



IRE-TEX CORPORATION BERHAD

(576121 - A)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FINANCIAL PERIOD ENDED

30 SEPTEMBER 2017

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IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Unaudited As at 30/9/17 RM'000	Audited As at 31/12/16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	43,363	45,986
Investment properties	22,600	22,600
Other investment	549	549
Deferred tax assets	114	163
Total non-current assets	<u>66,626</u>	<u>69,298</u>
Current assets		
Inventories	3,183	6,945
Trade receivables	14,002	35,099
Other receivables	3,659	2,957
Tax recoverable	744	963
Fixed deposits placed with licensed banks	3,072	2,912
Cash and bank balances	2,414	2,855
Total current assets	<u>27,074</u>	<u>51,731</u>
Asset held for sale	8,800	8,800
TOTAL ASSETS	<u>102,500</u>	<u>129,829</u>
EQUITY		
Share capital	59,441	53,697
Reserves	(20,067)	(5,976)
Equity attributable to owners of the parent	<u>39,374</u>	<u>47,721</u>
Non-controlling interests	1,256	1,294
Total equity	<u>40,630</u>	<u>49,015</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	14,170	15,933
Deferred tax liabilities	1,169	1,169
Total non-current liabilities	<u>15,339</u>	<u>17,102</u>
Current liabilities		
Trade payables	11,774	23,679
Other payables	15,656	15,774
Loans and borrowings	19,083	24,145
Provision for taxation	18	114
Total current liabilities	<u>46,531</u>	<u>63,712</u>
Total liabilities	<u>61,870</u>	<u>80,814</u>
TOTAL EQUITY AND LIABILITIES	<u>102,500</u>	<u>129,829</u>
Net assets per share (RM)	0.30	0.37

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 30 SEPTEMBER 2017

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	3 months ended 30/9/17 RM'000	3 months ended 30/9/16 RM'000	RM'000	%	9 months ended 30/9/17 RM'000	9 months ended 30/9/16 RM'000	RM'000	%
Revenue	9,090	32,668	(23,578)	-72%	48,942	101,551	(52,609)	-52%
Cost of sales	(8,232)	(29,285)	21,053	-72%	(47,256)	(90,356)	43,100	-48%
Gross profit	858	3,383	(2,525)	-75%	1,686	11,195	(9,509)	-85%
Other income	31	281	(250)	-89%	185	701	(516)	-74%
Distribution expenses	(637)	(2,068)	1,431	-69%	(2,701)	(6,265)	3,564	-57%
Administrative expenses	(1,835)	(4,042)	2,207	-55%	(6,038)	(13,384)	7,346	-55%
Loss from operation	(1,583)	(2,446)	863	-35%	(6,868)	(7,753)	885	-11%
Finance income	12	13	(1)	-8%	60	74	(14)	-19%
Finance costs	(382)	(540)	158	-29%	(1,544)	(1,707)	163	-10%
Net finance costs	(370)	(527)	157	-30%	(1,484)	(1,633)	149	-9%
Loss before tax	(1,953)	(2,973)	1,020	-34%	(8,352)	(9,386)	1,034	-11%
Taxation	(17)	(17)	-	0%	(50)	(110)	60	-55%
Loss for the period	(1,970)	(2,990)	1,020	-34%	(8,402)	(9,496)	1,094	-12%
Items that are or may be classified subsequently to profit or loss								
Exchange translation differences for foreign operations	44	1	43	4300%	-	(56)	56	-100%
Total comprehensive loss for the period	(1,926)	(2,989)	1,063	-36%	(8,402)	(9,552)	1,150	-12%
Loss for the period attributable to:								
Owners of the parent	(1,976)	(3,060)	1,084	-35%	(8,364)	(9,783)	1,419	-15%
Non-controlling interests	6	70	(64)	-91%	(38)	287	(325)	-113%
Total comprehensive loss attributable to:	(1,970)	(2,990)	1,020	-34%	(8,402)	(9,496)	1,094	-12%
Loss for the period attributable to:								
Owners of the parent	(1,932)	(3,059)	1,127	-37%	(8,364)	(9,839)	1,475	-15%
Non-controlling interests	6	70	(64)	-91%	(38)	287	(325)	-113%
Total comprehensive loss attributable to:	(1,926)	(2,989)	1,063	-36%	(8,402)	(9,552)	1,150	-12%
Loss per share								
Basic loss per share (sen)	(1.47)	(2.29)	1	-36%	(6.21)	(7.32)	1	-15%
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 30 SEPTEMBER 2017**

	Equity components of ICULS		Attributable to owners of the parent				Total equity RM'000
	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Non-controlling interests RM'000	
At 1 January 2017	53,697	20,803	5,439	369	(42,547)	1,294	49,015
Loss for the financial period	-	-	-	-	(8,364)	(38)	(8,402)
Foreign exchange translation reserve	-	-	-	-	-	-	-
Transactions with owners: Conversion of ICULS	279	(288)	26	-	-	-	17
Transfer to share capital pursuant to Companies Act 2016	5,465	-	(5,465)	-	-	-	-
At 30 September 2017	59,441	20,515	9,960	369	(50,911)	1,256	40,630
At 1 January 2016	53,194	21,319	5,393	414	(15,011)	1,034	76,303
Loss for the financial period	-	-	-	-	(9,783)	287	(9,496)
Foreign exchange translation reserve	-	-	-	(56)	-	-	(56)
Transactions with owners: Conversion of ICULS	295	(303)	27	-	-	-	19
At 30 September 2016	53,489	21,016	5,420	358	(24,794)	1,321	66,770

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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Current Year To Date 30/9/17 RM'000	Corresponding Year To Date 31/12/16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,352)	(26,860)
Adjustments for:		
Bad debts recovered	-	(2)
Fair value gain of investment properties	-	(250)
Depreciation of property, plant and equipment	2,623	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	1,544	2,245
Finance income	(60)	(90)
Property, plant and equipment written off	-	179
Inventories written-off	-	48
Inventories written down	-	46
Operating loss before changes in working capital	(4,245)	(2,849)
Changes in working capital:		
Receivables	20,394	6,349
Inventories	3,762	5,322
Payables	(12,230)	970
Cash generated from operations	7,681	9,792
Interest paid	(1,544)	(2,245)
Tax paid	123	(405)
Net cash generated from operating activities	6,260	7,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of pledged fixed deposits	-	340
Placement of pledged fixed deposits	(100)	(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	(100)	(585)
Balance carried forward	6,160	6,557

	Current Year To Date RM'000	Corresponding Year To Date RM'000
Balance brought forward	6,160	6,557
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment from bankers acceptance	(6,119)	(6,798)
Payment of finance lease liabilities	(550)	(1,273)
Repayment of term loans	(1,118)	(1,770)
Net cash used in financing activities	(7,770)	(9,841)
Effects of exchange translation differences on cash and cash equivalents	-	(145)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,610)	(3,429)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(660)	2,769
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(2,270)	(660)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed bank	3,072	2,912
Cash and bank balances	2,414	2,855
Bank overdrafts	(4,684)	(3,515)
	802	2,252
Less: Fixed deposit pledged with licensed banks	(3,072)	(2,912)
	(2,270)	(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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR
QUARTER ENDED 30 SEPTEMBER 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 2017. 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 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	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	To be announced

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

There was no unusual items of significant size or nature recorded during the current quarter.

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 10,053,000 units of five (5)-Year, 1%, Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of nominal value of RM0.075 each to 1,256,625 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 9 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	48,390	522	-	-	-	48,912
Inter-segment revenue	12,452	159	-	913	-	13,524
Segment revenue	60,842	681	-	913	-	62,436
Results						
Operating loss	(3,963)	(25)	(907)	(1,944)	(29)	(6,868)
Net finance cost	(755)	(642)	(52)	(35)	-	(1,484)
Income tax expense	-	-	-	(50)	-	(50)
Loss after tax	(4,718)	(667)	(959)	(2,029)	(29)	(8,402)

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

- a) On 7 April 2017, Ire-Tex Corporation Berhad (“ITCB”) filed Writ and Statement of Claim against Tey Por Yee, Lim Chye Guan, Future Rank Sdn. Bhd (“FRSB”), Mohd Zamzuri Bin Zakaria and Musa Bin Abu Bakar in the High Court of Malaya at Kuala Lumpur (Civil suit no. WA-22NCC-122-04/2017).

ITCB’s claim against the defendants is for the wrongful payment of RM11.5 million made by ITCB to FRSB through the conspiracy of the other defendants. ITCB is claiming for damages, interests and costs against the defendants.

The matter is fixed for trial on 22 and 23 January 2018.

- b) On 28 June 2017, ITCB filed a Writ and Statement of Claim against Tey Por Yee and 19 others (Kuala Lumpur High Court Civil Suit No.WA-22NCC-244-06/2017).

ITCB’s claim against the defendants is for, among others, conspiracy to injure ITCB, breach of duty of care, and breach of the Rules on Takeovers, Mergers and Compulsory Acquisitions, and Capital Markets and Services Act 2007. ITCB is claiming for declaratory reliefs, specific reliefs, damages, interests and costs against the defendants.

On 24 August 2017, the Kuala Lumpur High Court dismissed ITCB’s application for injunction against certain defendants to restrain them from exercising their voting rights on the basis that there was no serious issue to be tried and damages is adequate remedy. ITCB has since appealed against this decision.

The matter is currently at case management stage in the Kuala Lumpur High Court.

- c) On 3 July 2017, Teh Eng Huat (“TEH”) and Khoo Hun Sniah (“KNS”) filed a Writ and Statement of Claim against Tey Por Yee and 7 others (Kuala Lumpur High Court Civil Suit No.WA-22NCC-262-07/2017). ITCB has been named as the 8th Defendant.

The Plaintiffs’ claim against the defendants is for, among others, conspiracy to injure them, breach of duty of care, and breach of the Rules on Takeovers, Mergers and Compulsory Acquisitions, and Capital Markets and Services Act 2007. The Plaintiffs are claiming for declaratory reliefs, specific reliefs, damages, interests and costs against the 1st to 7th Defendants.

On 24 August 2017, the Kuala Lumpur High Court dismissed the Plaintiffs’ application for injunction against certain defendants to restrain them from exercising their voting rights on the basis that there was no serious issue to be tried and damages is adequate remedy. The Plaintiffs’ appealed against this decision but was ultimately withdrawn.

The matter is currently at case management stage in the Kuala Lumpur High Court.

- d) On 1 August 2017, Ire-Tex Malaysia Sdn Bhd (“ITM”) filed a Writ and Statement of Claim against OGL Asia Resources, Kong Hon Kay, Christopher Purcell and Lai Soon Ong in the High Court of Malaya at Kuala Lumpur (Civil suit no. WA-22NCC-314-07/2017).

The claim is for a sum of RM1.8 million which was payments made to OGL by the other defendants who were officers of the Company in breach of their duties to the

ITM during the material time. ITM is claiming damages, interest and costs against the defendants.

The matter is currently at case management stage in the Kuala Lumpur High Court

- e) On 28 August 2017, Wong Mee Tien filed an Originating Summons against Mak Lin Kum and 11 others (Kuala Lumpur Originating Summons No.WA-24NCC-350-08/2017). ITCB is the 12th Defendant.

Wong Mee Tien's claim against the Defendants is to compel the Defendants to call for the Annual General Meeting of ITCB, which was not held as required under the Companies Act 2016.

The outcome of the Originating Summons is that the Kuala Lumpur High Court ordered the Defendants to hold the Annual General Meeting of ITCB.

The Annual General Meeting was held on 19 September 2017.

This Originating Summons had since concluded.

- f) On 16 June 2017, Hong Light Electrical (M) Sdn Bhd ("HL") obtained an adjudication award against Ire-Tex Paper Packaging Sdn Bhd ("ITPP") for the sum of RM501,000.00.

This adjudication award was registered in the High Court on 8 August 2017 by HL.

On 2 November 2017, HL sought to enforce the adjudication award by way of a Writ of Seizure and Sale (Alor Setar High Court Case No.37WS-03-09/2017).

On 15 November 2017, ITTP entered into a consent judgment with HL in the Penang High Court (Case No.PA-37WS-23-09/2017) for the payment of RM501,000.00 without prejudice to ITTP's right to refer the dispute between ITTP and HL to final determination in arbitration and/or in court and without admission to liability of claim in the adjudication.

- g) On 16 June 2017, Stoppani Systems Sdn Bhd ("SS") obtained a judgment against Zoomic Technology (M) Sdn Bhd ("ZT") for a total sum of RM313,100.00 and the return of a transformer and all related components to SS.

On 27 October 2017, SS sought to enforce the judgment by filing an Originating Summons in the Penang High Court (Case No.PA-24NCVC-930-10/2017) for an order for sale against ZT's two immovable properties.

This matter is currently at case management stage in the Penang High Court.

- h) On 2 November 2017, ITCB filed a Writ and Statement of Claim against Teh Eng Huat and Khoo Hun Sniah in the Penang High Court (Case No.PA-22NCVC-216-11/2017).

ITCB's claim against the defendants is for breach of a Sale and Purchase Agreement dated 18 November 2013 between ITCB and the defendants. ITCB is seeking, among others, payment of RM5,052,088.80 against the 1st Defendant and RM1,263,022.20 against the 2nd Defendant. ITCB is also seeking interests and costs against the Defendants.

The matter is currently fixed for case management in the Penang High Court.

15. REVIEW OF GROUP PERFORMANCE

a) Comparison with corresponding quarter in the previous year

	Q3 2017	Q3 2016	Variance
	RM'000	RM'000	RM'000
Revenue			
- Manufacturing	8,596	32,593	(23,997)
- Trading	475	75	400
- Automation	19	-	19
- Investment Holding	-	-	-
Total	<u>9,090</u>	<u>32,668</u>	<u>(23,578)</u>
Profit/(Loss) Before Tax			
- Manufacturing	(1,319)	1,014	(2,333)
- Trading	340	(842)	1,182
- Automation	(305)	(1,293)	988
- Investment Holding	(665)	(1,840)	1,175
- Others	(5)	(12)	7
Total	<u>(1,954)</u>	<u>(2,973)</u>	<u>1,019</u>

The Group's revenue for the current quarter had reduced by RM23.58 million or 72% to RM9.09 million as compared to RM32.67 million in the corresponding quarter in the previous year. The reduced of revenue in current quarter was mainly due to one major customer in the manufacturing division has stopped taking since May this year.

The Group recorded a loss before tax of RM1.95 million in the current quarter as compare to loss before tax of RM2.97 million in the corresponding quarter in the previous year. The result was mainly due to losses suffered by manufacturing division where the sale has significantly dropped by RM23.58 million. Furthermore, the increase of material costs, major impact from strengthen of USD and demand on material in the market has given a major impact to the group. As a result, manufacturing division has suffered losses at RM1.32 million in the quarter.

For trading division, revenue for the current quarter recorded at less than RM0.5 million as compared to RM0.10 million in the corresponding quarter in the previous year.

For automation division, there is RM19,000 revenue recorded due to project completed during current quarter.

For the investment holding division, the loss for the current quarter recorded by RM0.66 million compared to RM1.84 million in the corresponding quarter in the previous year mainly due to reduction on benefit in kind of the directors and 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

	Q3 2017 RM'000	Q2 2017 RM'000	Variance RM'000
Revenue			
- Manufacturing	8,596	13,772	(5,176)
- Trading	475	40	435
- Automation	19	5	14
Total	<u>9,090</u>	<u>13,817</u>	<u>(4,727)</u>
Profit/(Loss) Before Tax			
- Manufacturing	(1,319)	(2,581)	1,262
- Trading	340	(1,040)	1,380
- Automation	(305)	(166)	(139)
- Investment Holding	(665)	(567)	(98)
- Others	(5)	(14)	9
Total	<u>(1,954)</u>	<u>(4,368)</u>	<u>2,414</u>

The Group's revenue for the current quarter had decreased by RM4.730million to RM9.09 million as compared to RM13.82 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 RM1.96 million in the current quarter as compare to loss before tax of RM2.58 million in the preceding quarter. The result was mainly due to decrease in sales for the current quarter.

For manufacturing division, the revenue for the current quarter decreased by RM5.18 million to RM8.59 million as compared to RM13.78 million in the preceding quarter. The division recorded a loss before taxation of RM1.32 million in the current quarter as compared to profit before taxation of RM2.58 million in the preceding quarter. The reduction in the losses was due to a price increase made to a major customer in July.

For automation division, there is no revenue recorded both current and preceding quarter. The division recorded a loss before taxation of RM0.3 million as compared to loss before taxation of RM0.17 million in the preceding quarter.

For the investment holding division, the loss for the current quarter recorded at RM0.67 million as compare to RM0.57 million in 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

Revenue for the manufacturing division will remain competitive for the rest of the year.

The Group is currently in the midst of restructuring the business plan and strategy. Expectation is a slight decrease in the Group's turnover.

17. PROFIT FORECAST OR PROFIT GUARANTEE

This is not applicable to the Group as the group did not publish any profit forecast.

18. TAXATION

	Current Quarter RM'000	Current Year To- date RM'000
Taxation based on results for the quarter: Current financial period	17	50

19. LOANS AND BORROWINGS

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured			
Term loan	1,823	12,453	14,276
Overdraft	4,685	-	4,685
Banker's acceptance	11,858	-	11,858
Hire purchase	717	1,244	1,961
Unsecured			
ICULS – liability component	-	473	473
Total	<u>19,083</u>	<u>14,170</u>	<u>33,253</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 Period 3 months ended 30/9/17	Individual Period 3 months ended 30/9/16	Cumulative Period 9 months ended 30/9/17	Cumulative Period 9 months ended 30/9/16
Loss attributable to owners of the parent (RM'000)	(1,977)	(3,060)	(8,364)	(9,783)
Weighted average number of ordinary shares in issue ('000)	134,788	133,722	134,788	133,722
Loss per share (sen)	(1.47)	(2.29)	(6.21)	(7.32)

(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 30/9/2017 RM'000	Group 31/12/2016 RM'000
Total accumulated losses of the Company and its subsidiaries companies:		
- Realised	(61,863)	(52,971)
- Unrealised	(1,132)	(1,698)
	(62,995)	(54,669)
Less: Consolidation adjustment	12,084	12,122
Accumulated losses	(50,911)	(42,547)

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.