

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2015**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 31/12/15 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 31/12/14 RM'000</u>	<u>CURRENT YEAR TO DATE 31/12/15 RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 31/12/14 RM'000</u>
REVENUE	31,563	33,546	127,959	131,973
COST OF SALES	<u>(27,194)</u>	<u>(29,191)</u>	<u>(109,751)</u>	<u>(115,469)</u>
GROSS PROFIT	4,369	4,355	18,208	16,504
OTHER INCOME	249	146	963	569
ADMINISTRATIVE AND OPERATING EXPENSES	(2,611)	(2,706)	(10,973)	(11,313)
FINANCE COSTS	(70)	(7)	(165)	(18)
SHARE OF LOSS OF A JOINT VENTURE	<u>(14)</u>	<u>(90)</u>	<u>(16)</u>	<u>(178)</u>
PROFIT BEFORE TAX	1,923	1,698	8,017	5,564
TAXATION	<u>(581)</u>	<u>(482)</u>	<u>(2,366)</u>	<u>(1,996)</u>
PROFIT FOR THE FINANCIAL PERIOD	<u>1,342</u>	<u>1,216</u>	<u>5,651</u>	<u>3,568</u>
OTHER COMPREHENSIVE INCOME / (LOSS)				
Foreign currency translation	<u>(294)</u>	<u>285</u>	<u>948</u>	<u>218</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,048</u>	<u>1,501</u>	<u>6,599</u>	<u>3,786</u>
Profit attributable to:				
Owners of the parent	<u>1,342</u>	<u>1,216</u>	<u>5,651</u>	<u>3,568</u>
Total comprehensive income attributable to:				
Owners of the parent	<u>1,048</u>	<u>1,501</u>	<u>6,599</u>	<u>3,786</u>
Earnings per share (sen)				
Basic	0.28	0.29	1.19	0.92
Diluted	0.28	0.29	1.19	0.92

(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 5-15)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015
(The figures have not been audited)

	UNAUDITED	AUDITED
	As at 31/12/15	As at 31/12/14
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,228	22,978
Prepaid lease payments for land	511	518
Investment in a joint venture	6,400	5,468
	<u>40,139</u>	<u>28,964</u>
Current assets		
Inventories	15,205	18,077
Trade and other receivables	23,891	23,202
Current tax assets	491	413
Cash and cash equivalents	18,126	21,639
	<u>57,713</u>	<u>63,331</u>
TOTAL ASSETS	<u>97,852</u>	<u>92,295</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	47,572	47,572
Reserves	34,347	29,650
	<u>81,919</u>	<u>77,222</u>
TOTAL EQUITY	<u>81,919</u>	<u>77,222</u>
Non-current liabilities		
Borrowings	5,450	-
Deferred tax liabilities	1,871	1,628
	7,321	1,628
Current liabilities		
Trade and other payables	7,425	12,710
Borrowings	1,158	703
Current tax liabilities	29	32
	8,612	13,445
TOTAL LIABILITIES	<u>15,933</u>	<u>15,073</u>
TOTAL EQUITY AND LIABILITIES	<u>97,852</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 5-15)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2015**
(The figures have not been audited)

Quarter ended 31 December 2015

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	EXCHANGE TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.2015	47,572	37	816	28,797	77,222
Total comprehensive income for the period	-	-	948	5,651	6,599
Dividend paid	-	-	-	(1,902)	(1,902)
Balance as at 31.12.2015	47,572	37	1,764	32,546	81,919

Quarter ended 31 December 2014

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	EXCHANGE TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01.01.2014	38,038	9,646	598	29,414	77,696
Total comprehensive income for the period	-	-	218	3,568	3,786
Transaction with owners					
- Exercise of ESOS	20	1	-	-	21
- Bonus issue					
- Bonus issue	9,514	(9,514)	-	-	-
- Bonus issue expenses	-	(96)	-	-	(96)
	9,514	(9,610)	-	-	(96)
Dividend paid	-	-	-	(4,185)	(4,185)
Balance as at 31.12.2014	47,572	37	816	28,797	77,222

(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 5-15)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2015**
(The figures have not been audited)

	CURRENT YEAR TO DATE 31/12/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,017	5,564
Adjustments for:		
Amortisation of prepaid lease payments for land	7	6
Bad debts recovery	(53)	-
Bad debts written off	1	229
Depreciation on property, plant and equipment	992	862
Loss on disposal of PPE	2	-
Interest expenses	165	18
Property, plant and equipment written off	3	8
Interest income	(401)	(398)
Unrealised gain on foreign exchange	(140)	-
Share of loss of a joint venture	16	178
Operating profit before working capital changes	<u>8,609</u>	<u>6,467</u>
Net changes in inventories	2,872	(1,796)
Net changes in trade and other receivables	(676)	(1,726)
Net changes in trade and other payables	(5,298)	1,160
Net changes in deposits	641	(30)
CASH FROM OPERATIONS	<u>6,148</u>	<u>4,075</u>
Interest paid	(165)	(18)
Tax refunded	-	251
Tax paid	(2,204)	(2,795)
NET CASH FROM OPERATING ACTIVITIES	<u>3,779</u>	<u>1,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	401	398
Proceeds from disposal of property, plant & equipment	78	-
Purchase of property, plant and equipment (Note 1)	(11,185)	(1,645)
NET CASH USED IN INVESTING ACTIVITIES	<u>(10,706)</u>	<u>(1,247)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bonus issue expenses paid	-	(96)
Dividend paid	(1,902)	(4,185)
Drawdown of hire purchase creditor	(4)	-
Drawdown / (Repayment) of term loans	5,803	(272)
(Repayment) / Drawdown of bankers' acceptances	(34)	614
Proceeds from issuance of shares - ESOS	-	21
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>3,863</u>	<u>(3,918)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(3,064)</u>	<u>(3,652)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS		
	193	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	20,642	24,294
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD (Note 2)	<u>17,771</u>	<u>20,642</u>
Notes:	RM'000	
1) Purchase of property, plant and equipment		
Purchase of property, plant and equipment	11,325	
Less: Financed by hire purchase	(140)	
Cash purchase of property, plant and equipment	<u>11,185</u>	
2) Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise of the following:		
Cash and bank balances	18,126	
Less: Deposits pledged with licensed banks	(355)	
Cash and bank balances at the end of the period	<u>17,771</u>	

(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 5-15)

KARYON INDUSTRIES BERHAD (“KIB”)

(Company No: 612797-T)

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 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.

The Group has changed its financial year end from 31 December to 31 March. The current financial period is from 1 January 2015 to 31 March 2016. Therefore, the respective quarter ended /ending 31 December 2015 and 31 March 2016 shall be referred as Other Quarter ended/ ending 31 December 2015 and 31 March 2016.

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.

2. Significant Accounting Policies (cont'd)

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	Deferred
Amendments to MFRS 10, MFRS 12 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:

	Company			
	2016		2014	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the financial period ending 31 March 2016 Interim single tier dividend, paid on 3 July 2015	0.40	1,902,853	-	-
In respect of the financial year ended 31 December 2014 Interim single tier dividend, paid on 23 December 2014	-	-	0.40	1,902,853
In respect of the financial year ended 31 December 2013 Final single tier dividend, paid on 18 July 2014	-	-	0.60	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 31 December 2015

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	284	33,211	33	33,528
Inter-segment sales	(276)	(1,689)	-	(1,965)
External	8	31,522	33	31,563
RESULT				
Segment result	(464)	2,496	(25)	2,007
Finance costs	-	(70)	-	(70)
Share of loss of a joint venture	(14)	-	-	(14)
(Loss)/Profit before tax	(478)	2,426	(25)	1,923
Taxation	(21)	(560)	-	(581)
(Loss)/Profit after tax	(499)	1,866	(25)	1,342

Consolidated Statement of Financial Position

Segment assets	8,699	82,568	6,585	97,852
Segment liabilities	502	15,398	33	15,933

3 months ended 31 December 2014

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	524	33,392	2,398	36,314
Inter-segment sales	(506)	(2,239)	(23)	(2,768)
External	18	31,153	2,375	33,546
RESULT				
Segment result	(484)	2,303	(24)	1,795
Finance costs	-	(7)	-	(7)
Share of profit of a joint venture	(90)	-	-	(90)
(Loss)/Profit before tax	(574)	2,296	(24)	1,698
Taxation	(58)	(561)	137	(482)
(Loss)/Profit after tax	(632)	1,735	113	1,216

Consolidated Statement of Financial Position

Segment assets	8,238	74,083	9,974	92,295
Segment liabilities	802	13,194	1,077	15,073

9. Segmental Reporting (cont'd)

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

12 months ended 31 December 2015

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	4,381	131,542	3,642	139,565
Inter-segment sales	(4,345)	(7,259)	(2)	(11,606)
External	36	124,283	3,640	127,959
RESULT				
Segment result	(2,123)	10,505	(184)	8,198
Finance costs	-	(165)	-	(165)
Share of loss of a joint venture	(16)	-	-	(16)
(Loss)/Profit before tax	(2,139)	10,340	(184)	8,017
Taxation	(183)	(2,183)	-	(2,366)
(Loss)/Profit after tax	(2,322)	8,157	(184)	5,651

Consolidated Statement of Financial Position

Segment assets	8,699	82,568	6,585	97,852
Segment liabilities	502	15,398	33	15,933

12 months ended 31 December 2014

	Investment Holding	Manufacturing of Polymeric Product	Manufacturing of Oleochemical Product	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	8,066	131,301	9,861	149,228
Inter-segment sales	(7,983)	(9,231)	(41)	(17,255)
External	83	122,070	9,820	131,973
RESULT				
Segment result	(2,972)	9,151	(419)	5,760
Finance costs	-	(18)	-	(18)
Share of loss of a joint venture	(178)	-	-	(178)
(Loss)/Profit before tax	(3,150)	9,133	(419)	5,564
Taxation	(557)	(1,573)	134	(1,996)
(Loss)/Profit after tax	(3,707)	7,560	(285)	3,568

Consolidated Statement of Financial Position

Segment assets	8,238	74,083	9,974	92,295
Segment liabilities	802	13,194	1,077	15,073

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 2016 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 31 December 2015 are as follows:

	<u>RM</u>
Guarantees to banks for trade facilities granted	33,100,000
Guarantees to suppliers	<u>500,000</u>

(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 2015 is as follows:

Property, plant and equipment: Approved and contracted for	<u>RM</u> <u>186,208</u>
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15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Variance	
	31.12.2015	31.12.2014	Amount	%
	RM'000	RM'000	RM'000	
Revenue	31,563	33,546	(1,983)	(5.91)
Profit before tax	1,923	1,698	225	13.25

For the current quarter ended 31 December 2015, the Group recorded revenue of RM31.563 million, a decrease of RM1.983 million or 5.91% as compared to revenue of RM33.546 million recorded for the corresponding quarter ended 31 December 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 RM1.923 million, an increase of RM0.225 million as compared to the profit before tax of RM1.698 million for the corresponding quarter ended 31 December 2014. This was due mainly to the slight increase in sales of polymeric division coupled with gain on foreign exchange and decrease in share of losses of a joint venture.

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 and profit before tax of the polymeric division had increased slightly by RM0.369 million and RM0.131 million respectively due mainly to the increase in average selling price.

Oleochemical division

The revenue of the oleochemical division had decreased by RM2.342 million 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

	12 Months Ended		Variance	
	31.12.2015	31.12.2014	Amount	%
	RM'000	RM'000	RM'000	
Revenue	127,959	131,973	(4,014)	(3.04)
Profit before tax	8,017	5,564	2,453	44.09

The Group's revenue for the cumulative financial quarter ended 31 December 2015 had shown a decrease of 3.04% from RM131.973 million to RM127.959 million as compared to the corresponding period in the preceding financial year. The decrease in the Group's revenue of RM4.014 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's profit before tax had increased by RM2.453 million, from RM5.564 million for the year ended 31 December 2014 to RM8.017 million for the current financial period. This was due mainly to the increase in sales of polymeric division, coupled with gain on foreign exchange and the cessation of operation of the oleochemical division. There was also an one-off expense incurred for transfer listing exercise of KIB 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 RM2.213 million, from RM122.070 million to RM124.283 million. This was due mainly to increase in sales volume of polymeric products by 1,465 metric tonnes despite the decrease in average selling price.

Similarly, the profit before tax had also increased by RM1.207 million due mainly to the increase in sales.

Oleochemical division

The revenue of oleochemical division had decreased by RM6.180 million, from RM9.820 million to RM3.640 million. This was due mainly to the cessation of operation of the oleochemical division.

Investment holding

The loss before tax had decreased by RM1.011 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	
	31.12.2015	30.09.2015	Amount	%
	RM'000	RM'000	RM'000	
Revenue	31,563	31,179	384	1.23
Profit before tax	1,923	1,888	35	1.85

The Group's revenue had increased slightly by RM0.384 million due mainly to the higher sales of polymeric products which was contributed by the increase in average selling price.

There was no significant change to the Group profit before tax.

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 current financial period ending 31 March 2016 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 period-to-date includes the followings:

	Current Quarter 31.12.2015 RM'000	Financial Period-To- Date 31.12.2015 RM'000
Estimated current tax expense	487	2,181
Over provision of tax in prior year	-	(58)
Deferred tax liabilities	94	243
	<u>581</u>	<u>2,366</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 31 December 2015 are shown below:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Long Term Borrowing - secured		
Hire purchase creditor	110	-
Term loan	5,340	-
	<u>5,450</u>	<u>-</u>
Short Term Borrowing – secured		
Banker acceptance	580	614
Hire purchase creditor	26	-
Term loan	552	89
	<u>1,158</u>	<u>703</u>
Total	<u><u>6,608</u></u>	<u><u>703</u></u>

22. Realised and Unrealised Profits or Losses

	Current quarter ended 31.12.2015 RM'000	Preceding quarter ended 30.09.2015 RM'000
Total retained earnings of KIB and its subsidiaries:		
- Realised	33,446	31,954
- Unrealised	(1,731)	(1,595)
	<u>31,715</u>	<u>30,359</u>
Total share of retained earnings from a joint venture:		
- Realised	831	844
Total Group retained earnings	<u><u>32,546</u></u>	<u><u>31,203</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:

	Quarter Ended		12 Months Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid lease payments for land	2	1	7	6
Bad debts written off	1	49	1	229
Bad debts recovery	-	-	(53)	-
Depreciation on property, plant and equipment	258	222	992	862
Net foreign exchange gain- realised	(133)	(35)	(296)	(132)
Net foreign exchange loss/(gain)- unrealised	42	-	(140)	-
Interest income	(113)	(123)	(401)	(398)
Interest expenses	70	7	165	18
Property, plant and equipment written off	3	8	3	8
Loss on disposal of property, plant and equipment	12	-	2	-

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 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.

	Quarter Ended		12 Months Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net profit for the period attributable to owners of the parent (RM'000)	1,342	1,216	5,651	3,568
Weighted average number of ordinary shares in issue ('000)	475,713	416,654	475,713	389,610
Basic EPS (sen)	0.28	0.29	1.19	0.92

Diluted

The EPS is not diluted for the current and preceding financial quarter and the twelve (12) months financial period.