



IRE-TEX CORPORATION BERHAD

(576121 - A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED

31 MARCH 2017

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Unaudited	Audited
	As at	As at
	31/3/17	31/12/16
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,075	45,986
Investment properties	22,600	22,600
Other investment	549	549
Asset held for sale	8,800	8,800
Deferred tax assets	147	163
Total non-current assets	<u>77,171</u>	<u>78,098</u>
Current assets		
Inventories	6,460	6,945
Trade receivables	34,007	35,099
Other receivables	2,654	2,957
Tax recoverable	920	962
Fixed deposits placed with licensed banks	2,943	2,912
Cash and bank balances	3,371	2,855
Total current assets	<u>50,355</u>	<u>51,730</u>
TOTAL ASSETS	<u>127,526</u>	<u>129,828</u>
EQUITY		
Share capital	53,815	53,696
Reserves	(8,198)	(5,976)
Equity attributable to owners of the parent	45,617	47,720
Non-controlling interests	1,358	1,294
Total equity	<u>46,975</u>	<u>49,014</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	15,300	15,933
Deferred tax liabilities	1,169	1,169
Total non-current liabilities	<u>16,469</u>	<u>17,102</u>
Current liabilities		
Trade payables	24,023	23,679
Other payables	15,834	15,774
Loans and borrowings	24,138	24,145
Provision for taxation	87	114
Total current liabilities	<u>64,082</u>	<u>63,712</u>
Total liabilities	<u>80,551</u>	<u>80,814</u>
TOTAL EQUITY AND LIABILITIES	<u>127,526</u>	<u>129,828</u>
Net assets per share (RM)	0.34	0.36

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2016.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/3/17 RM'000	3 months ended 31/3/16 RM'000	3 months ended 31/3/17 RM'000	3 months ended 31/3/16 RM'000
Revenue	26,038	35,416	26,038	35,416
Cost of sales	(24,598)	(31,366)	(24,598)	(31,366)
Gross profit	1,440	4,050	1,440	4,050
Other income	134	212	134	212
Distribution expenses	(1,212)	(2,144)	(1,212)	(2,144)
Administrative expenses	(1,939)	(3,973)	(1,939)	(3,973)
Loss from operation	(1,577)	(1,855)	(1,577)	(1,855)
Finance income	31	25	31	25
Finance costs	(485)	(585)	(485)	(585)
Net finance costs	(454)	(560)	(454)	(560)
Loss before tax	(2,031)	(2,415)	(2,031)	(2,415)
Taxation	(17)	(16)	(17)	(16)
Loss for the period	(2,048)	(2,431)	(2,048)	(2,431)
Items that are or may be classified subsequently to profit or loss				
Exchange translation differences for foreign operations	-	(29)	-	(29)
Total comprehensive loss for the period	(2,048)	(2,460)	(2,048)	(2,460)
Loss for the period attributable to:				
Owners of the parent	(2,112)	(2,585)	(2,112)	(2,585)
Non-controlling interests	64	154	64	154
Total comprehensive loss attributable to:	(2,048)	(2,431)	(2,048)	(2,431)
Owners of the parent	(2,112)	(2,614)	(2,112)	(2,614)
Non-controlling interests	64	154	64	154
Loss per share				
Basic loss per share (sen)	(1.57)	(1.94)	(1.57)	(1.94)
Diluted loss per share (sen)	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2016.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	Attributable to owners of the parent		Attributable to owners of the parent				Total equity RM'000		
	Equity components of ICULS RM'000	Non-distributable	Share premium RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
At 1 January 2017	53,697	20,803	5,439	9,960	369	(42,546)	47,722	1,294	49,016
Loss for the financial period	-	-	-	-	-	(2,112)	(2,112)	64	(2,048)
Transactions with owners: Conversion of ICULS	118	(122)	11	-	-	-	7	-	7
At 31 March 2017	53,815	20,681	5,450	9,960	369	(44,658)	45,617	1,358	46,975
At 1 January 2016	53,194	21,319	5,393	9,960	414	(15,011)	75,269	1,034	76,303
Loss for the financial period	-	-	-	-	-	(2,585)	(2,585)	154	(2,431)
Other comprehensive loss for the financial period:	-	-	-	-	-	-	-	-	-
Foreign exchange translation reserve	-	-	-	-	(29)	-	(29)	-	(29)
At 31 March 2016	53,299	21,211	5,402	9,960	385	(17,596)	72,661	1,188	73,849

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2016.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	Current Year To Date 31/3/17 RM'000	Corresponding Year To Date 31/12/16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,031)	(26,860)
Adjustments for:		
Bad debts recovered	-	(2)
Fair value gain of investment properties	-	(250)
Depreciation of property, plant and equipment	910	3,819
Loss on disposal of property, plant and equipment	-	360
Impairment loss on property, plant and equipment	-	14,487
Impairment loss on goodwill	-	3,411
Finance cost	471	2,245
Finance income	(31)	(90)
Property, plant and equipment written off	-	179
Inventories written-off	-	48
Inventories written down	-	46
Operating loss before changes in working capital	(609)	(2,849)
Changes in working capital:		
Receivables	1,323	6,349
Inventories	486	5,322
Payables	323	970
Cash generated from operations	1,523	9,792
Interest paid	(471)	(2,245)
Tax paid	16	(405)
Net cash generated from operating activities	1,068	7,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of pledged fixed deposits	-	340
Placement of pledged fixed deposits	-	(140)
Interest received	-	2
Proceeds from disposal of property, plant and equipment	-	643
Acquisition of property, plant and equipment	-	(1,405)
Acquisition of subsidiaries companies	-	(25)
Net cash used in investing activities	-	(585)
Balance carried forward	1,068	6,557

	Current Year To Date RM'000	Corresponding Year To Date RM'000
Balance brought forward	1,068	6,557
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed/(repayment) from bankers acceptance	3,364	(6,798)
Conversion of ICULS	7	-
Payment of finance lease liabilities	(206)	(1,273)
Repayment of term loans	(3,195)	(1,770)
Net cash used in financing activities	(30)	(9,841)
Effects of exchange translation differences on cash and cash equivalents	-	(145)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,038	(3,429)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(660)	2,769
CASH AND CASH EQUIVALENTS AT END OF PERIOD	378	(660)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed bank	2,943	2,912
Cash and bank balances	3,371	2,855
Bank overdrafts	(2,993)	(3,515)
	3,321	2,252
Less: Fixed deposit pledged with licensed banks	(2,943)	(2,912)
	378	(660)

The condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2016.

IRE-TEX CORPORATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 31 MARCH 2017**1. ACCOUNTING POLICIES**

The interim financial statements is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Securities Malaysia Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016. These explanation 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 performance and performance of the Group since the financial year ended 31 December 2016.

The Group had adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statement of the Group.

2. BASIS OF PREPARATION**Standards issued but not yet effective**

At the date of authorisation of the Condensed Report, the following standards were issued but not yet effective and have not been adopted by the Group:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 12		1 January 2017
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018

		Effective dates for financial periods beginning on or after
Amendments to MFRS 15	Clarification to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the preceding annual financial statements was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not subject to any seasonal or cyclical factors.

5. UNUSUAL ITEMS

For the current quarter, Suzhou Ire-Tex Sourcing Co, Ltd. has not submitted the quarterly result as requested from Board of Directors. Hence, the current quarter result is not consolidated with the said subsidiary's result. The Board of Directors foresees this to be a serious matter which will need to be resolved as soon as possible. In this regard, Board of Directors has made a police report on 11 May 2017.

*The members (Kong Hon Kay, Yap Tatt Keat, Raja Hizad bin Raja Kamarulzaman, Hamdan bin Mohd Nor) of the Board after the EGM on 27th April 2017 (the validity of which is disputed and subject to ongoing material litigation) object to this Note and the inclusion of the figure of RM0.347 million.

They state that in their view, as the losses from Suzhou Ire-Tex Sourcing Co Ltd have already been fully impaired, and the Company has ceased operations temporarily, there is no need to include this figure or this Note.

The material litigation with regard to the disputed EGM is expected to be resolved by the High Court on Friday, 2nd June 2017.

6. CHANGE IN ESTIMATES

There were no major changes in estimates that have had material effect on the current quarter results.

7. DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the period under review, except:

- i) The conversion of 2,370,000 units of five (5)-Year, 1%, Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of nominal value of RM0.075 each to 296,250 units of ordinary shares of nominal value RM0.40 each.

8. DIVIDEND PAID

There was no dividend paid for the financial period under review.

9. SEGMENTAL INFORMATION

The segmental information for the 3 months ended is as follows:

	Manufacturing	Trading	Automation	Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	26,324	37	(323)	-	-	26,038
Inter-segment revenue	6,359	287	-	304	-	6,950
Segment revenue	<u>32,683</u>	<u>324</u>	<u>(323)</u>	<u>304</u>	<u>-</u>	<u>32,988</u>
Results						
Operating loss	371	(716)	(488)	(733)	(11)	(1,577)
Net finance cost	(271)	(169)	-	(14)	-	(454)
Income tax expense	-	-	-	(17)	-	(17)
Profit/(Loss) after tax	<u>100</u>	<u>(885)</u>	<u>(488)</u>	<u>(764)</u>	<u>(11)</u>	<u>(2,048)</u>

10. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

There were no material events subsequent to the end of the financial period under review that have not been reflected in the interim financial report for the current period.

11. VALUATION OF INVESTMENT PROPERTY

There were no amendments to the valuation of property, plant and equipment brought forward.

12. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Group for the financial period under review.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets for the financial period under review.

14. CHANGES IN MATERIAL LITIGATION

Ire-Tex Corporation Berhad ("Ire-Tex" or "the Company") – Writ of Summons and Statement of Claim by Ire-Tex against Teh Eng Huat ("First Defendant") and Khoo Hun Sniah ("Second Defendant") in the High Court of Malaya at Penang (Civil Suit No.: 22NCVC-166-10/2015)

On 26 April 2017, the Board of Directors of Ire-Tex announced that:

The Company decided to discontinue the action against the Defendants in Penang High Court Civil Suit No. 22NCVC-166-10/2015.

The brief reasons for the discontinuance of the action against the Defendant are as follows:-

1. The board had in November 2016 set up a Special Review Committee to look into the profit leakages of the Company. By the end of February 2017, it was required to consider a significant impairment in delivered machinery assets by end 2016. Since then, new circumstances which lead the Company to discover the RM11.5 million payment was made with no proper purpose have come to light that made it necessary to reassess the litigation commenced by and against the Company and its subsidiaries.
2. It was discovered that there was an actual order of RM16.8 million placed by Ire-tex Paper Packaging Sdn Bhd to Zoomic Automation (M) Sdn Bhd at the end of May 2014 to build these machinery and the orders were never cancelled. Both directors of Ire-Tex involved in the machinery deal have resigned from the company and since Teh Eng Huat was no longer at the helm of Zoomic, eventually the profit guarantee was not met. With the discovery of the purchase orders, the Company is of the view that it would be prudent and in the best interests of the Company to discontinue the action against the Defendants.
3. The Company has also taken into consideration the costs to be expended as a basis to discontinue the suit against the Defendants.
4. Given the matters above, the Company had, via its solicitors, Messrs Wei Li Tan & Cheong, filed a Notice of Discontinuance on 4 April 2017 to withdraw the suit against the Defendants with no order as to costs.
5. The Notice of Discontinuance of the suit has no financial impact on the group or any material effects that may incur any further losses on the earnings or net assets of the Company. Instead, there are cost savings in terms of legal expenses.

Ire-Tex Corporation Berhad ("Ire-Tex" or "the Company") -Writ of Summons and Statement of Claim by Zoomic Technology (M) Sdn. Bhd. ("ZTSB"), a wholly-owned subsidiary of Ire-Tex against Teh Eng Huat in the High Court of Malaya at Penang

On 26 April 2017, the Board of Directors of Ire-Tex announced that:

ZTSB decided to discontinue the action against the Defendant in Penang High Court Civil Suit No PA-22NCVC-186-09/2016.

The brief reasons for the discontinuance of the action against the Defendant are as follows:-

1. The material facts and evidence supporting the claim against the Defendants have been considered and the Company is of the view that in light of the circumstances, it would be prudent to discontinue the action against the Defendants.
2. The Company has also taken into consideration the costs which yet to be expended as a basis to discontinue the suit against the Defendants.
3. Given the matters above, the ZTSB had, via its solicitors, Messrs Wei Li Tan & Cheong, filed a Notice of Discontinuance on 4 April 2017 to withdraw the suit against the Defendants with no order as to costs.
4. The Notice of Discontinuance of the suit has no financial impact on the group or any material effects that may incur any further losses on the earnings or net assets of the Company.

15. REVIEW OF GROUP PERFORMANCE

- a) Comparison with corresponding quarter in the previous year

	Q1 2017	Q1 2016	Variance
	RM'000	RM'000	RM'000
Revenue			
- Manufacturing	26,324	32,977	(6,653)
- Trading	37	74	(37)
- Automation	(323)	2,365	(2,688)
Total	<u>26,038</u>	<u>35,416</u>	(9,378)
Profit/(Loss) Before Tax			
- Manufacturing	100	233	(133)
- Trading	(885)	(820)	(65)
- Automation	(488)	(293)	(195)
- Investment Holding	(764)	(1,530)	783
- Others	(11)	(5)	(6)
Total	<u>(2,031)</u>	<u>(2,415)</u>	384

The Group's revenue for the current quarter had reduced by RM9.378 million or 26% to RM26.038 million as compared to RM35.416 million in the corresponding quarter in the previous year. The reduced of revenue in current quarter was mainly due to reduced revenue in manufacturing division and no revenue generated from automation division during current quarter.

The Group recorded a loss before tax of RM2.031 million in the current quarter as compare to profit before tax of RM2.415 million in the corresponding quarter in the previous year. The result was mainly due to losses suffered by Suzhou Ire-

Tex Sourcing Co, Ltd. in corresponding quarter previous year which attributed approximately RM0.347 Million losses before tax. For the current quarter, Suzhou Ire-Tex Sourcing Co, Ltd. has not submitted the quarterly result as requested from Board of Directors. Hence, the current quarter result is not consolidated with the said subsidiary's result. The Board of Directors foresees this to be a serious matter which will need to be resolved as soon as possible. In this regard, Board of Directors has made a police report on 11 May 2017. (Refer to note 5.0, Unusual Items)

For manufacturing division, the revenue for the current quarter decreased by RM6.653 million to RM26.324 million as compared to RM32.977 million in the corresponding quarter in the previous year due to decreased demand on technology industry. The division recorded a profit before taxation RM0.100 million in current quarter compare to profit before taxation of RM0.233 million in corresponding quarter in previous year. The result was mainly due to increase on costs of material, major impact from strengthen of USD and demand on material in the market.

For trading division, revenue for the current quarter recorded at less than RM0.037 million as compared to RM0.074 million in the corresponding quarter in the previous year. The loss for trading division had increased from RM0.885 million to RM0.820 million due to higher administrative cost.

For automation division, there is no revenue recorded due to no project completed during current quarter. The division recorded a loss before taxation of RM0.488 million in the current quarter due to warranty claim from customer in the current quarter.

For the investment holding division, the loss for the current quarter recorded by RM0.764 million compared to RM1.53 million in the corresponding quarter in the previous year mainly due to the reduce on the benefit in kind of the directors and the professional fees.

For the others division, there is no revenue generated at the moment, therefore the results of loss before taxation is mainly due to administration cost.

b) Comparison with preceding quarter

	Q1 2017	Q4 2016	Variance
	RM'000	RM'000	RM'000
Revenue			
- Manufacturing	26,324	32,059	(5,735)
- Trading	37	40	(3)
- Automation	(323)	-	(323)
Total	<u>26,038</u>	<u>32,009</u>	(6,061)
Profit/(Loss) Before Tax			
- Manufacturing	100	(12,445)	12,545
- Trading	(885)	(877)	(8)
- Automation	(488)	440	(928)
- Investment Holding	(747)	(4,583)	(3,836)
- Others	(11)	(9)	(2)
Total	<u>(2,031)</u>	<u>(17,474)</u>	15,443

The Group's revenue for the current quarter had decreased by RM6.061 million to RM26.038 million as compared to RM32.009 million in the preceding quarter. The reduced of revenue in current quarter was mainly due to reduced revenue in manufacturing division.

The Group recorded a loss before tax of RM2.031 million in the current quarter as compare to loss before tax of RM17.474 million in the preceding quarter. The result was mainly due to written down of machineries under construction amounting of RM14.0 million and impairment loss on goodwill of RM3.4 million in the preceding quarter.

For manufacturing division, the revenue for the current quarter decreased by RM5.735 million to RM26.324 million as compared to RM32.059 million in the preceding quarter. The division recorded a profit before taxation of RM0.100 million in the current quarter as compared to loss before taxation of RM12.545 million in the preceding quarter. The result was mainly due to written down of machineries under construction in the preceding quarter.

For trading division, the revenue maintained at approximately RM0.04 million both for current and preceding quarter. The loss before taxation maintained at RM0.9 million as compared to preceding quarter mainly due to sustained of fixed expenses.

For automation division, there is no revenue recorded both current and preceding quarter. The division recorded a loss before taxation approximately RM0.5 million in the current quarter as compared to profit before taxation of RM0.44 million in the preceding quarter. The loss before tax is mainly due to warranty claim from customer in the current quarter.

For the investment holding division, the loss for the current quarter recorded at RM0.747 million as compare to RM4.583 million in preceding quarter mainly due to impairment loss on goodwill in the preceding quarter.

For the others division, there is no revenue generated at the moment, therefore the results of loss before taxation is mainly due to administration cost.

16. PROSPECT FOR THE FINANCIAL YEAR

Barring unforeseen circumstances, the prospect of the Group for the financial year is remaining optimistic.

17. PROFIT FORECAST OR PROFIT GUANRANTEE

This is not applicable to the Group.

18. TAXATION

	Current Quarter RM'000	Current Year To-date RM'000
Taxation based on results for the quarter:		
Current financial period	17	17

19. LOANS AND BORROWINGS

The Group loans and borrowings as at the end of the reporting quarters are as follows:

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured			
Term loan	1,823	13,113	14,936
Overdraft	2,993	-	2,993
Banker's acceptance	18,605	-	18,605
Hire purchase	717	1,576	2,293
Unsecured			
ICULS – liability component	-	611	611
Total	<u>24,138</u>	<u>15,300</u>	<u>39,438</u>

20. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group in the current quarter under review.

21. DIVIDEND PAYABLE

The Company did not declare any dividends for the period under review.

22. EARNINGS PER SHARE

(a) Basic

	Individual	Individual	Cumulative	Cumulative
	Period	Period	Period	Period
	3 months	3 months	12 months	12 months
	ended	ended	ended	ended
	31/3/17	31/3/16	31/3/17	31/3/16
Loss attributable to owners of the parent (RM'000)	<u>(2,112)</u>	<u>(2,585)</u>	<u>(2,112)</u>	<u>(2,585)</u>
Weighted average number of ordinary shares in issue ('000)	<u>134,446</u>	<u>133,247</u>	<u>134,446</u>	<u>133,247</u>
Loss per share (sen)	<u>(1.57)</u>	<u>(1.94)</u>	<u>(1.57)</u>	<u>(1.94)</u>

(b) Diluted

The Group has no dilution in loss per ordinary share as the potential ordinary shares are anti-dilutive.

23. REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) and prepared in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	Group 31/3/2017 RM'000	Group 31/12/2016 RM'000
Total accumulated losses of the Company and its subsidiaries companies:		
- Realised	(55,637)	(52,951)
- Unrealised	(1,079)	(1,222)
	<u>(56,716)</u>	<u>(54,173)</u>
Less: Consolidation adjustments	12,058	12,122
Total accumulated losses	<u><u>(44,658)</u></u>	<u><u>(42,051)</u></u>

This disclosure is based on the format prescribed by Bursa Securities and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.