

Our Ref: SR/RPA/TAC(RO)/ LD27/10

20 December 2010

**The Company Secretary
(Listed Corporations)**

Via email

Dear Sir/Madam,

DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

1. We refer to the directive dated 25 March 2010 (Our Ref: SR/RPA/TAC(RO)/LD10/10 (the "**Directive**") issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**") where Bursa Securities had, among others, directed all listed corporations to disclose a breakdown of the unappropriated profits or accumulated losses into realized and unrealized profits or losses (refer to Part C of the Directive).
2. Pursuant to the Directive, Bursa Securities wishes to –
 - (a) inform that the guide to aid listed corporations in making the disclosure on the segregation of realized and unrealized profits or losses has been published by the Malaysian Institute of Accountants ("**MIA**") ("**Guide**"). The Guide is now available for your reference on MIA's website at www.mia.org.my; and
 - (b) modify and clarify the requirements of Part C in the manner set out below.

Realised and Unrealised Profits/Losses Disclosure

3. A listed corporation must disclose:
 - (a) a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period and the previous financial year, on a group basis, into realized and unrealized profits or losses, as the case may be, in the notes to its quarterly report ("**QR Disclosure**"); and
 - (b) a breakdown of the unappropriated profits or accumulated losses as at the financial year end and the previous financial year, on a company and group basis, into realized and unrealized profits or losses, as the case may be, in the notes to its **annual audited accounts** (instead of the annual report, as stated in the Directive) ("**AAA Disclosure**"),

(collectively referred to as the "**Realised and Unrealised Profits/Losses Disclosure**").

Prescribed Format

4. For this purpose, the listed corporation is required to provide the Realised and Unrealised Profits/Losses Disclosure in the prescribed format as follows:

| | <u>Current financial period / financial year (RM'000)</u> | <u>As at the end of last financial year (RM'000)</u> |
|---|--|---|
| Total retained profits / (accumulated losses) of [Listed Corporation] and its subsidiaries: | | |
| - Realised | 777,000 | |
| - Unrealised | 222,000 | |
| | ----- | |
| | 999,000 | |
| Total share of retained profits / (accumulated losses) from associated companies: | | |
| - Realised | 400 | |
| - Unrealised | 100 | |
| (See also paragraph 5 below) | | |
| Total share of retained profits / (accumulated losses) from jointly controlled entities: | | |
| - Realised | 200 | |
| - Unrealised | 100 | |
| (See also paragraph 5 below) | | |
| | ----- | |
| | 999,800 | |
| Less: Consolidation adjustments | 300,000 | |
| | ----- | |
| Total group retained profits / (accumulated losses) as per consolidated accounts | 699,800 | |
| | ===== | |

Note: Comparative figures are not required in the first financial year of complying with the Realised and Unrealised Profits/Losses Disclosure.

Realised and Unrealised Profit/Losses Disclosure From Associated Companies and Jointly Controlled Entities

5. If the listed corporation is unable to provide the Realised and Unrealised Profits/Losses Disclosure for any of its associated companies and jointly controlled entities as required in the table above, the listed corporation must disclose the following information:
- (a) the name of the associated companies and joint controlled entities;
 - (b) the share of retained profits/accumulated losses for each of the associated company and joint controlled entity attributable to the group's retained profits/accumulated losses; and
 - (c) the reasons for not providing the Realised and Unrealised Profits/Losses Disclosure for each of the associated company and joint controlled entity.

Implementation

6. As stated in the Directive, the Realised and Unrealised Profits/Losses Disclosure is applicable to quarterly reports and annual audited accounts of listed corporations for the financial period or financial years ending on or after **30 September 2010**.
7. However, given that the Guide is only available now, listed corporations with quarters ending on 30 September 2010, 31 October 2010 or 30 November 2010 which have yet to comply with the QR Disclosure for the respective quarters, must make the QR Disclosure in the quarterly report for the **next immediate** quarter.
8. In this regard, such listed corporation must include in the quarterly report for the next immediate quarter, the QR Disclosure as at the end of the immediate preceding quarter, in addition to the same information for the current quarter.

Illustration of application of paragraphs 7 and 8 above:

XYZ Bhd, a listed corporation, has a financial year ending on 31 December 2010. It must provide in the quarterly report for the quarter ending 31 December 2010 (which is to be issued by 28 February 2011), the following –

- (a) a breakdown of the unappropriated profits or accumulated losses as at the end of 30 September 2010 (i.e. immediate preceding quarter), on a group basis, into realized and unrealized profits or losses; and
- (b) a breakdown of the unappropriated profits or accumulated losses as at the end of 31 December 2010 (i.e. current quarter), on a group basis, into realized and unrealized profits or losses.



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9. Listed corporations must make the AAA Disclosure with respect to its annual audited accounts for the financial year ending on or after 30 September 2010, as stated in paragraph 6 above.
10. This directive supersedes Part C of the Directive.

Contact Persons

11. If you have any query on the above, please do not hesitate to liaise with the following persons:
 - (a) Chng Boon Huat at 03-2034 7270.
 - (b) Tan Lay Khoon at 03-2034 7276.
 - (c) Suzalina Harun at 03-2034 7353.

Thank you.

Yours faithfully,

SELVARANY RASIAH
Chief Regulatory Officer

TAC/ro