# KARYON INDUSTRIES BERHAD (“KIB”)

(Company No: 612797-T)

(Incorporated in Malaysia)

# UNAUDITED QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 31 DECEMBER 2013

Explanatory notes to the Interim Financial Statements

## Accounting Policies and Basis of Preparation

This interim financial statements has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and Paragragh 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

1. **Significant Accounting Policies**

The significant accounting policies adopted by KIB and its subsidiaries (“Group”) in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2012 except for the newly-issued Malaysian Accounting Standards Board approved accounting framework - MFRS and IC Interpretations to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2013, which are as follows:

|  |  |
| --- | --- |
| Amendments to MFRS 1 | Government Loans |
| Amendments to MFRS 101 | Presentation of Items of Other Comprehensive Income |
| MFRS 3 | Business Combinations |
| MFRS 10 | Consolidated Financial Statements |
| MFRS 11 | Joint Arrangements |
| MFRS 12 | Disclosure of Interests in Other Entities |
| MFRS 13 | Fair Value Measurement |
| MFRS 119 | Employee Benefits |
| MFRS 127 | Separate Financial Statements |
| MFRS 128 | Investments in Associates and Joint Ventures |
| Amendments to MFRS 7 | Disclosures – Offsetting Financial Assets and Financial Liabilities |
| Amendments to MFRS 10, MFRS 11 and MFRS 12) | Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance |
| IC Interpretation 20 | Stripping Costs in The Production Phase of a Surface Mine |
| Annual Improvements 2009-2011 cycle issued in July 2012 | |

The adoption of the abovementioned MFRS, Amendments to MFRS and Interpretations will have no material impact on the financial statements of the Group upon their initial application.

1. **Significant Accounting Policies (cont’d)**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

|  |  |  |
| --- | --- | --- |
| **MFRSs and Amendments to FRSs issued but not yet effective** | | **Effective for annual periods beginning on or after** |
| Amendments to MFRS 10, MFRS 12 and MFRS 127 | Investment Entities | 1 January 2014 |
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 136 | Recoverable Amount- Disclosure for Non-Financial Assets | 1 January 2014 |
| Amendments to MFRS 139 | Novation of Derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21 | Levies | 1 January 2014 |
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010) | 1 January 2015 |

**3. Audit Report of the Preceding Audited Financial Statements**

The auditors’ report of the preceding annual financial statements of the Group was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review.

**5. Unusual Items**

There were no items or events that arose, which is unusual because of its nature, size, or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

**6. Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have material effect on the current financial quarter under review.

**7. Changes in Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs and share cancellation for the current financial quarter under review.

**8. Dividends Paid**

|  |  |  |
| --- | --- | --- |
|  | **2013**  **RM** | **2012**  **RM** |
| Final single tier dividend of 4.00% or RM0.0040 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2012, which was declared on 24 April 2013 and paid on 19 July 2013 | 1,521,495 | - |
|  |  |  |
| Interim tax exempt dividend of 5.00% or RM0.0050 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2013, which was declared on 30 September 2013 and paid on 28 October 2013 | 1,901,872 | - |
|  |  |  |
| Final tax exempt dividend of 6.50% or RM0.0065 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2011, which was declared on 24 April 2012 and paid on 18 July 2012 | - | 2,472,431 |
|  |  |  |
| Interim single tier dividend of 5.00% or RM0.0050 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2012, which was declared on 3 September 2012 and paid on 10 October 2012 | - | 1,901,872 |
|  |  |  |
| Interim single tier dividend of 5.00% or RM0.0050 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2012, which was declared on 27 November 2012 and paid on 26 December 2012 | - | 1,901,872 |
|  |  |  |
|  | 3,423,367 | 6,276,175 |

1. **Segmental Reporting**

The segmental result of the Group for the current financial quarter under review is set out below:

**3 months ended 31 December 2013**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Investment Holding | Manufacturing of Polymeric Product | Manufacturing of Oleochemical Product | Total |
|  | | RM’000 | RM’000 | RM’000 | RM’000 |
| **REVENUE** | |  |  |  |  |
| Sales (Gross) | | 626 | 31,434 | 1,952 | 34,012 |
| Inter-segment sales | | (608) | (2,534) | (4) | (3,146) |
| External | | 18 | 28,900 | 1,948 | 30,866 |
|  | |  |  |  |  |
| **RESULT** | |  |  |  |  |
| Segment result | | (585) | 3,608 | (245) | 2,778 |
| Finance costs | | (1) | (36) | (3) | (40) |
| Share of profit in a jointly controlled entity | | 202 | - | - | 202 |
| (Loss)/Profit before tax | | (384) | 3,572 | (248) | 2,940 |
| Tax expense | | (87) | (640) | 76 | (651) |
| (Loss)/Profit after tax | | (471) | 2,932 | (172) | 2,289 |
|  | |  |  |  |  |
| **Consolidated Statement of Financial Position** |  |  |  |  | |
| Segment assets | 11,510 | 70,870 | 9,159 | 91,539 | |
| Segment liabilities | 570 | 12,504 | 769 | 13,843 | |

1. **Segmental Reporting (cont’d)**

**3 months ended 31 December 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Investment Holding | Manufacturing of Polymeric Product | Manufacturing of Oleochemical Product | Total |
|  | | RM’000 | RM’000 | RM’000 | RM’000 |
| **REVENUE** | |  |  |  |  |
| Sales (Gross) | | 1,029 | 30,371 | 5,170 | 36,570 |
| Inter-segment sales | | (977) | (2,760) | - | (3,737) |
| External | | 52 | 27,611 | 5,170 | 32,833 |
|  | |  |  |  |  |
| **RESULT** | |  |  |  |  |
| Segment result | | (319) | 3,021 | 227 | 2,929 |
| Finance costs | | - | (45) | (11) | (56) |
| Share of profit in a jointly controlled entity | | 2 | - | - | 2 |
| (Loss)/Profit before tax | | (317) | 2,976 | 216 | 2,875 |
| Tax expense | | (199) | 345 | 110 | 256 |
| (Loss)/Profit after tax | | (516) | 3,321 | 326 | 3,131 |
|  | |  |  |  |  |
| **Consolidated Statement of Financial Position** |  |  |  |  | |
| Segment assets | 11,288 | 64,837 | 10,497 | 86,622 | |
| Segment liabilities | 421 | 13,166 | 1,299 | 14,886 | |

The segmental result of the Group for the cumulative financial year-to-date under review is set out below:

**12 months ended 31 December 2013**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Investment Holding | Manufacturing of Polymeric Product | Manufacturing of Oleochemical Product | Total |
|  | | RM’000 | RM’000 | RM’000 | RM’000 |
| **REVENUE** | |  |  |  |  |
| Sales (Gross) | | 5,759 | 127,688 | 13,037 | 146,484 |
| Inter-segment sales | | (5,699) | (10,154) | (4) | (15,857) |
| External | | 60 | 117,534 | 13,033 | 130,627 |
|  | |  |  |  |  |
| **RESULT** | |  |  |  |  |
| Segment result | | (1,804) | 13,107 | 389 | 11,692 |
| Finance costs | | (1) | (126) | (20) | (147) |
| Share of profit in a jointly controlled entity | | 434 | - | - | 434 |
| (Loss)/Profit before tax | | (1,371) | 12,981 | 369 | 11,979 |
| Tax expense | | (379) | (2,681) | (19) | (3,079) |
| (Loss)/Profit after tax | | (1,750) | 10,300 | 350 | 8,900 |
|  | |  |  |  |  |
| **Consolidated Statement of Financial Position** |  |  |  |  | |
| Segment assets | 11,510 | 70,870 | 9,159 | 91,539 | |
| Segment liabilities | 570 | 12,504 | 769 | 13,843 | |

1. **Segmental Reporting (cont’d)**

**12 months ended 31 December 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Investment Holding | Manufacturing of Polymeric Product | Manufacturing of Oleochemical Product | Total |
|  | | RM’000 | RM’000 | RM’000 | RM’000 |
| **REVENUE** | |  |  |  |  |
| Sales (Gross) | | 6,861 | 113,748 | 19,857 | 140,466 |
| Inter-segment sales | | (6,677) | (10,187) | - | (16,864) |
| External | | 184 | 103,561 | 19,857 | 123,602 |
|  | |  |  |  |  |
| **RESULT** | |  |  |  |  |
| Segment result | | (1,413) | 10,221 | 1,215 | 10,023 |
| Finance costs | | - | (162) | (36) | (198) |
| Share of profit in a jointly controlled entity | | 115 | - | - | 115 |
| (Loss)/Profit before tax | | (1,298) | 10,059 | 1,179 | 9,940 |
| Tax expense | | (484) | (1,278) | (68) | (1,830) |
| (Loss)/Profit after tax | | (1,782) | 8,781 | 1,111 | 8,110 |
|  | |  |  |  |  |
| **Consolidated Statement of Financial Position** |  |  |  |  | |
| Segment assets | 11,288 | 64,837 | 10,497 | 86,622 | |
| Segment liabilities | 421 | 13,166 | 1,299 | 14,886 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

**10. Valuation of Property, Plant and Equipment**

The Group’s property, plant and equipment is carried at cost and have been brought forward without amendment from the latest audited annual financial statements.

**11. Material Events Subsequent to the End of the Current Financial Quarter**

There were no material events that have occurred from 1 January 2014 to the date of announcement.

## 12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

**13. Contingent Liabilities and Contingent Assets**

1. **Contingent liabilities**

The amount of contingent liabilities as at 31 December 2013 are as follows:

|  |  |
| --- | --- |
|  | RM |
| Guarantees to banks for trade facilities granted | 23,050,000 |
| Guarantees to suppliers | 3,000,000 |

**(b) Contingent assets**

There were no contingent assets as at the end of current financial quarter under review.

**14. Capital Commitment**

Capital commitment as at 31 December 2013 was as follows:

|  |  |
| --- | --- |
| Capital expenditure: | RM |
| Approved and contracted for | 558,624 |

**15. Performance Review**

**Current Financial Quarter as compared with Previous Year Corresponding Quarter**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **3 Months Ended** | | **Variance** | |
|  | **31.12.2013** | **31.12.2012** | **Amount** | **%** |
|  | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 30,866 | 32,833 | (1,967) | (5.99) |
| Profit before tax | 2,940 | 2,875 | 65 | 2.26 |

For the fourth quarter ended 31 December 2013, the Group recorded revenue of RM30.866 million, a decrease of RM1.967 million or 5.99% as compared to revenue of RM32.833 million recorded for the corresponding quarter ended 31 December 2012. The lower revenue was due mainly to the decrease in average selling prices of both polymeric and oleochemical products despite an increase in the sales volume of polymeric products by approximately 692 metric tonnes.

Notwithstanding the decrease in revenue, the Group’s profit before tax for the quarter ended 31 December 2013 had increased to RM2.940 million or an increase of 2.26% as compared to the profit before tax of RM2.875 million recorded in the preceding financial year corresponding period. This was due mainly to the one-off gain on disposal of a factory of approximately RM0.69 million during the current financial quarter under review.

Performance of the respective operating business segments for the current financial quarter as compared to the previous year corresponding quarter is analysed as follows:

Polymeric division

The revenue of polymeric division had increased by RM1.289 million, which was contributed mainly by the increase in sales volume of polymeric products by 692 metric tonnes despite a decrease in average selling price of polymeric products by approximately 5.45%. Similarly, the profit before tax has also increased by RM0.596 million due principally to the increase in revenue.

Oleochemical division

The revenue and profit before tax of oleochemical division had decreased by RM3.222 million and RM0.464 million respectively due mainly to the decrease in sales volume by 762 metric tonnes and a decrease in average selling price of oleochemical products.

Investment holding

No significant change.

**15. Performance Review (cont’d)**

**Current Financial Period compared with Previous Year Corresponding Period**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **12 Months Ended** | | **Variance** | |
|  | **31.12.2013** | **31.12.2012** | **Amount** | **%** |
|  | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 130,627 | 123,602 | 7,025 | 5.68 |
| Profit before tax | 11,979 | 9,940 | 2,039 | 20.51 |

The Group’s revenue for the current financial year ended 31 December 2013 has shown an increase of 5.68% from RM123.602 million to RM130.627 million as compared to the previous financial year. The increase in the Group’s revenue of RM7.025 million was attributed mainly to higher sales volume generated by polymeric division for the current financial year.

Similarly, the profit before tax had also increased by RM2.039 million, from RM9.940 million for the previous financial year ended 31 December 2012 to RM11.979 million for the current financial year. This was due mainly to higher sales volume generated coupled with the improvement in gross profit margin of polymeric products. In addition, there was a one-off gain on disposal of a factory of approximately RM0.69 million during the current financial year under review. However, the increase in profit before tax was mitigated by the increase in freight charges and staff costs.

Performance of the respective operating business segments for the current financial year as compared to the previous financial year is analysed as follows:

Polymeric division

Sales performance of the polymeric division has improved by RM13.973 million, from RM103.561 million to RM117.534 million which was due mainly to the higher sales volume of 28,288 metric tonnes as compared to the previous financial year of 24,103 metric tonnes. Similarly, the profit before tax has also increased by RM2.922 million due principally to the increase in revenue and a slight increase in gross profit margin coupled with a one-off gain on disposal of a factory of approximately RM0.69 million during the current financial year under review.

Oleochemical division

The revenue of oleochemical division had decreased by RM6.824 million, from RM19.857 million to RM13.033 million. This was due mainly to the reduction in sales volume by 1,164 metric tonnes coupled with a change in sales mix.

Investment holding

No significant change.

**16. Material Changes in Profit Before Tax as Compared with the Immediate Preceding Quarter**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **3 Months Ended** | | **Deviation** | |
|  | **31.12.2013** | **30.09.2013** | **Amount** | **%** |
|  | **RM’000** | **RM’000** | **RM’000** |
| Revenue | 30,866 | 32,129 | (1,263) | (3.93) |
| Profit before tax | 2,940 | 2,899 | 41 | 1.41 |

Notwithstanding the decrease in revenue of RM1.263 million or 3.93% as compared to preceding quarter ended 30 September 2013, the Group’s profit before tax of RM2.940 million for the fourth quarter ended 31 December 2013 had shown an increase of RM0.041 million or 1.41% as compared to the profit before tax of RM2.899 million for the preceding quarter ended 30 September 2013.

The increase in profit before tax was due mainly to the one-off gain on disposal of a factory of approximately RM0.69 million during the current financial quarter under review.

## 17. Future Prospects

Moving forward to the financial year 2014, the Group expects to deliver another year of satisfactory and stable performance based on the following:

1. leveraging on the sound financial background of the Group;
2. continue to expand its market share in overseas and local markets;
3. improve its operational efficiencies; and
4. good business network.

## 18. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review.

## 19. Tax Expense

The tax expense charged for the current financial quarter under review and financial year-to-date includes the followings:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Current Quarter 31.12.2013** |  | **Financial Year-To-Date**  **31.12.2013** |
|  |  | **RM’000** |  | **RM’000** |
|  |  |  |  |  |
|  | Estimated current tax expense  Under provision of tax in prior year | 562  - |  | 2,932  58 |
|  | Deferred tax liabilities | 89 |  | 89 |
|  |  | 651 |  | 3,079 |
|  |  |  |  |  |

## The Group’s effective tax rate was lower than the statutory tax rate of 25% due mainly to certain income are not subject to tax such as tax exempt/single tier dividend and gain on disposal of property, plant and equipment.

**20. Status of Corporate Proposals**

On 27 May 2013, Public Investment Bank Berhad (“PIVB”) had, on behalf of the Board of Directors of KIB (“Board”), announced that the Company proposes to undertake the following:

(i) Proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of KIB from the ACE Market of Bursa Securities to the Main Market of Bursa Securities (“Proposed Transfer Listing); and

(ii) Proposed amendments to the Articles of Association of KIB to facilitate the implementation of the Proposed Transfer Listing (“Proposed Amendments”).

The shareholders of KIB had on 26 June 2013 approved the Proposed Amendments. Subject to relevant approvals being obtained for the Proposed Transfer Listing, the Proposed Amendments will be effected prior to the Proposed Transfer Listing.

The relevant applications in relation to the Proposed Transfer Listing have been submitted to the Securities Commission Malaysia and its Equity Compliance Unit on 21 January 2014.

**21. Group Borrowings and Debt Securities**

The Group’s borrowings, which are all denominated in Ringgit Malaysia, as at 31 December 2013 are shown below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **As at 31.12.2013**  **RM’000** |  | **As at 31.12.2012**  **RM’000** |  |
| **Long Term Borrowing - secured** |  |  |  |  |
| Term loan | 89 |  | 361 |  |
|  | **89** |  | **361** |  |
| **Short Term Borrowing - secured** |  |  |  |  |
| Term loan | 272 |  | 273 |  |
|  | **272** |  | **273** |  |
|  |  |  |  |  |
| **Total** | **361** |  | **634** |  |

**22. Realised and Unrealised Retained Profits**

|  |  |  |
| --- | --- | --- |
|  | **Current quarter ended 31.12.2013** | **Preceding quarter ended 30.09.2013** |
|  | **RM’000** | **RM’000** |
| Total retained profits of KIB and its subsidiaries: |  |  |
| * + Realised | 30,000 | 29,725 |
| * + Unrealised | (1,611) | (1,522) |
|  | 28,389 | 28,203 |
| Total share of retained profits from a jointly controlled entity: |  |  |
| * + Realised | 1,025 | 824 |
|  |  |  |
| Total Group retained profits | **29,414** | **29,027** |

**23. Material Litigation**

1. Writ of Summons and Statement of Claim By Hsing Lung Sdn Bhd (“HLSB”), a wholly-owned subsidiary of Karyon Industries Berhad (“KIB”) against Mahabuilders Sdn Bhd

HLSB, a wholly-owned subsidiary of KIB, had on 6 June 2008 through its solicitors served the sealed Writ of Summons and Statement of Claim on Mahabuilders Sdn Bhd for loss and damage in tort and contract in connection with the acquisition of a piece of land held under HS(D) 212275 PTD 111374 in the Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.

The Writ of Summons and Statement of Claim (No.22-329-2008(4)) was filed with and a sealed copy thereof extracted from the Johor Bahru High Court on 13 May 2008 and 28 May 2008 respectively.

The Court had dismissed HLSB claim against Mahabuilders Sdn Bhd on 16 December 2011. Further thereto, a Notice of Appeal against the decision made by the Court was filed by HLSB’s solicitor to the Court of Appeal on 9 January 2012.

The Court of Appeal, Putrajaya had adjourned the above matter for case management on a date to be fixed later.

**23. Material Litigation (cont’d)**

1. Writ of Summons and Statement of Claim By Allbright Industries (M) Sdn Bhd (“AISB”), a wholly-owned subsidiary of Karyon Industries Berhad (“KIB”) against Tan Tuan Yang and Hing Siew Chan T/A JTTY Enterprise (“Defendants”)

AISB, had on 11 May 2013 through its solicitors served the sealed Writ of Summons and Statement of Claim on the Defendants for a claim of RM53,000.00 together with interest and cost being monies due and owing by JTTY Enterprise to AISB for goods supplied and delivered, which was outstanding since July 2012.

The claim was instituted as the Defendants had failed to settle the said amount after a letter of demand was issued to the Defendants on 25 January 2013. Thereafter, the Writ of Summons and Statement of Claim was filed with and a sealed copy thereof extracted from the Johor Bahru Magistrate’s Court on 3 April 2013 for the recovery of the said amount.

AISB had further filed the Bankruptcy Notice on 29 July 2013 and a sealed copy thereof was extracted from the Johor Bahru High Court on 31 July 2013. The Bankruptcy Notice had been served on the Defendants on 19 August 2013 and the Creditor Petition has been filed on 26 September 2013, a sealed copy thereof was extracted from the court on 2 October 2013.

The Court had granted Receiving Order and Adjudication Order against the Defendants on 9 January 2014 and hence, the Defendants are adjudged bankrupt by the Court.

**24. Dividend Payable**

No interim dividend was declared or payable during the current financial quarter under review.

The total dividend paid in respect of the financial year ended 31 December 2013 was 5.00% or RM1,901,872 (31.12.2012: 14% or RM5,325,239).

At the forthcoming Annual General Meeting, a final dividend of 6.00% under the single tier system in respect of the financial year ended 31 December 2013 will be proposed for shareholders’ approval. Based on the total number of issued and paid-up share capital as at 31 December 2013 of 380,374,406 ordinary shares, the total dividend payable would amount to RM2,282,246.44. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

The entitlement and payment dates will be determined at a later date.

**25. Notes to the Condensed Consolidated Statement of Comprehensive Income**

Profit before tax is arrived at after charging/(crediting) the following items:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **4th Quarter Ended** | | **12 Months Ended** | |
|  | **31.12.2013** | **31.12.2012** | **31.12.2013** | **31.12.2012** |
|  | **RM’000** | **RM’000** | **RM’000** | **RM’000** |
| Amortisation of prepaid lease payments for land | 2 | 1 | 7 | 6 |
| Bad debts written off | 2 | - | 55 | - |
| Bad debts recovery | - | - | - | (24) |
| Depreciation on property, plant and equipment | 212 | 193 | 801 | 755 |
| Net foreign exchange (gain)/loss | (59) | 107 | (139) | 20 |
| Interest expenses | 6 | 21 | 30 | 81 |
| Property, plant and equipment written off | - | - | 17 | - |
| Gain on disposal of property, plant and equipment | (685) | - | (642) | (66) |
| Interest income | (197) | (64) | (394) | (257) |
| Gain on disposal of an associate previously written off | - | - | (300) | - |

Save as disclosed above, the other items required under Section 16, Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

**26. Earnings Per Share (“EPS”)**

**Basic**

The calculation of the basic EPS is based on the net profit for the current financial quarter and the twelve (12) months financial period, divided by the weighted average number of ordinary shares of RM0.10 each in issue during the current financial quarter and the twelve (12) months financial period.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **4th Quarter Ended** | |  | **12 Months Ended** | |
|  |  | **31.12.2013** | **31.12.2012** |  | **31.12.2013** | **31.12.2012** |
| Net profit for the period/year attributable to owners of the parent (RM’000) |  | 2,289 | 3,131 |  | 8,900 | 8,110 |
|  |  |  |  |  |  |  |
| Weighted average number of ordinary shares in issue (’000) |  | 380,374 | 349,502 |  | 380,374 | 357,262 |
|  |  |  |  |  |  |  |
| Basic EPS (sen) |  | 0.60 | 0.90 |  | 2.34 | 2.27 |

**Diluted**

The calculation of the diluted EPS is based on the net profit for the current financial quarter and the twelve (12) months financial period, divided by the adjusted weighted average number of ordinary shares of RM0.10 each in issue and issuable under the exercise of share options granted under the ESOS exercise.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **4th Quarter Ended** | |  | **12 Months Ended** | |
|  |  | **31.12.2013** | **31.12.2012** |  | **31.12.2013** | **31.12.2012** |
| Weighted average number of ordinary shares in issue (’000) |  | 380,374 | 349,502 |  | 380,374 | 357,262 |
|  |  |  |  |  |  |  |
| Effect of ESOS (’000) |  | 690 | 497 |  | 690 | 497 |
|  |  |  |  |  |  |  |
| Adjusted weighted average number of ordinary shares in issue and issuable (’000) |  | 381,064 | 349,999 |  | 381,064 | 357,759 |
|  |  |  |  |  |  |  |
| Diluted EPS (sen) |  | 0.60 | 0.89 |  | 2.34 | 2.27 |