

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2017**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER</u> 31/12/17 RM'000	<u>PRECEDING YEAR CORRESPONDING QUARTER</u> 31/12/16 RM'000	<u>CURRENT YEAR TO DATE</u> 31/12/17 RM'000	<u>PRECEDING YEAR CORRESPONDING PERIOD</u> 31/12/16 RM'000
CONTINUING OPERATIONS				
Revenue	40,219	34,277	118,915	100,376
Cost of Sales	(34,006)	(29,203)	(101,512)	(83,842)
Gross Profit	6,213	5,074	17,403	16,534
Other Income	1,145	892	2,408	1,103
Administrative and Operating Expenses	(3,683)	(2,835)	(10,185)	(8,517)
Finance Costs	(80)	(72)	(263)	(217)
Share of (Loss)/Profit of a Joint Venture	(9)	(28)	191	17
Profit Before Tax	3,586	3,031	9,554	8,920
Taxation	(760)	(907)	(2,208)	(2,470)
Profit for the financial period from continuing operations	2,826	2,124	7,346	6,450
DISCONTINUED OPERATION				
Profit for the financial period from discontinued operation, net of tax	2	3,539	51	3,540
PROFIT FOR THE FINANCIAL PERIOD	2,828	5,663	7,397	9,990
OTHER COMPREHENSIVE INCOME				
Foreign currency translation	(114)	255	(169)	414
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,714	5,918	7,228	10,404
Profit attributable to:				
Owners of the parent	2,828	5,663	7,397	9,990
Total comprehensive income attributable to:				
Owners of the parent	2,714	5,918	7,228	10,404
Basic earnings per share (sen):				
- from continuing operations	0.59	0.45	1.54	1.36
- from discontinued operation	0.00	0.74	0.01	0.74
	0.59	1.19	1.55	2.10
Diluted earnings per share (sen):				
- from continuing operations	0.59	0.45	1.54	1.36
- from discontinued operation	0.00	0.74	0.01	0.74
	0.59	1.19	1.55	2.10

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 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 2017
(The figures have not been audited)

	UNAUDITED	AUDITED
	As at 31/12/17 RM'000	As at 31/03/17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,816	31,317
Investment in a joint venture	5,253	5,231
	<u>35,069</u>	<u>36,548</u>
Current assets		
Inventories	23,019	22,459
Trade and other receivables	32,262	30,559
Current tax assets	1,585	1,272
Short term funds	-	9,510
Cash and cash equivalents	23,660	16,563
	<u>80,526</u>	<u>80,363</u>
Non-current assets held for sale	1,779	-
TOTAL ASSETS	<u><u>117,374</u></u>	<u><u>116,911</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	47,572	47,572
Share premium	37	37
Foreign currency translation reserve	1,420	1,589
Retained earnings	44,672	38,702
TOTAL EQUITY	<u>93,701</u>	<u>87,900</u>
Non-current liabilities		
Borrowings	5,305	6,183
Deferred tax liabilities	1,953	1,953
	<u>7,258</u>	<u>8,136</u>
Current liabilities		
Trade and other payables	14,109	15,122
Borrowings	2,306	5,753
	<u>16,415</u>	<u>20,875</u>
TOTAL LIABILITIES	<u>23,673</u>	<u>29,011</u>
TOTAL EQUITY AND LIABILITIES	<u><u>117,374</u></u>	<u><u>116,911</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>0.20</u>	<u>0.18</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 March 2017 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 3RD QUARTER ENDED 31 DECEMBER 2017**
(The figures have not been audited)

Quarter ended 31 December 2017

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY 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 01.04.2017	47,572	37	1,589	38,702	87,900
Total comprehensive income for the period	-	-	(169)	7,397	7,228
Dividend paid	-	-	-	(1,427)	(1,427)
Balance as at 31.12.2017	47,572	37	1,420	44,672	93,701

Quarter ended 31 December 2016

	ATTRIBUTABLE TO OWNERS OF THE PARENT				
	SHARE CAPITAL	SHARE PREMIUM	FOREIGN CURRENCY 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 01.04.2016	47,572	37	1,205	31,529	80,343
Total comprehensive income for the period	-	-	414	9,990	10,404
Dividend paid	-	-	-	(1,427)	(1,427)
Balance as at 31.12.2016	47,572	37	1,619	40,092	89,320

(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 March 2017 and the accompanying explanatory notes attached to this interim financial statements on page 5-15)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2017**
(The figures have not been audited)

	CURRENT YEAR TO DATE 31/12/17 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	9,554	8,920
Profit before tax from discontinued operation	46	3,708
Profit before tax, total	<u>9,600</u>	<u>12,628</u>
Adjustments for:		
Bad debts written off	1	10
Bad debts recovery	-	(48)
Depreciation on property, plant and equipment	829	805
Gain on disposal of property, plant and equipment	(10)	(3,853)
Interest expense	263	217
Interest income	(327)	(303)
Property, plant and equipment written off	63	11
Unrealised loss/(gain) on foreign exchange	80	(217)
Share of profit of a joint venture	(191)	(17)
Operating profit before changes in working capital	10,308	9,233
Net changes in inventories	(560)	(3,189)
Net changes in trade and other receivables	(1,791)	(1,848)
Net changes in trade and other payables	(993)	115
CASH GENERATED FROM OPERATIONS	6,964	4,311
Dividend received from a joint venture	-	990
Tax paid	(2,556)	(2,330)
Tax refunded	40	59
NET CASH FROM OPERATING ACTIVITIES	<u>4,448</u>	<u>3,030</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawals/(Placements) of deposits with licensed banks with original maturity date more than three months	588	(8)
Interest received	327	303
Purchase of property, plant and equipment (Note 1)	(1,187)	(507)
Proceeds from disposal of property, plant and equipment	27	5,765
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	<u>(245)</u>	<u>5,553</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of banker's acceptance	5,845	2,305
Repayments of:		
- hire purchase creditors	(158)	(24)
- term loans	(795)	(200)
- bankers' acceptance	(9,217)	(2,663)
Interest paid	(263)	(217)
Dividend paid	(1,427)	(1,427)
NET CASH USED IN FINANCING ACTIVITIES	<u>(6,015)</u>	<u>(2,226)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,812)	6,357
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	(13)	45
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	24,608	19,556
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD (Note 2)	<u>22,783</u>	<u>25,958</u>

Notes:

RM'000

1) Purchase of property, plant and equipment

Purchase of property, plant and equipment	1,196
Less: Sales to related companies	(9)
Cash purchase of property, plant and equipment	<u>1,187</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	23,660
Less: Deposits with licensed banks (more than three months)	(877)
Cash and bank balances at the end of the period	<u>22,783</u>

KARYON INDUSTRIES BERHAD (“KIB”)

(Company No: 612797-T)

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE 3RD QUARTER ENDED 31 DECEMBER 2017

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 March 2017.

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 March 2017 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 2017. 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 MFRSs issued but not yet effective		Effective for annual periods beginning on or after
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 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9	Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15		1 January 2018
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	See MFRS 4 Paragraph 46 and 48

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: (cont'd)

MFRSs and Amendments to MFRSs issued but not yet effective		Effective for annual periods beginning on or after
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021

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

The Company had on 30 November 2016 announced that a fire incident occurred on 27 November 2016, at a third party premise located adjacent to one of the manufacturing facilities of Hsing Lung Sdn Bhd, a wholly-owned subsidiary of KIB (“HLSB”) (“Fire Incident”) at No. 3, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim. The Fire Incident had affected small area of the HLSB Factory, caused some damages to the raw materials and finished products and disruption to two (2) PVC production lines.

As at 30 September 2017, HLSB had received a total of RM1 million interim compensation sum from the insurance company. Subsequently, HLSB received another two interim compensation sums of RM0.14 million and RM0.57 million respectively on 4 October 2017 and 9 October 2017. On 7 November 2017, HLSB received a final compensation sum amounting to approximately RM0.33 million from the insurance company in respect of the Fire Incident. With this, HLSB has received a total of RM2.04 million compensation sum from the insurance company.

Based on the above, the financial impact of the Fire Incident to KIB and its subsidiaries is approximately RM0.26 million, after taking into consideration the estimated damages of approximately RM2.30 million against the total compensation sum received from the insurance company of RM2.04 million.

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 period-to-date.

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 dividends declared/paid during the current financial quarter and cumulative financial period-to-date is as follows:

	Company			
	2018		2017	
	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 2018 First interim single tier dividend, declared on 24 October 2017 and paid on 27 November 2017	0.30	1,427,139	-	-
In respect of the financial period ended 31 March 2016 Final single tier dividend, declared on 25 May 2016 and paid on 26 September 2016	-	-	0.30	1,427,139

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 2017

	Investment Holding	Manufacturing of Polymeric Product	Total from Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
Sales (Gross)	1,278	43,174	44,452	-	44,452
Inter-Segment sales	(1,224)	(3,009)	(4,233)	-	(4,233)
External	54	40,165	40,219	-	40,219
RESULT					
Segment result	(540)	4,215	3,675	2	3,677
Finance costs	-	(80)	(80)	-	(80)
Share of loss of a joint venture	(9)	-	(9)	-	(9)
(Loss)/Profit before tax	(549)	4,135	3,586	2	3,588
Taxation	-	(760)	(760)	-	(760)
(Loss)/Profit after tax	(549)	3,375	2,826	2	2,828
Consolidated Statement of Financial Position					
Segment assets	13,100	103,827	116,927	447	117,374
Segment liabilities	446	23,212	23,658	15	23,673

3 months ended 31 December 2016

	Investment Holding	Manufacturing of Polymeric Product	Total from Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
Sales (Gross)	3,888	37,056	40,944	-	40,944
Inter-Segment sales	(3,882)	(2,785)	(6,667)	-	(6,667)
External	6	34,271	34,277	-	34,277
RESULT					
Segment result	(550)	3,681	3,131	3,707	6,838
Finance costs	-	(72)	(72)	-	(72)
Share of loss of a joint venture	(28)	-	(28)	-	(28)
(Loss)/Profit before tax	(578)	3,609	3,031	3,707	6,738
Taxation	(169)	(738)	(907)	(168)	(1,075)
(Loss)/Profit after tax	(747)	2,871	2,124	3,539	5,663
Consolidated Statement of Financial Position					
Segment assets	8,931	93,393	102,324	7,573	109,897
Segment liabilities	366	20,205	20,571	6	20,577

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 31 December 2017

	Investment Holding	Manufacturing of Polymeric Product	Total from Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
Sales (Gross)	1,709	127,723	129,432	-	129,432
Inter-Segment sales	(1,634)	(8,883)	(10,517)	-	(10,517)
External	75	118,840	118,915	-	118,915
RESULT					
Segment result	(1,785)	11,411	9,626	46	9,672
Finance costs	-	(263)	(263)	-	(263)
Share of profit of a joint venture	191	-	191	-	191
(Loss)/Profit before tax	(1,594)	11,148	9,554	46	9,600
Taxation	3	(2,211)	(2,208)	5	(2,203)
(Loss)/Profit after tax	(1,591)	8,937	7,346	51	7,397
Consolidated Statement of Financial Position					
Segment assets	13,100	103,827	116,927	447	117,374
Segment liabilities	446	23,212	23,658	15	23,673

9 months ended 31 December 2016

	Investment Holding	Manufacturing of Polymeric Product	Total from Continuing Operations	Discontinued Operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
Sales (Gross)	6,038	108,408	114,446	41	114,487
Inter-Segment sales	(6,023)	(8,047)	(14,070)	(39)	(14,109)
External	15	100,361	100,376	2	100,378
RESULT					
Segment result	(1,531)	10,651	9,120	3,708	12,828
Finance costs	-	(217)	(217)	-	(217)
Share of profit of a joint venture	17	-	17	-	17
(Loss)/Profit before tax	(1,514)	10,434	8,920	3,708	12,628
Taxation	(256)	(2,214)	(2,470)	(168)	(2,638)
(Loss)/Profit after tax	(1,770)	8,220	6,450	3,540	9,990
Consolidated Statement of Financial Position					
Segment assets	8,931	93,393	102,324	7,573	109,897
Segment liabilities	366	20,205	20,571	6	20,577

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 2018 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 2017 are as follows:

	<u>RM</u>
Guarantees to banks for trade facilities granted	35,400,000
Guarantees to suppliers	500,000
	<u>35,900,000</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 2017 is as follows:

	<u>RM</u>
Capital expenditure in respect of purchase of property, plant and equipment:	
Approved but not contracted for	6,882,633

15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Deviation	
	31.12.2017	31.12.2016	Amount	%
	RM'000	RM'000	RM'000	
Continuing Operations				
Revenue	40,219	34,277	5,942	17.34
Profit before tax	3,586	3,031	555	18.31
Discontinued Operation				
Revenue	-	-	-	-
Profit before tax	2	3,707	(3,705)	(99.95)
Total				
Revenue	40,219	34,277	5,942	17.34
Profit before tax	3,588	6,738	(3,150)	(46.75)

The Group's revenue had increased by approximately RM5.942 million or 17.34% in the current quarter under review as compared to the corresponding quarter in the preceding financial year, due mainly to the increase in selling price of polymeric products and increase of 616 metric tons in the volume of polymeric products.

However, the profit before tax had decreased by RM3.15 million, from RM6.738 million for the quarter ended 31 December 2016 to RM3.588 million for the current quarter under review. This was due mainly to the gain on disposal of a piece of leasehold land together with a corner detached factory of approximately RM3.848 million in the preceding financial year corresponding quarter.

Current Financial Period as compared with Previous Year Corresponding Period

	9 Months Ended		Deviation	
	31.12.2017	31.12.2016	Amount	%
	RM'000	RM'000	RM'000	
Continuing Operations				
Revenue	118,915	100,376	18,539	18.47
Profit before tax	9,554	8,920	634	7.11
Discontinued Operation				
Revenue	-	2	(2)	(100.00)
Profit before tax	46	3,708	(3,662)	(98.76)
Total				
Revenue	118,915	100,378	18,537	18.47
Profit before tax	9,600	12,628	(3,028)	(23.98)

The Group's revenue for the cumulative financial quarter ended 31 December 2017 had shown an increase of RM18.537 million or 18.47% from RM100.378 million to RM118.915 million as compared to the corresponding period in the preceding financial year. The increase in the Group's revenue was attributed mainly to the increase in selling price and the volume of polymeric products.

The Group's profit before tax had decreased by RM3.028 million, from RM12.628 million for the period ended 31 December 2016 to RM9.6 million for the current financial period. This was due mainly to the gain on disposal of a piece of leasehold land together with a corner detached factory of approximately RM3.848 million in the preceding financial year corresponding period.

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

	3 Months Ended		Deviation	
	31.12.2017	30.09.2017	Amount	%
	RM'000	RM'000	RM'000	
Continuing Operations				
Revenue	40,219	39,944	275	0.69
Profit before tax	3,586	3,275	311	9.50
Discontinued Operation				
Revenue	-	-	-	-
Profit before tax	2	2	-	-
Total				
Revenue	40,219	39,944	275	0.69
Profit before tax	3,588	3,277	311	9.49

The Group's revenue and profit before tax had increased by RM0.275 million and RM0.311 million respectively in the current quarter under review due mainly to the increase in selling price of polymeric products.

17. Future Prospects

Notwithstanding the current economic situation and currency fluctuations, the Board is of the opinion that the financial performance of the Group for the financial year ending 31 March 2018 will remain satisfactory.

The Group intends to increase its production capacity by sourcing new machinery in order to achieve higher sales and profit.

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 31.12.2017 RM'000	Financial Period- To-Date 31.12.2017 RM'000
Continuing operations		
Current income tax	870	2,321
Real property gains tax	158	158
Over provision of income tax in prior year	(268)	(268)
Over provision of real property gains tax in prior year	-	(3)
	<u>760</u>	<u>2,208</u>
Discontinued operation		
Over provision of real property gains tax in prior year	-	(5)
Total	<u><u>760</u></u>	<u><u>2,203</u></u>

The Group's effective tax rate was higher than the statutory tax rate due mainly to certain expenses which are disallowed for tax purposes.

20. Status of Corporate Proposal

- (i) On 6 October 2017, Hsing Lung Sdn Bhd, a wholly-owned subsidiary of KIB, had entered into a sale and purchase agreement with Parit Yusof Oil Mill Sdn Bhd for the disposal of a piece of freehold vacant industrial land held under individual title, geran 250564 lot 182799 (formerly known as HS(D) 212275 PTD 111374) Mukim Plentong, district of Johor Bahru, state of Johor Darul Takzim, measuring an area approximately 6,541 square metres (70,406.67 square feet) known as lot 182799, Jalan Sri Plentong 9, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim for a total sale consideration of RM4.717 million ("**Proposed Disposal**").

The Proposed Disposal is expected to be completed by the first quarter of year 2018.

- (ii) On 28 December 2017, Hsing Lung Sdn Bhd, a wholly-owned subsidiary of KIB, had entered into a sale and purchase agreement with Easa Trading Sdn Bhd for the acquisition of a piece of freehold land held under geran 250486 lot 182953 (formerly known as HS(D) 212197 PTD 111295) Mukim Plentong, district of Johor Bahru, state of Johor Darul Takzim, measuring approximately 3,842 square meters in area together with a single storey factory and double storey office erected thereon and known as No. 9, Jalan Sri Plentong 6, Taman Perindustrian Sri Plentong, 81750 Plentong, Johor Darul Takzim for a total purchase consideration of RM6.70 million ("**Proposed Acquisition**").

The Proposed Acquisition is expected to be completed by the second quarter of year 2018.

21. Group Borrowings and Debt Securities

The Group's borrowings, which are all denominated in Ringgit Malaysia, as at 31 December 2017 are shown below:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Long Term Borrowings - secured		
Hire purchase creditors	244	401
Term loans	5,061	5,316
	<u>5,305</u>	<u>5,717</u>
Short Term Borrowings - secured		
Banker acceptances	1,566	799
Hire purchase creditors	76	101
Term loans	664	304
	<u>2,306</u>	<u>1,204</u>
Total	<u><u>7,611</u></u>	<u><u>6,921</u></u>

22. Material Litigation

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

23. Dividend Payable

First single tier interim dividend of RM0.003 per share in respect of the financial year ending 31 March 2018 was declared on 24 October 2017 and paid on 27 November 2017.

24. 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:

	Current Quarter Ended		9 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	1	1	10
Bad debts recovery	-	(13)	-	(48)
Compensation received	(1,059)	-	(1,559)	-
Refund of sales tax penalty	-	-	(532)	-
Depreciation on property, plant and equipment	275	286	829	805
Gain on disposal of property, plant and equipment	(10)	(3,853)	(10)	(3,853)
Net foreign exchange loss/(gain) -realised	254	(560)	507	(652)
Net foreign exchange loss/(gain) -unrealised	116	(248)	80	(217)
Property, plant and equipment written off	-	6	63	11
Interest income	(88)	(123)	(327)	(303)
Interest expenses	80	72	263	217

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.

25. 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 KIB during the current financial quarter and the nine (9) months financial period.

	Current Quarter Ended		9 Months Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to owners of the parent (RM'000):				
- Profit from continuing operations	2,826	2,124	7,346	6,450
- Profit from discontinued operation	2	3,539	51	3,540
- Profit for the financial period	2,828	5,663	7,397	9,990
Weighted average number of ordinary shares in issue ('000)	475,713	475,713	475,713	475,713
Basic EPS (sen) for:				
- Profit from continuing operations	0.59	0.45	1.54	1.36
- Profit from discontinued operation	0.00	0.74	0.01	0.74
- Profit for the financial period	0.59	1.19	1.55	2.10

Diluted

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