

THETA EDGE BERHAD (260002-W)
(Incorporated in Malaysia)

QUARTERLY REPORT

SUMMARY OF KEY UNAUDITED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Individual Period (2nd Quarter)			Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To-date	Preceding Year Corresponding Period	
	30/06/2017 RM'000	30/06/2016 RM'000			30/06/2017 RM'000	30/06/2016 RM'000	
1. Revenue	22,789	38,991	-42%	34,488	79,941	-57%	
2. Gross Profit	3,287	10,936	-70%	3,588	17,520	-80%	
3. Profit/(loss) before taxation	(1,892)	127	-1590%	(7,364)	1,173	-728%	
4. Profit/(loss) after taxation	(1,894)	135	-1503%	(7,370)	1,173	-728%	
5. Profit/(loss) for the period	(1,894)	135	-1503%	(7,370)	1,173	-728%	
6. Profit/(loss) attributable to owners of the Company	(1,894)	135	-1503%	(7,370)	1,173	-728%	
7. Profit/(loss) per share (sen)	(1.77)	0.13	-1503%	(6.87)	1.09	-728%	
8. Proposed/Declared dividend per share (sen)	-	-		-	-		

	As At End Of Current Financial Year End RM	As At Preceding Financial Year End RM	Changes %
9. Net assets per share attributable to owners of the Company	0.57	0.64	-11%

Additional Information

	Individual Period (2nd Quarter)			Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To-date	Preceding Year Corresponding Period	
	30/06/2017 RM'000	30/06/2016 RM'000			30/06/2017 RM'000	30/06/2016 RM'000	
1. Gross Finance income	148	103	44%	365	118	209%	
2. Gross Finance costs	(170)	(971)	-82%	(367)	(1,217)	-70%	

THETA EDGE BERHAD (260002-W)
(Incorporated in Malaysia)

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**UNAUDITED CONDENSED STATEMENTS OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2017 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2016 RM'000	Current Year Period Ended 30/06/2017 RM'000	Preceding Year Corresponding Period Ended 30/06/2016 RM'000
Revenue	22,789	38,991	34,488	79,941
Cost of sales	(19,502)	(28,055)	(30,900)	(62,421)
Gross Profit	<u>3,287</u>	<u>10,936</u>	<u>3,588</u>	<u>17,520</u>
Other operating income	601	1	721	12
Operating expenses	(3,684)	(3,967)	(7,281)	(7,570)
Profit/(loss) from operations	<u>204</u>	<u>6,970</u>	<u>(2,972)</u>	<u>9,962</u>
Finance income	148	103	365	118
Depreciation	(1,976)	(1,705)	(4,049)	(3,076)
Allowances and non cash expenses	(98)	(4,269)	(341)	(4,507)
Finance costs	(170)	(971)	(367)	(1,217)
Share of losses of equity-accounted joint venture, net of tax	-	(1)	-	(107)
Profit/(loss) before taxation	<u>(1,892)</u>	<u>127</u>	<u>(7,364)</u>	<u>1,173</u>
Taxation	(2)	8	(6)	-
Profit/(loss) for the period	<u>(1,894)</u>	<u>135</u>	<u>(7,370)</u>	<u>1,173</u>
Other comprehensive profit/(loss), net of taxation	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>(1,894)</u>	<u>135</u>	<u>(7,370)</u>	<u>1,173</u>
Profit/(loss) attributable to :				
Owners of the Company	(1,894)	135	(7,370)	1,173
Non-controlling interest	-	-	-	-
Profit/(loss) for the period	<u>(1,894)</u>	<u>135</u>	<u>(7,370)</u>	<u>1,173</u>
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	(1,894)	135	(7,370)	1,173
Non-controlling interest	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>(1,894)</u>	<u>135</u>	<u>(7,370)</u>	<u>1,173</u>
Earnings/(loss) per ordinary share (sen)				
Basic	(1.77)	0.13	(6.87)	1.09
Diluted	-	-	-	-

The unaudited condensed Statements of Profit & Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

THETA EDGE BERHAD (260002-W)
(Incorporated in Malaysia)

QUARTERLY REPORT

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Unaudited As At 30/06/2017 RM'000	Audited As At 31/12/2016 RM'000
ASSETS		
Non-current assets		
Plant and equipment	11,374	14,542
Investment in joint venture	20	21
Intangible assets	1,216	1,505
Deferred tax assets	3,902	3,902
	16,512	19,970
Current assets		
Inventories	13,216	14,407
Receivables	27,758	20,549
Cash and cash equivalents	26,207	43,903
	67,181	78,859
Total assets	83,693	98,829
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	107,243	107,243
Reserves	(46,509)	(39,139)
Shareholder's fund / Total equity	60,734	68,104
LIABILITIES		
Current liabilities		
Payables	15,988	18,774
Hire Purchase	5,105	6,072
Borrowings	19	1,900
	21,112	26,746
Non Current liabilities		
Hire Purchase	1,847	3,979
	1,847	3,979
Total liabilities	22,959	30,725
Total equity and liabilities	83,693	98,829

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

THETA EDGE BERHAD (260002-W)
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QUARTERLY REPORT

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	<u>Non-distributable</u>		<u>Distributable</u>	Total Equity RM'000
	Share Capital RM'000	Other Reserves RM'000	Reserves Attributable To Revenue RM'000	
<u>6 months ended 30 June 2016</u>				
At 1 January 2016 (audited)	107,241	1,897	(42,693)	66,445
Transfer to reserve for expired ESOS	-	(1,897)	1,897	-
Comprehensive profit for the financial period	-	-	1,173	1,173
At 30 June 2016 (Unaudited)	107,241	-	(39,623)	67,618
<u>6 months ended 30 June 2017</u>				
At 1 January 2017 (audited)	107,243	-	(39,139)	68,104
Comprehensive loss for the financial period	-	-	(7,370)	(7,370)
At 30 June 2017 (Unaudited)	107,243	-	(46,509)	60,734

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Unaudited	Audited
	30/06/2017	31/12/2016
	RM'000	RM'000
Cash flow from operating activities		
Net profit / (loss) before taxation	(7,364)	1,699
Adjustments for:		
Depreciation	4,049	7,686
Finance costs paid	367	1,530
Finance income received	(365)	(518)
Bad debts recovered	(594)	-
Allowance for doubtful debts	-	4,339
Amortisation of development cost	289	866
Plant and equipment written off	-	106
Provision for litigation	53	105
Share of losses of equity-accounted joint venture, net of tax	-	113
	<hr/>	<hr/>
Operating profit / (loss) before working capital changes	(3,565)	15,926
Movements in working capital		
Inventories	1,191	18,707
Receivables	(6,614)	9,714
Payables	(2,839)	(3,466)
	<hr/>	<hr/>
Cash flow (used in) /from operations	(11,827)	40,881
Income tax paid	(6)	(171)
Income tax refunded	-	38
Finance costs paid	(367)	(1,530)
Finance income received	365	518
	<hr/>	<hr/>
Net cash flow (used in) /from operating activities	(11,835)	39,736
Cash flow used in investing activities		
Purchase of plant and equipment	(881)	(10,040)
	(881)	(10,040)
Cash flow used in financing activities		
Proceeds from Share options exercised	-	2
Trust Receipts & revolving credit	(1,881)	(39,675)
Finance lease liabilities	(3,099)	2,490
Pledged deposits	(138)	1,564
	(5,118)	(35,619)
	<hr/>	<hr/>
Net movement in cash and cash equivalents	(17,834)	(5,923)
Cash and cash equivalents at beginning of financial period	<hr/> 40,970	<hr/> 46,893
Cash and cash equivalents at end of financial period	<hr/>23,136	<hr/>40,970
Cash and cash equivalents consist of:		
Deposits, cash & bank balances	26,207	43,903
Less : Pledged deposits	(3,071)	(2,933)
	<hr/>	<hr/>
Cash and cash equivalents	23,136	40,970

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2016

THETA EDGE BERHAD (260002-W)
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QUARTERLY REPORT

(A) Notes to the Condensed Consolidated Interim Financial Statements

A.1 Basis of preparation and significant accounting policies

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2016 except for the following:

Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2017:

- (i) Amendments to MFRS 107 Statement of Cash Flows - Disclosure Initiative
- (ii) Amendments to MFRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
- (iii) Amendments to MFRS 12 Disclosure of Interests in Other Entities (Annual Improvements to MFRSs 2014 - 2016 Cycle)

The above pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

A.2 Report On The Financial Statements

The auditors' report on the financial statement for the financial year ended 31 December 2016 was not qualified.

A.3 Seasonality and cyclicity of operations

The Group's business operations were not materially affected by any seasonal or cyclical factors.

A.4 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter under review and financial year to date.

A.5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter under review and financial year to date.

A.6 Debt and equity securities

The Group was not involved in any issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year to date.

A.7 Dividends

No dividends have been declared and paid during the current quarter under review and financial year to date.

A.8 Segmental reporting

Segmental and geographical reporting is not presented as the Group's operating business is in the technology, media and telecommunication segment and the operations of the Group are in Malaysia.

A.9 Valuation of property, plant and equipment

The valuations of all property, plant and equipment have been brought forward without amendment from the previous financial statements ended 31 December 2016.

A.10 Subsequent events

Pursuant to the resolution of the material litigation as disclosed in item A.13 below, the Company will be reversing the provision for litigation made in the previous years up to current amounting approximately RM2.6 million which will have positive material impact to the earnings of the Group for the current financial year.

Other than the above, there were no material events subsequent to the end of the current quarter.

A.11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 30 June 2017.

A.12 Changes in contingent liabilities and contingent assets

(A) There were no contingent assets for the current financial year to date.

(B) The changes in the Group's contingent liabilities are as follows:

(a) Bank guarantees issued mainly to trade customers increased from RM8,242,629 to RM8,315,692 for the quarter.

A.13 Material Litigation

(A) Inforntential Sdn Bhd ("Plaintiff") v. Theta Edge Berhad ("1st defendant" or "The Company") & 4 others.

On 17 May 2012, a Writ of Summons and Statement of Claim was served on the Defendant and four (4) others by the Plaintiff to claim the following:-

- (i) A declaration that the 1st, 2nd, 3rd, 4th and 5th defendants or any of them have together conspired to act fraudulently against the Plaintiff to deprive the Plaintiff from recovering on its judgment against Lityan Systems Sdn. Bhd. (“LSSB”) obtained in Kuala Lumpur High Court Suit No S1-22-1665-2004;
- (ii) A declaration that the 1st, 2nd, 3rd, 4th and 5th defendants or any of them have breached Section 257 of the Companies Act, 1965;
- (iii) Damages in the sum of RM2,105,585.23 outstanding as at 3 May 2012;
- (iv) Aggravated and/or exemplary damages;
- (v) Interest at the rate of 5% per annum on any judgment sum from the date this Writ of Summons is filed until full settlement;
- (vi) Costs;
- (vii) Such further and other relief as the Honourable Court deems fit.

The Court had on 23 January 2013 dismissed the Defendants’ Application to strike out the civil suit with cost awarded to the Plaintiff in the sum of RM5,000.00 only. The trial commenced on 19 August 2013 and concluded on 10 July 2014. The Defendant had filed their written submission to the Court on 20 October 2014 and the Plaintiff had filed their written submission to the Court on 23 October 2014

On the 27th of April 2015, the High Court Judge, had delivered her judgment in the aforementioned case as follows :-

- (i) Plaintiff’s claim against 1st Defendant is allowed with interest running at 5% per annum from the date of judgment until full settlement;
- (ii) Plaintiff’s claim against the 2nd, 3rd, 4th and 5th Defendants is dismissed;
- (iii) 1st Defendant to pay RM15,000.00 as cost to the Plaintiff.

The Company filed a Notice of Appeal against the said judgement on 6 May 2015 and the Record of Appeal was filed on 29 June 2015. The Plaintiff also filed an appeal on 25 May 2015 against the decision of the High Court Judge made on 27 April 2015 in dismissing its claim against the 2nd and the 5th Defendant.

The outcome of the decision of the Court of Appeal on 16 February 2017 are as follows:

- (i) Theta Edge Berhad vs Inforntial Sdn Bhd (Court of Appeal Civil Appeal No. W-02(NCVC)(W)-756-05/2015

The Learned Judges allowed the above Appeal, set aside the Judgement of the High Court dated 27.4.2015 and ordered costs of RM15,000.00 to be paid to the Company, subject to the payment of allocator fees and deposit to be refunded to the Company.

- (ii) Inforntial Sdn Bhd vs Nor Badli Munawir Alias Lafti (“1st Respondent”) & Anor (“2nd Respondent”) (Court of Appeal Civil Appeal No.W-02(NCVC)-094-06/2015

The Learned Judges dismissed the Appeal with costs of RM15,000.00 to the 1st Respondent and RM30,000.00 to the 2nd Respondent, subject to the payment of allocator fees and deposit to be refunded to the Appellant.

Following the Court of Appeal's decision, a Notice of Motion was filed by Infornential (Applicant) to the Fedetal Court on 14 March 2017 for the following orders:

- (1) The Applicant be given leave to appeal against the whole decision delivered by the Court of Appeal which allowed the Company's appeal with costs of RM15,000.00;
- (2) The leave be granted on the following questions or issues, among others:
 - (i) Whether the corporate veil ought to be lifted, what is the current test to be applied?;
 - (ii) Is the Court of Appeal entitled to raise an issue where the party failed to raise the said issue in its pleadings, or as an issue to be tried or in its Memorandum of Appeal;
 - (iii) Whether a creditor of a company is "a person who appears to the Court to be interested" pursuant to Section 307 of the Companies Act 1965;
- (3) In the event the Applicant is given leave to appeal to the Federal Court, the Applicant is given leave to file and serve Notice of Appeal within 7 days from the date of this Order.

On hearing of the Notice of Motion held on 11 July 2017 before the Federal Court, it was unanimously decided that the said Notice of Motion be dismissed with costs of RM10,000.00.

A.14 Capital Commitments

There were no major capital commitments for the Group as at the date of this report.

A.15 Related Party Transactions

The related party transactions of the Group is recurrent in nature and had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial period.

Related Parties	Transactions	Transactions for the year ended 30 June 2017 RM '000	Balance due from / (to) as at 30 June 2017 RM '000
Lembaga Tabung Haji	Sale of equipment & services	14,660	3,961
THP Bina Sdn Bhd	Sale of equipment & services	7,821	6,061
THHE Fabricators Sdn Bhd	Sale of equipment & services	-	2,132
TH Heavy Engineering Berhad	Sale of equipment & services	62	4,700
TH Properties Sdn Bhd	Sale of equipment & services	255	-
TH Hotel & Residence Sdn Bhd	Sale of equipment & services Purchase of services	33 17	- -
TH Agro Management Sdn Bhd	Services rendered	164	-

(B) Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad

B.1 Review of performance

The Group reported a revenue of RM34.5 million for the financial year ended 30 June 2017 as compared to the revenue in the previous financial year of RM79.9 million. The lower revenue in the current period of 56.8% was mainly due to the completion of material project milestones in the preceding year from the Jabatan Akauntan Negara project.

Correspondingly, the Group reported a loss before taxation of RM7.4 million against the profit before taxation of RM1.2 million from the preceding year.

B.2 Material changes in quarterly results

The Group's revenue for the current quarter was higher at RM22.8 million as compared to that of RM 11.7 million for the immediate preceding quarter. Correspondingly, the Group reported a loss before taxation of RM1.9 million for the current period as compared to the loss before taxation of RM 5.5 million in the immediate preceding quarter.

	Current Quarter 30/06/2017 RM '000	Immediate Preceding Quarter 30/03/2017 RM '000	Changes (%)
Revenue	22,789	11,699	95%
Profit/(loss) from operations	204	(3,176)	106%
Loss Before Interest and Tax	(1,722)	(5,275)	-67%
Loss Before Tax	(1,892)	(5,472)	-65%
Loss After Tax	(1,894)	(5,476)	-65%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	(1,894)	(5,476)	-65%

B.3 Prospects

The National ICT Association of Malaysia (PIKOM) remains bullish on ICT outlook in 2017 despite the economic uncertainties and the depreciation of the Ringgit. ICT spending in 2016 is expected to reach over RM70 billion. Malaysia's overall ICT market is expected to feel the positive impact of the disruptive technologies and digital economic growth. Gartner forecasts that the ICT spending in Malaysia would be above RM70 billion for 2017.

Growth is expected to come largely from the telecommunication segment as well as areas such as cloud computing, mobility, big data, e-commerce, the IoT (Internet of Things) and digital

governance. Similar to the previous years, 2017 will see initiatives largely driven by Government, to globalize, increase competitiveness, promote human capital development, lead the digital trend and accelerate growth of demand in the Malaysian ICT industry. The growth of the telecommunication and communication industry is expected to remain strong with the roll-out of the long term evolution network (LTE) by telecommunication providers.

There are no major shift or changes to the Group's strategies and action plans. Continued focus and emphasis on execution and productivity to realize the objectives. The Group continues to leverage on the support of its major shareholder and its Group of companies.

The Group expects 2017 to remain a challenging year. The cost of ICT products and services had increased due to the depreciation of the Ringgit against major foreign currencies. The reduction in operating and capital expenditure spending of some key market segments is expected to continue to put competitive and margin pressures on the Group.

During the course of the year, we expect to add on to our order book to sustain our 2017 financials and to begin 2018 with a healthy order book on hand. We are optimistic that we can continue the profitable trend in 2017. The Group will also put in efforts and focus to move forward our investments in the Mukmin brand and green technology sector for them to contribute positively to the Group in the near to medium term.

Nevertheless, barring unforeseen circumstances, the Group expects that the results for the coming financial year 2017 will be better than 2016.

B.4 Statement of the Board of Directors' opinion on financial estimate, forecast, projection or profit guarantee

Not applicable as the Group did not previously announced, disclosed or published any financial estimate, forecast, projection or profit guarantee in a public document.

B.5 Profit / (loss) before Tax

The following amounts have been included in arriving at profit /(loss) before tax:

	Current Quarter Ended 30/06/2017 RM'000	Previous Year Quarter Ended 30/06/2016 RM'000
Depreciation	1,976	1,705
Amortisation of development cost	72	216
Allowance for doubtful debts	-	3,900
Finance income	148	103
Finance costs	170	971

B.6 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2017 RM '000	Preceding Year Corresponding Quarter Ended 30/06/2016 RM '000	Current Year To Date Ended 30/06/2017 RM '000	Preceding Year Corresponding Period Ended 30/06/2016 RM '000
Corporate Income Tax				
Current Year	2	-	6	-
Under / (over) provision for previous period	-	(8)	-	-
	<u>2</u>	<u>(8)</u>	<u>6</u>	<u>-</u>

B.7 Sale of unquoted investments and/or properties

The Group was not involved in any sale of unquoted investments and/or properties during the quarter under review.

B.8 Quoted securities

There were no quoted securities held by the Group.

B.9 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 August 2017 the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.10 Group borrowings

Details of the Group's borrowings as at the end of the reporting period are as follows:

Current Quarter - 30/06/2017 (Amount in RM'000)			
	Long term	Short term	Total Borrowing
Unsecured			
Trust Receipts	-	19	19
Hire Purchase	1,847	5,105	6,952
Total	1,847	5,124	6,971

Preceding Year Corresponding Quarter -30/06/16 (Amount in RM'000)			
	Long term	Short term	Total Borrowing
Unsecured			
Hire Purchase	3,576	4,947	8,523
Total	3,576	4,947	8,523

All the borrowings are denominated in Ringgit Malaysia and are guaranteed by the Company.

B.11 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 23 August 2017, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.12 Changes in fair value of financial instruments

The carrying amounts of the financial instruments of the Group as at the balance sheet date approximate their fair values due to relatively short term maturity of these financial instruments.

B.13 Changes in material litigations

Other than those indicated in Note A.13 to the Interim Financial Statements MFRS134, there were no changes in material litigations as at 23 August 2017, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.14 Dividends

No dividends have been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend any interim dividend for the period under review.

B.15 Earnings /(loss) per share

The basic earnings/(loss) per share for the quarter and year to date ended 30 June 2017 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2017	Preceding Year Corresponding Quarter 30/06/2016	Current Year To Date 30/06/2017	Preceding Year Corresponding Period 30/06/2016
Net earnings/(loss) (RM'000)	(1,894)	135	(7,370)	1,173
No of ordinary shares in issue ('000)	107,243	107,241	107,243	107,241
Weighted average number of ordinary shares in issue ('000)	107,243	107,241	107,243	107,241
Basic EPS (sen)	(1.77)	0.13	(6.87)	1.09
Diluted EPS (sen)	-	-	-	-

Diluted EPS is not computed as the exercise price of the Warrants are higher than the average market price of the Company's ordinary shares during the period. Diluted EPS was not computed previously as it was anti-dilutive. The Warrants were removed from the official list of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on Tuesday, 5 July 2016.

B.16 Realised and Unrealised Retained Profits

In relation to the Directive by BMSB on 25 March 2010, the determination of realized and unrealized profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to BMSB Listing Requirements, issued by the Malaysian Institute Of Accountants on 20 December 2010.

	30/06/2017 RM'000	31/12/2016 RM'000
Breakdown of accumulated losses of the Group		
- Realised	(69,302)	(59,097)
- Unrealised - Provision for litigation	(2,647)	(2,595)
- Unrealised - Deferred tax asset	3,902	3,902
Consolidation adjustments	21,538	18,651
Total Group Retained Losses	(46,509)	(39,139)

B.17 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 August 2017.