

KARYON INDUSTRIES BERHAD (Company No: 612797-T)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**  
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 30/09/15 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 30/09/14 RM'000</u>	<u>CURRENT YEAR TO DATE 30/09/15 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 30/09/14 RM'000</u>
REVENUE	31,179	32,880	96,396	98,427
COST OF SALES	<u>(26,600)</u>	<u>(28,644)</u>	<u>(82,557)</u>	<u>(86,278)</u>
GROSS PROFIT	4,579	4,236	13,839	12,149
OTHER INCOME	238	99	714	423
ADMINISTRATIVE AND OPERATING EXPENSES	(2,818)	(2,890)	(8,362)	(8,607)
FINANCE COSTS	(71)	(3)	(95)	(11)
SHARE OF (LOSS)/PROFIT OF A JOINT VENTURE	<u>(40)</u>	<u>8</u>	<u>(2)</u>	<u>(88)</u>
PROFIT BEFORE TAX	1,888	1,450	6,094	3,866
TAXATION	<u>(575)</u>	<u>(540)</u>	<u>(1,785)</u>	<u>(1,514)</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>1,313</u>	<u>910</u>	<u>4,309</u>	<u>2,352</u>
OTHER COMPREHENSIVE INCOME / (LOSS)				
Foreign currency translation	<u>731</u>	<u>165</u>	<u>1,242</u>	<u>(67)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,044</u>	<u>1,075</u>	<u>5,551</u>	<u>2,285</u>
Profit attributable to:				
Owners of the parent	<u>1,313</u>	<u>910</u>	<u>4,309</u>	<u>2,352</u>
Total comprehensive income attributable to:				
Owners of the parent	<u>2,044</u>	<u>1,075</u>	<u>5,551</u>	<u>2,285</u>
Earnings per share (sen)				
Basic	0.28	0.24	0.91	0.62
Diluted	0.28	0.24	0.91	0.62

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements on page 5-14)

**KARYON INDUSTRIES BERHAD (Company No: 612797-T)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2015**

(The figures have not been audited)

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at 30/09/15 RM'000</b>	<b>As at 31/12/14 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,962	22,978
Prepaid lease payments for land	513	518
Investment in a joint venture	6,708	5,468
	<u>40,183</u>	<u>28,964</u>
<b>Current assets</b>		
Inventories	16,208	18,077
Trade and other receivables	22,936	23,202
Current tax assets	339	413
Cash and cash equivalents	20,434	21,639
	<u>59,917</u>	<u>63,331</u>
<b>TOTAL ASSETS</b>	<u>100,100</u>	<u>92,295</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	47,572	47,572
Reserves	33,298	29,650
<b>TOTAL EQUITY</b>	<u>80,870</u>	<u>77,222</u>
<b>Non-current liabilities</b>		
Borrowings	5,410	-
Deferred tax liabilities	1,777	1,628
	<u>7,187</u>	<u>1,628</u>
<b>Current liabilities</b>		
Trade and other payables	11,313	12,710
Borrowings	553	703
Current tax liabilities	177	32
	<u>12,043</u>	<u>13,445</u>
<b>TOTAL LIABILITIES</b>	<u>19,230</u>	<u>15,073</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>100,100</u>	<u>92,295</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.17</u>	<u>0.16</u>

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements on page 5-14)

**KARYON INDUSTRIES BERHAD (Company No: 612797-T)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**  
(The figures have not been audited)

**Quarter ended 30 September 2015**

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	EXCHANGE TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 01.01.2015	47,572	37	816	28,797	77,222
Total comprehensive income for the period	-	-	1,242	4,309	5,551
Dividend paid	-	-	-	(1,903)	(1,903)
Balance as at 30.09.2015	47,572	37	2,058	31,203	80,870

**Quarter ended 30 September 2014**

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	EXCHANGE TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 01.01.2014	38,038	9,646	598	29,414	77,696
Total comprehensive income for the period	-	-	(67)	2,352	2,285
Transaction with owners					
- Exercise of ESOS	19	1	-	-	20
Dividend paid	-	-	-	(2,282)	(2,282)
Balance as at 30.09.2014	38,057	9,647	531	29,484	77,719

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements on page 5-14)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**  
(The figures have not been audited)

	<b>CURRENT YEAR TO DATE 30/09/15 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/09/14 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,094	3,866
Adjustments for:		
Amortisation of prepaid lease payments for land	5	5
Bad debts recovery	(53)	-
Bad debts written off	-	180
Depreciation on property, plant and equipment	734	640
Gain on disposal of PPE	(10)	-
Interest expenses	95	11
Interest income	(288)	(275)
Unrealised gain on foreign exchange	(182)	-
Share of loss of a joint venture	2	88
	<hr/>	<hr/>
Operating profit before working capital changes	6,397	4,515
Net changes in inventories	1,869	(332)
Net changes in trade and other receivables	529	(2,859)
Net changes in trade and other payables	(1,422)	1,250
Net changes in deposits	(6)	(10)
<b>CASH FROM OPERATIONS</b>	<hr/> <b>7,367</b>	<hr/> <b>2,564</b>
Interest paid	(95)	(11)
Tax paid	(1,417)	(2,570)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<hr/> <b>5,855</b>	<hr/> <b>(17)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	288	275
Proceeds from disposal of property, plant & equipment	51	-
Purchase of property, plant and equipment	(10,759)	(1,004)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<hr/> <b>(10,420)</b>	<hr/> <b>(729)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,903)	(2,282)
Drawdown / (repayment) of term loans	5,874	(204)
Repayment of bankers' acceptances	(614)	-
Proceeds from issuance of shares - ESOS	-	20
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<hr/> <b>3,357</b>	<hr/> <b>(2,466)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<hr/> <b>(1,208)</b>	<hr/> <b>(3,212)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH &amp; CASH EQUIVALENTS</b>	<b>(3)</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>20,642</b>	<b>24,294</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD (Note 1)</b>	<hr/> <b>19,431</b>	<hr/> <b>21,082</b>

Note:

RM'000

1) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following:

Cash and bank balances	20,434
Less: Deposits pledged with licensed banks	(1,003)
Cash and bank balances at end of the period	<hr/> <b>19,431</b>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements on page 5-14)

**UNAUDITED QUARTERLY REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2015**

Explanatory notes to the Interim Financial Statements

**1. 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 Paragraph 9.22 of the Main 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 2014.

**2. 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 2014 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 2015, which are as follows:

Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendments to MFRSs Annual Improvements to MFRSs 2010-2012 Cycle	
Amendments to MFRSs Annual Improvements to MFRSs 2011-2013 Cycle	

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.

At the date of authorisation of these interim financial statements, the following MFRS and Amendments to MFRSs 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
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 116 & MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRSs Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments	1 January 2018

**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 year 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 Declared/ Paid**

The dividend declared/paid during the current financial quarter and cumulative financial year-to-date is as follows:

	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Interim dividend:		
Single tier interim dividend of 4.00% or RM0.0040 per ordinary share of RM0.10 each in respect of the financial year ending 31 December 2015, which was declared on 3 June 2015 and paid on 3 July 2015	1,902,853	
Final dividend:		
Final single tier dividend of 6.00% or RM0.0060 per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2013, which was declared on 22 April 2014 and paid on 18 July 2014		2,282,702

## 9. Segmental Reporting

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

### 3 months ended 30 September 2015

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	285	32,355	399	33,039
Inter-segment sales	(276)	(1,584)	-	(1,860)
External	9	30,771	399	31,179
<b>RESULT</b>				
Segment result	(539)	2,611	(73)	1,999
Finance costs	-	(71)	-	(71)
Share of loss of a joint venture	(40)	-	-	(40)
(Loss)/Profit before tax	(579)	2,540	(73)	1,888
Taxation	2	(577)	-	(575)
(Loss)/Profit after tax	(577)	1,963	(73)	1,313

### **Consolidated Statement of Financial Position**

Segment assets	9,368	84,113	6,619	100,100
Segment liabilities	623	18,565	42	19,230

### 3 months ended 30 September 2014

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	3,009	33,091	2,259	38,359
Inter-segment sales	(3,001)	(2,478)	-	(5,479)
External	8	30,613	2,259	32,880
<b>RESULT</b>				
Segment result	(570)	2,417	(402)	1,445
Finance costs	-	(3)	-	(3)
Share of profit of a joint venture	8	-	-	8
(Loss)/Profit before tax	(562)	2,414	(402)	1,450
Taxation	(116)	(421)	(3)	(540)
(Loss)/Profit after tax	(678)	1,993	(405)	910

### **Consolidated Statement of Financial Position**

Segment assets	9,055	73,673	9,739	92,467
Segment liabilities	589	13,468	691	14,748

## 9. Segmental Reporting (cont'd)

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

### 9 months ended 30 September 2015

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	4,097	98,331	3,609	106,037
Inter-segment sales	(4,069)	(5,570)	(2)	(9,641)
External	28	92,761	3,607	96,396
<b>RESULT</b>				
Segment result	(1,659)	8,009	(159)	6,191
Finance costs	-	(95)	-	(95)
Share of loss of a joint venture	(2)	-	-	(2)
(Loss)/Profit before tax	(1,661)	7,914	(159)	6,094
Taxation	(162)	(1,623)	-	(1,785)
(Loss)/Profit after tax	(1,823)	6,291	(159)	4,309

### **Consolidated Statement of Financial Position**

Segment assets	9,368	84,113	6,619	100,100
Segment liabilities	623	18,565	42	19,230

### 9 months ended 30 September 2014

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	7,542	97,909	7,463	112,914
Inter-segment sales	(7,477)	(6,992)	(18)	(14,487)
External	65	90,917	7,445	98,427
<b>RESULT</b>				
Segment result	(2,488)	6,848	(395)	3,965
Finance costs	-	(11)	-	(11)
Share of loss of a joint venture	(88)	-	-	(88)
(Loss)/Profit before tax	(2,576)	6,837	(395)	3,866
Taxation	(499)	(1,012)	(3)	(1,514)
(Loss)/Profit after tax	(3,075)	5,825	(398)	2,352

### **Consolidated Statement of Financial Position**

Segment assets	9,055	73,673	9,739	92,467
Segment liabilities	589	13,468	691	14,748



**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 October 2015 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**

**(a) Contingent liabilities**

The amounts of contingent liabilities as at 30 September 2015 are as follows:

	<u>RM</u>
Guarantees to banks for trade facilities granted	39,000,000
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 30 September 2015 is as follows:

	<u>RM</u>
Property, plant and equipment:	
Approved and contracted for	217,243

## 15. Performance Review

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

	3 Months Ended		Variance	
	30.09.2015	30.09.2014	Amount	%
	RM'000	RM'000	RM'000	
Revenue	31,179	32,880	(1,701)	(5.17)
Profit before tax	1,888	1,450	438	30.21

For the current quarter ended 30 September 2015, the Group recorded revenue of RM31.179 million, a decrease of RM1.701 million or 5.17% as compared to revenue of RM32.880 million recorded for the corresponding quarter ended 30 September 2014. The decrease in revenue was due mainly to the cessation of operation of the oleochemical division.

Notwithstanding the decrease in revenue, the Group's profit before tax had increased to RM1.888 million, an increase of RM0.438 million as compared to the profit before tax of RM1.450 million for the corresponding quarter ended 30 September 2014. This was due mainly to the decrease in cost of materials for polymeric division and the decrease in losses incurred by oleochemical division upon cessation of operation.

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

#### Polymeric division

The revenue of the polymeric division had increased slightly by RM0.158 million which was due mainly to the increase in sales volume of polymeric products by 223 metric tonnes. However, the increase had been mitigated by the decrease in average selling price.

Similarly, profit before tax for polymeric division had increased by RM0.126 million from RM2.414 million recorded in the corresponding quarter of the preceding financial year to RM2.540 million for the current financial period which was due mainly to the decrease in cost of materials.

#### Oleochemical division

The revenue and loss before tax of the oleochemical division had decreased by RM1.860 million and RM0.329 million, respectively due to the cessation of operation.

#### Investment holding

No significant changes in the current financial period under review.

15. **Performance Review (cont'd)**

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

	9 Months Ended		Variance	
	30.09.15	30.09.2014	Amount	%
	RM'000	RM'000	RM'000	
Revenue	96,396	98,427	(2,031)	(2.06)
Profit before tax	6,094	3,866	2,228	57.63

The Group's revenue for the cumulative financial quarter ended 30 September 2015 had shown a decrease of 2.06% from RM98.427 million to RM96.396 million as compared to the corresponding period in the preceding financial year. The decrease in the Group's revenue of RM2.031 million was attributed mainly to the cessation of operation of the oleochemical division and partly off-set by the increase in sales of polymeric division.

Notwithstanding the cessation of oleochemical division, the Group profit before tax had increased by RM2.228 million, from RM3.866 million for the period ended 30 September 2014 to RM6.094 million for the current financial period. This was due mainly to the increase in sales of polymeric division, coupled with the decrease in losses incurred by oleochemical division. There was also a one-off expense incurred for transfer listing exercise of KJB for the preceding financial year, which had affected the profit before tax.

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

**Polymeric division**

Sales performance of the polymeric division has improved by RM1.844 million, from RM90.917 million to RM92.761 million. This was due mainly to increase in sales volume of polymeric products by 1,455 metric tonnes despite the decrease in average selling price.

Similarly, the profit before tax had also increased by RM1.077 million due mainly to the increase in sales.

**Oleochemical division**

The revenue of oleochemical division had decreased by RM3.838 million, from RM7.445 million to RM3.607 million. This was due mainly to the cessation of operation of the oleochemical division.

**Investment holding**

The loss before tax had decreased by RM0.915 million due mainly to the non-occurrence of one-off expenses for transfer listing exercise in the current financial period under review.

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

	3 Months Ended		Deviation	
	30.09.2015	30.06.2015	Amount	%
	RM'000	RM'000	RM'000	
Revenue	31,179	31,251	(72)	(0.23)
Profit before tax	1,888	1,989	(101)	(5.08)

The Group's revenue and profit before tax had decreased by RM0.072 million and RM0.101 million respectively due mainly to the lower sales volume generated by polymeric division.

## 17. Future Prospects

Despite the current economic situation and currency fluctuation, the Board is of the opinion that the financial performance of the Group for the financial year 2015 will remain profitable.

The Board plans to increase the revenue/profit of the Group by:

- i) increasing the production capacity;
- ii) increasing export sales to existing and potential customers by penetrating new territories; and
- iii) continuing new and higher value product development for polymeric products.

## 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:

	<b>Current Quarter 30.09.2015 RM'000</b>	<b>Financial Year-To-Date 30.09.2015 RM'000</b>
Estimated current tax expense	484	1,694
Over provision of tax in prior year	(58)	(58)
Deferred tax liabilities	149	149
	<u>575</u>	<u>1,785</u>

The Group's effective tax rate was higher than the statutory tax rate of 25% due mainly to certain expenses that are not deductible for tax purposes.

## 20. Status of Corporate Proposal

There was no outstanding corporate proposal for the current financial quarter under review.

## 21. Group Borrowings and Debt Securities

The Group's borrowings, which are all denominated in Ringgit Malaysia, as at 30 September 2015 are shown below:

	<b>As at 30.09.2015 RM'000</b>	<b>As at 30.09.2014 RM'000</b>
<b>Long Term Borrowing - secured</b>		
Term loan	5,410	-
	<u>5,410</u>	-
<b>Short Term Borrowing – secured</b>		
Banker acceptance	-	-
Term loan	553	157
	<u>553</u>	<u>157</u>
<b>Total</b>	<u><u>5,963</u></u>	<u><u>157</u></u>

**22. Realised and Unrealised Profits or Losses**

	<b>Current quarter ended 30.09.2015 RM'000</b>	<b>Preceding quarter ended 30.06.2015 RM'000</b>
Total retained earnings of KIB and its subsidiaries:		
- Realised	31,954	32,579
- Unrealised	(1,595)	(1,670)
	<u>30,359</u>	<u>30,909</u>
Total share of retained earnings from a joint venture:		
- Realised	844	884
Total Group retained earnings	<u><u>31,203</u></u>	<u><u>31,793</u></u>

**23. Material Litigation**

The Group does not have any material litigation which would materially affect the financial position of the Group.

**24. Dividend Payable**

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

**25. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

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

	<b>3rd Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30.09.2015</b>	<b>30.09.2014</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of prepaid lease payments for land	1	2	5	5
Bad debts written off	-	180	-	180
Bad debts recovery	(53)	-	(53)	-
Depreciation on property, plant and equipment	257	214	734	640
Net foreign exchange (gain)/loss- realised	(215)	26	(163)	(97)
Net foreign exchange gain- unrealised	(224)	-	(182)	-
Interest income	(67)	(100)	(288)	(275)
Interest expenses	71	3	95	11
Gain on disposal of disposal of property, plant and equipment	(10)	-	(10)	-

Save as disclosed above, the other items required under Section 16, Part A of Appendix 9B of the Main 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 nine (9) 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 nine (9) months financial period.

	3rd Quarter Ended		9 Months Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Net profit for the period attributable to owners of the parent (RM'000)	1,313	910	4,309	2,352
Weighted average number of ordinary shares in issue ('000)	475,713	380,516	475,713	380,458
Basic EPS (sen)	0.28	0.24	0.91	0.62

### Diluted

The EPS is not diluted for the current and preceding financial quarter and the nine (9) months financial period.