	(16,755)	(27,775)	(16,663)
Non-controlling interests		(630)	(1,183)	(4,241)	(2,823)
<b>Loss for the period</b>		(9,942)	(17,939)	(32,017)	(19,487)
<b>Total comprehensive expense attributable to:</b>					
Owners of the Company		(9,313)	(16,780)	(27,787)	(16,676)
Non-controlling interests		(630)	(1,183)	(4,241)	(2,836)
<b>Total comprehensive expense for the period</b>		(9,942)	(17,964)	(32,029)	(19,512)
<b>Basic profit / (loss) per ordinary share (sen)</b>		(6.60)	1.03	(19.67)	(14.85)
<b>Diluted earnings per ordinary share (sen)</b>		(6.60)	0.88	(19.67)	(14.85)

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

# TATT GIAP GROUP BERHAD

(732294-W)

(Incorporated in Malaysia)

## Unaudited condensed consolidated statement of comprehensive income for the period ended 31 December 2015 (continued)

Note:	Individual Quarter		Cumulative Quarter	
	3-months period ended	3-months period ended	12-months period ended	12-months period ended
1. Operating loss is arrived at:	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM'000	RM'000	RM'000	RM'000
After charging:				
- Impairment loss on trade & other receivables	210	401	840	1,031
- Bad debts written off	-	253	-	253
- Inventories written down	-	2,122	-	2,122
- Depreciation on property, plant and equipment	2,176	2,331	9,355	9,544
- Realized loss on foreign exchange	329	347	2,997	1,065
- Impairment loss on property, plant and equipment	2,500	-	4,273	-
- Interest expense	2,560	3,606	10,681	10,811
After crediting:				
- Gain on disposal of plant and equipment	98	14	2,177	717
- Realised gain on foreign exchange	246	-	1,489	-
- Interest income	183	127	371	347

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

# TATT GIAP GROUP BERHAD

(732294-W)

(Incorporated in Malaysia)

## Unaudited condensed consolidated statement of financial position for the period ended 31 December 2015

	31-Dec-15 RM'000	Audited 31-Dec-14 RM'000
<b>Assets</b>		
Property, plant and equipment	124,979	160,858
Investment properties	-	631
Investment in associates	6,418	5,827
Other investments	2,178	2,183
Deferred tax assets	150	150
<b>Total non-current assets</b>	<u>133,725</u>	<u>169,649</u>
Inventories	35,254	65,129
Trade and other receivables	43,955	57,501
Current tax assets	144	658
Assets classified as held for sales	26,233	-
Fixed deposits with licensed banks	3,559	4,944
Cash and cash equivalents	4,517	5,904
<b>Total current assets</b>	<u>113,662</u>	<u>134,136</u>
<b>Total assets</b>	<u><u>247,387</u></u>	<u><u>303,785</u></u>
<b>Equity</b>		
Share capital	77,552	60,989
Reserves	(55,775)	(12,464)
<b>Total equity attributable to owners of the Company</b>	<u>21,777</u>	<u>48,525</u>
Non-controlling interests	10,544	14,785
<b>Total equity</b>	<u>32,321</u>	<u>63,310</u>
<b>Liabilities</b>		
Loans and borrowings	37,964	42,788
Deferred tax liabilities	7,143	7,155
<b>Total non-current liabilities</b>	<u>45,107</u>	<u>49,943</u>
Loans and borrowings	105,873	120,306
Trade and other payables	64,159	70,220
Current tax liabilities	(73)	6
<b>Total current liabilities</b>	<u>169,959</u>	<u>190,532</u>
<b>Total liabilities</b>	<u>215,066</u>	<u>240,475</u>
<b>Total equity and liabilities</b>	<u><u>247,387</u></u>	<u><u>303,785</u></u>

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

# TATT GIAP GROUP BERHAD

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## Unaudited condensed consolidated statement of changes in equity for the period ended 31 December 2015

	----- Attributable to owners of the Company -----						12-months period ended		
	----- Non-distributable -----			Distributable			Non-controlling interest	Total Equity	
	Share capital	Share premium	Reverse acquisition reserve	Fair value	Capital reserve	Retained earning			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2014</b>	51,918	922	(53,300)	(56)	27,208	38,298	64,990	17,621	82,611
Gross profit / (gross loss)									
- Fair value of available-for-sale financial assets	-	-	-	(12)	-	-	(12)	(13)	(25)
Loss for the period	-	-	-	-	-	(16,663)	(16,663)	(2,823)	(19,486)
<b>Total comprehensive expense for the period</b>	-	-	-	(12)	-	(16,663)	(16,675)	(2,836)	(19,511)
<b>Operating profit / (loss)</b>									
- Conversion of ICULS	9,071	1,451	-	-	(10,312)	-	210	-	210
<b>At 31 December 2014</b>	<b>60,989</b>	<b>2,373</b>	<b>(53,300)</b>	<b>(68)</b>	<b>16,896</b>	<b>21,635</b>	<b>48,525</b>	<b>14,785</b>	<b>63,310</b>
<b>At 1 January 2015</b>	60,989	2,373	(53,300)	(68)	16,896	21,635	48,525	14,785	63,310
Other comprehensive expense for the period									
- Fair value of available-for-sale financial assets	-	-	-	(12)	-	-	(12)	-	(12)
Loss for the period	-	-	-	-	-	(27,775)	(27,775)	(4,241)	(32,016)
<b>Total comprehensive expense for the period</b>	-	-	-	(12)	-	(27,775)	(27,787)	(4,241)	(32,028)
- Conversion of ICULS	16,563	277	-	-	(15,801)	-	1,039	-	1,039
<b>At 31 December 2015</b>	<b>77,552</b>	<b>2,650</b>	<b>(53,300)</b>	<b>(80)</b>	<b>1,095</b>	<b>(6,140)</b>	<b>21,777</b>	<b>10,544</b>	<b>32,321</b>

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

# TATT GIAP GROUP BERHAD

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(Incorporated in Malaysia)

## Unaudited condensed consolidated statement of cash flows for the period ended 31 December 2015

	Note	12 months period to 31-Dec-15  RM'000	12 months period to 31-Dec-14 (Audited)  RM'000
<b>Cash flows from operating activities</b>			
Loss before tax		(32,004)	(18,777)
Adjustments for:			
Depreciation on property, plant and equipment		9,355	9,544
Dividend income		(3)	(7)
Impairment loss on other investments		-	18
Gain on disposal of plant and equipment		(3,949)	(580)
Gain on assets classified as held for sale		-	(137)
Interest expense		10,681	10,811
Interest income		(371)	(347)
Impairment loss on property, plant and equipment		4,273	-
Share of (gain) / loss of equity accounted associates		332	(1,011)
Operating loss before working capital changes		(11,686)	(486)
Changes in working capital:			
Inventories		29,875	20,715
Trade and other receivables		13,496	5,714
Trade and other payables		(6,061)	11,153
<b>Cash generated from operations</b>		25,624	37,096
Income taxes refund / (paid)		410	542
<b>Net cash from operating activities</b>		26,034	37,638
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A	(513)	(3,595)
Dividend received		3	258
Interest received		371	347
Subscription of additional interest in an associate		(923)	(1,105)
Proceeds from disposal of plant and equipment		522	650
Proceeds from disposal of investment property		650	-
Net cash inflow on disposal of a subsidiary	C	302	-
Withdraw (placement) of pledge fixed deposits		2,488	634
Proceeds from disposal of assets classified as held for sale		-	3,100
<b>Net cash from investing activities</b>		2,900	289
<b>Cash flows from financing activities</b>			
Interest paid		(10,681)	(11,341)
Repayment of short term borrowings, net		(12,117)	(17,868)
Repayment down of term loans		(2,506)	(1,713)
Placement of pledged short term deposits		-	(139)
Payment of finance lease liabilities		(3,856)	(4,826)
<b>Net cash used in financing activities</b>		(29,160)	(35,887)
Net decrease in cash and cash equivalents		(226)	2,040
Cash and cash equivalents as at beginning of financial period		(3,597)	(5,637)
<b>Cash and cash equivalents as at end of financial period</b>	B	(3,823)	(3,597)

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

# TATT GIAP GROUP BERHAD

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(Incorporated in Malaysia)

## Unaudited condensed consolidated statement of cash flows for the period ended 31 December 2015 (continued)

### Notes:

#### A. Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM0.60 million (2014: RM 6.8 million) of which RM 0.09 million (2014: RM 3.2 million) was acquired by means of finance lease arrangements.

#### B. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	12 months period to 31-Dec-15 RM'000	12 months period to 31-Dec-14 RM'000
Cash and bank balances	607	1,396
Bank overdrafts	<u>(4,430)</u>	<u>(4,993)</u>
Cash and cash equivalents	<u>(3,823)</u>	<u>(3,597)</u>

#### C. Disposal of a subsidiary

The disposal which was completed on 30th September 2015 had the following effect on the financial position of the Group:

	RM'000
Property, plant and machinery	232
Trade and others payables	<u>(302)</u>
Net liabilities relieved	(70)
Gain on disposal of investmnet in a subsidiary	<u>372</u>
Consideration received, satisfied in cash	<u>302</u>

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

# TATT GIAP GROUP BERHAD

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(Incorporated in Malaysia)

## Notes to the condensed consolidated interim financial statements

### A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

#### A1. Basis of preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the 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 financial year ended 31 December 2014.

The following MFRSs and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2015.

Amendments to MFRS 3	First-time Adoption of Malaysian Financial Reporting Standards Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

# TATT GIAP GROUP BERHAD

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## Notes to the condensed consolidated interim financial statements

### A1. Basis of preparation (continued)

#### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

Amendments to MFRS 7	Financial Instruments: Disclosures (Annual Improvements to MFRSs 2012-2014 Cycle)
Amendments to MFRS 10 & MFRS 128	Sale or Contribution of Assets between an investor and its Associate or Joint Venture
Amendments to MFRS 10, MFRS 12 & MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Disclosures Initiative
Amendments to MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119	Defined Benefit Plans: Employee Contribution (Annual Improvements to MFRSs 2012-2014 Cycle)
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 Cycle)

#### MFRSs Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 15	Revenue from Contracts with Customers
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 9, Financial Instruments and also MFRS 15, Revenue from Contracts with Customers which the Group is currently assessing the financial impact.

### A2. Auditor's report on preceding annual financial statements

The auditor's report on the audited annual financial statements for the year ended 31 December 2014 was not qualified.

### A3. Seasonality or cyclical factors

The business operation of the Group is not subject to seasonal or cyclical factors.

### A4. Exceptional and extraordinary items

There were no items affecting assets, liabilities, equity, net income or cash flows that are exceptional or extraordinary due to their nature, size or incidence affecting the interim financial report.

### A5. Changes in estimates

There were no changes in estimates that had a material effect on the current quarter and period to date results.



# TATT GIAP GROUP BERHAD

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## Notes to the condensed consolidated interim financial statements

### A6. Debt and equity securities

On 12 May 2015, there was a conversion of RM1,273,500 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") to 2,195,689 ordinary shares by ICULS holders.

On 5 June 2015, there was a conversion of RM17,939,409 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") to 30,930,016 ordinary shares by ICULS holders. Latest issued and paid up share capital after this conversion is 155,103,402 ordinary shares at par value of RM0.50 per share.

### A7. Dividend paid

There was no dividend paid by the Company in the current quarter and the period to date.

### A8. Segmental information

The Group only has one reportable segment which is principally confined to the manufacturing and trading of stainless steel pipes, tubes and bars, electro-galvanized steel, perforated metal products and other ferrous and non-ferrous metal products. The Group's Executive Chairman (the chief operating decision maker) reviews internal management reports on the reportable segment on a monthly basis.

#### *Geographical segment*

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

#### *Geographical information*

	Current quarter ended 31 December 2015		Cumulative quarter to date ended 31 December 2015	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<u>Segment revenue</u>				
Malaysia	29,677	42,060	141,125	163,184
Asia (excluding Malaysia)	622	3,302	7,811	7,225
United States of America	765	548	5,837	5,134
South America	1,236	8,462	9,707	14,218
Europe	61	3,916	11,156	3,853
	<u>32,361</u>	<u>58,288</u>	<u>175,637</u>	<u>251,682</u>

### A9. Property, plant and equipment

During the financial period end 31 December 2015, the Group has additions of property, plant and equipment of RM0.60 million of which RM0.09 million was acquired by mean of finance lease arrangement.

### A10. Material events during the reporting period

On 30 September 2015, the Group (TGG") entered into an agreement with Nixin Steel Sdn Bhd to dispose off all its 100% equity interest in TG Oriental Steel Sdn Bhd ("TGO") representing 5,000,000 ordinary shares of RM1 each for a total cash consideration of RM302,142 and TGO ceased to be a subsidiary of TGG. There is a gain on disposal of RM0.37 million.

On 31 December 2015, TGG entered into an sale and purchase agreement with CSC Steel Sdn Bhd ("CSCM") and Tatt Giap Steel Centre Sdn Bhd ("TGSC") to dispose of leasehold industrial land and buildings at No. 1617 Lorong Perusahaan Maju 6, Prai Industrial Estate IV, 13600 Prai, Penang to CSCM for a total disposal consideration of RM41,000,000. Upon completion of the agreement, there is a gain on disposal of RM15.8 million.

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## Notes to the condensed consolidated interim financial statements

### A11 Changes in composition of the Group for the financial period ended 31 December 2015

Except as disclosed in Note A10, there have been no changes in Group's composition.

### A12 Contingent liabilities

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

### A13 Capital commitment

	<b>Cumulative Period to Date 31-Dec-15 RM'000</b>
Contracted but not provided for in the financial statements	
- Investment in an associate - PIBI	<u>1,888</u>

### A14 Significant related party transactions

	<b>Current Quarter 31-Dec-15 RM'000</b>	<b>Cumulative Period to Date 31-Dec-15 RM'000</b>
a) Transactions with associates:		
- Sales	491	1,612
- Purchases	12,430	50,857
- Rental income	<u>505</u>	<u>1,682</u>
b) Transactions with directors		
- Rental expense	12	48
- Interest expense	13	70
- Professional fee	<u>97</u>	<u>97</u>
c) Transactions with related party		
- Loan from related party	-	285
- Interest expense	8	32
- Rental expense	<u>15</u>	<u>60</u>

### A15 Change in Financial Year End

On 30 November 2015, the Company announced an immediate change in financial year end from 31 December to 31 May.

# TATT GIAP GROUP BERHAD

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## Notes to the condensed consolidated interim financial statements

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of performance

For the financial period ended 31 December 2015, the Group achieved total revenue of RM 175.64 million. This represents a decrease by RM 76.05 million or 30.2% as compared to the revenue of RM 251.68 million for the corresponding period of year 2014. The decrease in sales was mainly due to weak local demand and keen competition in domestic market.

The Group incurred a loss before tax of RM 32.00 million for the financial period ended 31 December 2015 compared to the loss before tax of RM 18.78 million in the same period of 2014. This is mainly attributable by margin erosion caused by lower selling price, unfavourable foreign exchange loss due depreciation of Ringgit Malaysia against US Dollar and impairment of plant and machinery.

#### B2. Variation of results against preceding quarter

During the quarter under review, the Group's revenue was RM 32.36 million, decreased by RM 10.66 million or 24.8% as compared to the revenue of RM 43.02 million for the preceding quarter ("Q3 2015"). The decrease in revenue was mainly due to decrease in export sales.

The Group registered a loss before tax of RM 9.94 million compared to a loss before tax of RM 6.81 million for preceding quarter ("Q3 2015"). The increase in losses mainly due to margin erosion caused by lower selling price, foreign exchange losses and impairment of plant and machinery

#### B3. Current year prospects

The local steel industry is unlikely to turnaround in the current year. Prices remain low and there is continued supply of low-priced steel products from China. As supply continues to outstrip demand, margin remains very low and competitive.

The remaining months of the current financial year for the Group remains very tough and challenging. The Group continues to take steps to reduce unproductive operations and the dispose assets.

#### B4. Variance between actual profit and forecast profit

The Group has not issued any profit forecast or profit guarantee.

#### B5. Income tax expense

	Current Quarter 31-Dec-15 RM'000	Cumulative Period to Date 31-Dec-15 RM'000
Current tax expense	-	13
Deferred tax expenses	-	-
	<u>-</u>	<u>13</u>

The effective tax rate for the Group for the period under review was higher than the statutory income tax rate of 25% mainly due to certain subsidiaries within the Group experienced losses during the current quarter and year to date.

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## Notes to the condensed consolidated interim financial statements

### B6. Quoted investments

	Carrying Amount RM'000	Market value as at 31-Dec-15 RM'000
Quoted shares in Malaysia	<u>133</u>	<u>133</u>

### B7. Loan and borrowings

The Group's loans and borrowings as at 31 December 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current:			
- Bank overdraft	4,430	-	4,430
- Trade line	84,908	11,812	96,720
- Term loans	1,362	-	1,362
- Finance lease liabilities	3,361	-	3,361
	<u>94,061</u>	<u>11,812</u>	<u>105,873</u>
Non-current			
- Term loans	35,213	-	35,213
- Finance lease liabilities	2,751	-	2,751
	<u>37,964</u>	<u>-</u>	<u>37,964</u>
Total	<u>132,025</u>	<u>11,812</u>	<u>143,837</u>

The above borrowings are denominated in Ringgit Malaysia.

### B8. Material litigation

The Group is not engaged in any material litigation for the current financial period.

### B9. Proposed dividend

The Board does not recommend any dividend for the current quarter ended 31 December 2015.

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## Notes to the condensed consolidated interim financial statements

### B10. Loss per share

#### a) Basic loss per ordinary share

	Current Quarter 31-Dec-15	Cumulative Period to Date 31-Dec-15
Loss attributable to ordinary shareholders (RM'000)	(9,313)	(27,775)
Weighted average number of ordinary share ('000)	<u>141,181</u>	<u>141,181</u>
Basic loss per ordinary share (in sen)	<u>(6.60)</u>	<u>(19.67)</u>

#### b) Diluted earnings per ordinary share

	Current Quarter 31-Dec-15	Cumulative Period to Date 31-Dec-15
Diluted earnings per ordinary share (in sen)	<u>(6.60)</u>	<u>(19.67)</u>

### B11. Realized and unrealized profits or losses

The breakdown of retained earnings of the Group as at the reporting date, into realized and unrealized profits or losses, pursuant to directive, are as follows:

	As at 31-Dec-15 RM'000	As at 31-Dec-14 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realized	37,436	60,338
- Unrealized	<u>(7,143)</u>	<u>(7,721)</u>
	30,293	52,617
Total share of accumulated (losses)/profit from associates:		
- Realized	(6,376)	(6,376)
- Unrealized	<u>(4,482)</u>	<u>(4,482)</u>
	19,434	41,759
Consolidation adjustments	<u>(25,575)</u>	<u>(20,124)</u>
Total retained earnings	<u>(6,140)</u>	<u>21,635</u>

### B12. Authorization for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.