Fiamma Holdings Berhad (Company No: 88716-W)("Fiamma" or "the Company")
Notes to the interim financial statements for the financial quarter ended 31 March 2016.

A. Compliance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting

A1. Accounting Policies

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and FRS 134, *Interim Financial Reporting.* They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the financial year ended 30 September 2015.

The following are FRSs, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

FRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2016

- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- FRS 14, *Regulatory Deferral Accounts*
- Amendments to FRS 101, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

A1. Accounting Policies (continued)

FRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*

The Group and the Company plan to apply the abovementioned FRSs, amendments and interpretations from the annual period beginning on 1 October 2016 for those FRSs, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to FRS 5, Amendments to FRS 11, Amendments to FRS 12, FRS 14, Amendments to FRS 127 and Amendments to FRS 128, which are not applicable to the Company.

The initial application of the FRSs, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

The Group has subsidiaries which fall within the scope of IC Interpretation 15, *Agreements for the Construction of Real Estate*. Therefore, the Group and these subsidiaries are currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRSs") and is referred to as a "Transitioning Entity".

The Group's financial statements for annual period beginning on 1 October 2018 will be prepared in accordance with MFRSs issued by MASB and the International Financial Reporting Standards ("IFRSs"). As a result, the Company will not be adopting FRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2018.

A2. Report of the Auditors to the Members of Fiamma

The reports of the auditors to the members of Fiamma and its subsidiaries on the financial statements for the financial year ended 30 September 2015 were not subject to any qualification and did not include any adverse comments made under Section 174 (3) of the Companies Act, 1965.

A3. Seasonality or Cyclicality of Interim Operations

The business of the Group was not subject to material seasonal or cyclical fluctuations.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The business of the Group was not affected by any significant unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 31 March 2016.

A5. Material Changes in Estimates of Amounts Reported

There were no material changes in estimates used in reporting the current quarter as compared to the financial statements of the Group for the financial year ended 30 September 2015.

A6. Debt and Equity Securities

The owners of the Company, by a special resolution passed at the Annual General Meeting held on 23 February 2016, approved the Company's plan to repurchase its own shares.

During the current financial quarter, the Company repurchased 8,000 of its issued share capital for a total consideration of RM17,417.33 from the open market at an average price of RM2.18 including transaction cost. During the financial period-to-date, the Company repurchased 1,321,800 of its issued share capital from the open market at an average price of RM1.75 per share including transaction cost. The total consideration paid was RM2,306,823.28. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

During the current financial quarter and financial period to-date, the Company disposed 179,000 of its issued share capital held as treasury shares for a total consideration of RM439,415.40 in the open market at an average price of RM2.45 per share.

As at 31 March 2016, the total number of shares purchased was 8,550,000, representing 4.82% of the total paid-up share capital of the Company. These shares were being held and retained as treasury shares.

A6. Debt and Equity Securities (continued)

During the current financial quarter, 32,627,897 warrants were exercised by the registered warrantholders to subscribe for 32,627,897 new ordinary shares of RM1.00 each at a price of RM1.00 per ordinary share.

As at the end of the current financial period, 202,571 warrants remained unexercised.

There were no other issuance, cancellation, resale and repayments of debt and equity securities for the current financial quarter and financial period ended 31 March 2016.

A7. Dividend Paid

No dividend was paid during the current quarter.

A8. Operating Segment Information

The Group has 3 reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Groups' reportable segments:

Investment holding and property investment	The long term investment in unquoted shares and property investment
Property development	Property development
Trading and services	Distribution and servicing of electrical home appliances, sanitaryware, other household products, bathroom accessories, home furniture, medical devices and healthcare products.

The reportable segment information for the Group is as follows:

	Investment Holding & Property Investment RM'000	**Property Development RM'000**	**Trading & Services RM'000**	**Total RM'000**
For the financial period ended 31 March 2016				
External revenue	2,496	5,574	122,967	131,037
Inter segment revenue	24,131	-	5,997	30,128
Total reportable revenue	26,627	5,574	128,964	161,165
Segment profit/(loss)	24,359	(2,037)	13,089	35,411
Segment assets	384,522	286,846	318,539	989,907
Segment assets				989,907
Other non-reportable segments				3,722
Elimination of inter-segment transactions or balances				(325,601)
				668,028

A8. Operating Segment Information (continued)

	Investment Holding & Property Investment RM'000	Property Development RM'000	Trading & Services RM'000	Total RM'000
Segment liabilities	(57,348)	(98,391)	(120,413)	(276,152)

Segment liabilities	(276,152)
Other non-reportable segments	(7,392)
Elimination of inter-segment transactions or balances	41,770
	(241,774)

Reconciliation of profit or loss

	31 March 2016 RM'000
Total profit or loss for reportable segments	35,411
Elimination of inter-segment profits	(22,172)
Depreciation	(2,078)
Interest expense	(2,716)
Interest income	2,308
	10,753

A9. Property, Plant and Equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

A10. Events Subsequent to the end of the Financial Period

The Company disposed 6,393,000 of its issued share capital held as treasury shares for a total consideration of RM13,384,268.45 in the open market an average price of RM2.09 per share. The proceeds from the resale were utilised for working capital purposes.

Other than the above, there were no material events as at 18 May 2016, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the financial quarter under review.

A11. Changes in Composition of the Group

On 12 October 2015, the Company transferred 2 ordinary shares of RM1.00 each in Beaulogy Sdn Bhd (formerly known as Sterling Skills Sdn Bhd)("BSB"), representing the entire issued and paid-up share capital of BSB to Fiamma Trading Sdn Bhd ("FTSB"), a 70%-owned subsidiary of the Company.

FTSB had also on 12 October 2015 subscribed for an additional 79,998 ordinary shares of RM1.00 each in the issued and paid-up share capital of BSB for a cash consideration of RM79,998, representing 80% of the enlarged issued and paid-up share capital of BSB.

Subsequent to the above, the effective interest of the Company in BSB is 56%.

Except for the above, there were no changes in the composition of the Group for the current quarter and the period up to 18 May 2016, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

A12. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	As at 31 March 2016 RM'000	**As at 30 Sept 2015 RM'000**
Guarantees to financial institutions for facilities granted to subsidiaries	160,269	169,681
	======	======

B. Compliance with Bursa Securities Listing Requirements.

B1. Review of the Performance of the Group

	6 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000
Revenue	131,037	168,976
Profit before taxation	10,753	27,843

The Group recorded a lower revenue of RM131.037 million for the current financial period compared to RM168.976 million achieved in the preceding year corresponding financial period. This is mainly due to lower contribution from the trading and services and the property development segments. Consequently, the Group recorded a lower profit before taxation ("PBT") of RM10.753 million for the current financial period compared to RM27.843 million achieved in the preceding year corresponding financial period.

The Group's revenue is derived primarily from the trading and services segment which contributed 93.8% of the Group's net revenue during the current financial period. The segment recorded a net revenue of RM122.967 million as compared to RM142.399 million recorded in the preceding year corresponding financial period, representing a decrease of 13.6%. Consequently, this segment recorded a lower PBT of RM11.111 million against PBT of RM19.301 million for the preceding year corresponding financial period, representing a decrease of 42.3%.

The property development segment contributed 4.3% of the Group's net revenue during the current financial period. The segment recorded a net revenue of RM5.574 million as compared to RM25.658 million recorded in the preceding year corresponding financial period, representing a decrease of 78.3%. Consequently, this segment recorded a loss before taxation of RM1.901 million in the current financial period against PBT of RM7.085 million for the preceding year corresponding financial period. The revenue and PBT contribution in the preceding year corresponding financial period is derived mainly from the Group's commercial development in Jalan Tuanku Abdul Rahman, Kuala Lumpur, which was completed in March 2015.

The investment holding and property investment segment contributed 1.9% of the Group's net revenue during the current financial period. The segment recorded a net revenue of RM2.496 million as compared to RM0.919 million recorded in the preceding year corresponding financial period, representing an increase of 171.6%. The revenue is derived mainly from letting of investment properties at Wisma Fiamma in Bandar Manjalara and Menara Centara in Jalan Tuanku Rahman, both in Kuala Lumpur. This segment recorded a higher PBT of RM1.543 million against PBT of RM1.457 million for the preceding year corresponding financial period, representing an increase of 5.9%.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 31 March 2016 RM'000	Preceding quarter ended 31 Dec 2015 RM'000
Revenue	68,316	62,721
Profit before taxation	6,083	4,670

The Group recorded a higher revenue and PBT of RM68.316 million and RM6.083 million respectively for the current quarter ended 31 March 2016 compared to RM62.721 million and RM4.670 million achieved in the preceding quarter ended 31 December 2015.

The increase in revenue and profit from operations was mainly attributable to higher revenue contribution from the trading and services segment for the current quarter as compared to the preceding quarter.

B3. Prospects

In the first quarter of 2016, the global economy expanded moderately against a backdrop of high financial market volatility. The advanced economies continued to register modest improvements, as the pace of growth remained constrained by crisis-related legacies, including high indebtedness and labour market slack. In Asia, economic activity expanded at a more moderate pace due in part of the weakness in exports. Amid these developments, several economies adopted more stimulus to support growth.

The Malaysia economy expanded by 4.2% in the first quarter of 2016 (4Q 2015: 4.5%). The slight moderation in growth mainly reflected external shocks to the economy and cautious spending by the private sector. On the supply side, growth continues to be driven by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.0% (4Q 2015: 1.2%).

Overall, downside risks to the global economy remain elevated. Cyclical and structural economic weaknesses continue to weigh on growth in the major economies, in additional to uncertainty in the direction of energy prices and rising geopolitical risks. Looking ahead, although the global economy is projected to improve, the pace of expansion is expected to be moderate and uneven. In most of Asia, growth will be underpinned by domestic demand with continued policy support.

B3. Prospects (continued)

Going forward, the Malaysian economy is expected to remain on a sustained growth path of 4 – 4.5%, despite the challenging economic environment globally and domestically. Domestic demand will continue to be the principal driver of growth, sustained primarily by private sector spending. However, domestic consumption is expected to grow at a moderate pace as households continue to adjust to the higher cost of living. Overall investment is also expected to grow at a slower pace but will remain supported by the implementation of infrastructure development projects and capital spending in the manufacturing and services sectors. Uncertainties in the external environment and the on-going adjustments in the domestic economy pose downside risks to growth.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2016, Bank Negara Malaysia)

With the above outlook, Fiamma expects the performance for the coming financial year to remain challenging, especially for the trading and services segment as most of Fiamma's purchases are transacted in the US dollar and the Chinese Renminbi, which exposes Fiamma to foreign currency risks.

Nevertheless, Fiamma will remain focused on its distribution business and continue to build on its effective supply chain system and proven core competencies to remain a market leader for its products. It will continue to invest in brand building and promotional activities to strengthen and expand its distribution network for its various brands of home appliances, sanitaryware products, home furniture and medical devices and healthcare products. Fiamma will continue to source for new products and business opportunities that is in synergy with the Group's products and activities.

The relocation and centralisation of the existing warehouse in Bandar Manjalara to a new and larger capacity warehouse in Bukit Raja Industrial Hub, Klang under Phase 1 has been completed in October 2015. Phase 2 and Phase 3 of the warehouse is expected to be completed by end 2016. This will improve the operation and cost efficiency of the Group as it will house all the Group's logistic operations under one roof. The new integrated logistics warehouse will also generate a recurring income stream for the Group from the provision of storage space and logistic services to third party customers, as well as cater for future expansion of the Group.

B3. Prospects (continued)

For the property development segment, the on-going residential development in Kota Tinggi, Johor and the development of residential and commercial properties in Johor Bahru will contribute to the Group's revenue and profit for the financial years 2016 and 2017. The proposed redevelopment of the existing warehouse land in Bandar Manjalara, Kuala Lumpur into commercial properties targeted in the second half of 2016 will contribute to the Group's revenue and profit in the coming financial years. The proposed new commercial development in Jalan Yap Kwan Seng and the proposed new mixed development in Jalan Sungai Besi, both in Kuala Lumpur are expected to contribute to the Group's future income stream once the proposed developments are launched and sold.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Taxation

Taxation comprises the following:

	3 months ended 31 March 2016 RM'000	6 months ended 31 March 2016 RM'000
Current year tax expense	2,181	3,915
Deferred tax expense	(532)	(695)
	1,649	3,220
Prior year tax expense	-	4
	1,649	3,224

	RM'000	RM'000
Profit before taxation	6,083	10,753
Tax at Malaysian tax rate of 24%	1,460	2,581
Other tax effects	189	639
Tax expense	1,649	3,220
Prior year tax expense	-	4
Tax expense	1,649	3,224

B6. Status of Corporate Proposal

Proposed share split, proposed bonus issue, proposed ESOS, proposed increase in authorised share capital and proposed M&A amendments

On 6 January 2016, on behalf of the Board of Directors of Fiamma, Public Investment Bank Berhad ("PIVB"), announced that Fiamma proposed to undertake the following:

i) proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in Fiamma ("Fiamma Share(s) or Share(s)") into two (2) ordinary shares of RM0.50 each in Fiamma ("Subdivided Share(s)") held on a split entitlement date to be determined and announced later ("Split Entitlement Date")("Proposed Share Split");

ii) proposed bonus issue of up to 177,555,700 new Subdivided Shares ("Bonus Share(s)") to be fully credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) Subdivided Shares held on a bonus entitlement date to be determined and announced later ("Bonus Entitlement Date")("Proposed Bonus Issue");

iii) proposed establishment of an employee share option scheme ("ESOS" or "Scheme") of up 15% of the prevailing issued and paid-up share capital of Fiamma (excluding treasury shares) for the eligible employees (including Directors) of Fiamma and its subsidiaries ("Fiamma Group" or "Group")(excluding dormant subsidiaries) who meet the criteria of eligibility for participation in the Scheme ("Eligible employee(s)") as set out in the by-laws containing the rules, terms and conditions of the Scheme ("By-Laws")("Proposed ESOS");

iv) proposed increase in authorised share capital of Fiamma from RM200,000,000 comprising 200,000,000 Fiamma Shares to RM500,000,000 comprising 1,000,000,000 Subdivided Shares ("Proposed Increase in Authorised Share Capital"); and

v) proposed amendments to the Memorandum and Articles of Association ("M&A") of Fiamma to facilitate the Proposed Share Split and Proposed Increase in Authorised Share Capital ("Proposed M&A Amendments").

The Proposed Share Split, Proposed Bonus Issue, Proposed ESOS, Proposed Increase in Authorised Share Capital and Proposed M&A Amendments are collectively referred to as the "Proposals".

On 20 January 2016, PIVB announced that Bursa Securities had vide its letter dated 20 January 2016, approved the following:

i) Proposed Share Split;

B6. Status of Corporate Proposal (continued)

ii) Listing of the following:

a) up to 177,555,7000 new ordinary shares of RM0.50 each in Fiamma to be issued pursuant to the Proposed Bonus Issue after the Proposed Share Split;

b) up to 64,060,936 additional warrants B to be issued pursuant to the adjustments made in accordance with the provisions of Deed Poll arising from the Proposed Share Split and Proposed Bonus Issue;

c) up to 64,060,936 new ordinary shares of RM0.50 each in Fiamma to be issued pursuant to the exercise of the additional Warrants B; and

d) listing of such number of new ordinary shares of RM0.50 each in Fiamma representing up to 15% of the issued and paid-up ordinary share capital of Fiamma (excluding treasury shares) to be issued pursuant to the exercise of ESOS options under the Proposed ESOS.

The Proposals granted by Bursa Securities for the listing of and quotation for Bonus Shares is subject to the following conditions:

i) Fiamma and PIVB must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") pertaining to the implementation of the Proposed Bonus Issue;

ii) Fiamma and PIVB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;

iii) Fiamma to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and

iv) Fiamma and PIVB are required to make the relevant announcements pursuant to Paragraph 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements.

The approvals granted by Bursa Securities for listing and quotation for such number of new ordinary shares of Fiamma to be issued pursuant to the exercise of ESOS options under the Proposed ESOS is subject to the following conditions:

i) PIVB is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting; and

ii) Fiamma is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS shares listed as at the end of each quarter together with a detailed computation of listing fees payable.

B6. Status of Corporate Proposal (continued)

On 23 February 2016, the shareholders of the Company had at the Extraordinary General Meeting approved the Proposals.

On 18 April 2016, PIVB announced that based on the entitlement date of 18 April 2016 for the Share Split, Bonus Issue and additional Warrants:

i) 177,353,129 ordinary shares of RM1.00 each in Fiamma will be subdivided to 354,706,258 ordinary shares of RM0.50 each in Fiamma pursuant to the Share Split;

ii) 175,196,429 new subdivided ordinary shares of RM0.50 each in Fiamma will be issued pursuant to the Bonus Issue;

iii) 405,142 additional Warrants at the adjusted exercise price of RM0.50 each will arise from the adjustments to the exercise price and number of outstanding warrants 2008/2018 pursuant to the Share Split and Bonus Issue.

The issued and paid-up share capital after the Share Split and Bonus Issue is RM264,951,343.50 comprising of 529,902,687 new ordinary shares of RM0.50 each in Fiamma (including 4,313,400 treasury shares).

On 19 April 2016, PIVB announced that Share Split and Bonus Issue has been implemented following the listing of and quotation for 354,706,258 Subdivided Shares, 175,196,429 Bonus Shares and 405,142 additional Warrrants on the Main Market of Bursa Securities with effect from 9.00 a.m. on 19 April 2016.

On 12 May 2016, PIVB announced that the above Proposals have been completed upon the submission of all necessary confirmation in respect of the ESOS to Bursa Securities. Pursuant to the provision as set out in Paragraph 6.43 of the Listing Requirements, the effective date for the implementation of the ESOS is 12 May 2016.

Except for the above, the Group has not announced any corporate proposals, which have not been completed at the date of this announcement.

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
Repayable after 12 months			
Term loan	90,133	-	90,133
Current			
Repayable within 12 months			
Bank overdraft	872	-	872
Term loan	28,011	-	28,011
Revolving credit	12,000	-	12,000
Bills payable	-	32,253	32,253
Sub-total	40,883	32,253	73,136
Total	131,016	32,253	163,269

B8. Derivatives

The details of the Group's foreign currency forward contracts as at 31 March 2016 are as follows:

	Notional amount RM'000	Fair value RM'000	Difference RM'000
Foreign currency forward contracts			
USD (Less than 3 months)	23,530	22,269	(1,261)
RMB (Less than 3 months)	8,047	7,829	(218)
	31,577	30,098	(1,479)

The above instruments are executed with established financial institutions in Malaysia. There is no cash requirement for these contracts.

The Group uses appropriate financial instruments, such as foreign currency forward contracts, to hedge against specific exposures including foreign currency risks.

With the adoption of FRS 139, the difference between the notional value and fair value of the contracts amounting to RM1,479,000 has been recognised in the financial statements.

B9. Changes in Material Litigation

There was no impending material litigation as at 18 May 2016, being the date not earlier than 7 days from the date of this announcement.

B10. Dividend

No interim dividend was declared for the current quarter under review.

B11. Earnings per share

Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to the owners of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

	3 months ended 31 March 2016 RM'000	6 months ended 31 March 2016 RM'000
Profit for the financial year attributable to owners of the Company	3,749	6,315
	'000	'000
Number of ordinary shares issued at beginning of the period	144,725	144,725
Effects of shares repurchased	(8,550)	(8,550)
Weighted average number of ordinary shares at 31 March 2016	136,175	136,175
Effect of exercise of warrants	11,379	5,658
At 31 March 2016	147,554	141,833
Basic earnings per share (sen)	2.54	4.45

Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to the owners of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	'000	'000
Weighted average number of ordinary shares (basic) as at 31 March 2016	147,554	141,833
Effect of exercising of warrants	113	108
Weighted average number of ordinary shares (diluted) as at 31 March 2016	147,667	141,941
Diluted earnings per share (sen)	2.54	4.45

B12. Profit before taxation

	3 months ended 31 March 2016 RM'000	**6 months ended 31 March 2016 RM'000**
Profit before taxation is arrived at after charging:		
Depreciation and amortisation	1,051	2,078
Interest expense	1,414	2,716
Loss on foreign exchange – realised and unrealised	69	93
Stocks written down and written off	196	385
Unrealised loss on derivative financial liabilities	1,479	1,479
and after crediting:		
Gain on foreign exchange – realised and unrealised	149	443
Interest income	1,244	2,308

B13. Capital Commitments

	As at 31 March 2016 RM'000	**As at 30 Sept 2015 RM'000**
Property, plant and equipment		
Contracted but not provided for	4,691	2,770

B14. Provision of Financial Assistance

The amount of financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries pursuant to paragraph 8.23(1) of the Listing Requirements is as follows:-

	As at 31 March 2016 RM'000	**As at 30 Sept 2015 RM'000**
Corporate guarantees to financial institutions for trade facilities granted to non-wholly owned subsidiaries	6,975	6,985

The above financial assistance does not have a material financial impact on the Group.

B15. Retained earnings

The breakdown of the retained earnings of the Group into realised and unrealised is as follows:

	As at 31 March 2016 RM'000	**As at 30 Sept 2015 RM'000**
Total retained earnings		
- Realised	260,995	253,207
- Unrealised	39,801	40,469
	300,796	293,676
Less: Consolidation adjustments	(86,396)	(85,591)
Total retained earnings	214,400	208,085

This announcement is dated 25 May 2016.