

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2019**
(The figures have not been audited)

| | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTER</u> | |
|--|---|---|---|--|
| | <u>CURRENT YEAR QUARTER</u> 30/09/19 RM'000 | <u>PRECEDING YEAR CORRESPONDING QUARTER</u> 30/09/18 RM'000 | <u>CURRENT YEAR TO DATE</u> 30/09/19 RM'000 | <u>PRECEDING YEAR CORRESPONDING PERIOD</u> 30/09/18 RM'000 |
| Revenue | 39,962 | 39,855 | 77,660 | 79,228 |
| Cost of Sales | (33,851) | (34,440) | (65,798) | (67,957) |
| Gross Profit | 6,111 | 5,415 | 11,862 | 11,271 |
| Other Income | 1,401 | 228 | 1,649 | 498 |
| Administrative and Operating Expenses | (3,450) | (3,676) | (6,875) | (7,045) |
| Finance Costs | (102) | (119) | (206) | (252) |
| Share of Loss of a Joint Venture | (58) | (58) | (181) | (47) |
| Profit Before Tax | 3,902 | 1,790 | 6,249 | 4,425 |
| Tax expense | (960) | (582) | (1,662) | (1,217) |
| PROFIT FOR THE FINANCIAL PERIOD | 2,942 | 1,208 | 4,587 | 3,208 |
| OTHER COMPREHENSIVE LOSS | | | | |
| Foreign currency translation | (27) | (77) | (72) | (124) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 2,915 | 1,131 | 4,515 | 3,084 |
| Profit attributable to: | | | | |
| Owners of the parent | 2,942 | 1,208 | 4,587 | 3,208 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 2,915 | 1,131 | 4,515 | 3,084 |
| Earnings per share (sen): | | | | |
| - Basic | 0.62 | 0.25 | 0.96 | 0.67 |
| - Diluted | 0.62 | 0.25 | 0.96 | 0.67 |

(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 2019 and the accompanying explanatory notes attached to this interim financial statements on page 5-13)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019
(The figures have not been audited)

| | UNAUDITED | AUDITED |
|--|----------------------------------|----------------------------------|
| | As at 30/09/19 RM'000 | As at 31/03/19 RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 38,993 | 38,536 |
| Current assets | | |
| Inventories | 20,109 | 28,021 |
| Trade and other receivables | 30,995 | 23,924 |
| Current tax assets | 1,423 | 2,462 |
| Cash and cash equivalents | 31,418 | 27,468 |
| | 83,945 | 81,875 |
| Non-current assets held for sale | - | 4,398 |
| TOTAL ASSETS | 122,938 | 124,809 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 47,609 | 47,609 |
| Foreign currency translation reserve | - | 1,314 |
| Retained earnings | 53,530 | 51,084 |
| TOTAL EQUITY | 101,139 | 100,007 |
| Non-current liabilities | | |
| Borrowings | 7,869 | 8,205 |
| Deferred tax liabilities | 2,433 | 2,289 |
| | 10,302 | 10,494 |
| Current liabilities | | |
| Trade and other payables | 10,358 | 13,273 |
| Borrowings | 980 | 999 |
| Current tax liability | 159 | 36 |
| | 11,497 | 14,308 |
| TOTAL LIABILITIES | 21,799 | 24,802 |
| TOTAL EQUITY AND LIABILITIES | 122,938 | 124,809 |
| Net assets per share attributable to owners of the parent (RM) | 0.21 | 0.21 |

(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 2019 and the accompanying explanatory notes attached to this interim financial statements on page 5-13)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2019**
(The figures have not been audited)

Quarter ended 30 September 2019

| | 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 01.04.2019 | 47,609 | - | 1,314 | 51,084 | 100,007 |
| Total comprehensive (loss)/income for the period | - | - | (72) | 4,587 | 4,515 |
| Dividend paid | - | - | - | (2,141) | (2,141) |
| Realisation of reserve on liquidation of a joint venture | - | - | (1,242) | - | (1,242) |
| Balance as at 30.09.2019 | 47,609 | - | - | 53,530 | 101,139 |

Quarter ended 30 September 2018

| | 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 01.04.2018 | 47,572 | 37 | 1,372 | 48,109 | 97,090 |
| Total comprehensive (loss)/income for the period | - | - | (124) | 3,208 | 3,084 |
| Dividend paid | - | - | - | (1,427) | (1,427) |
| Balance as at 30.09.2018 | 47,572 | 37 | 1,248 | 49,890 | 98,747 |

(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 2019 and the accompanying explanatory notes attached to this interim financial statements on page 5-13)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

| | CURRENT YEAR TO DATE 30/09/19 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/09/18 RM'000 |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 6,249 | 4,425 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 675 | 590 |
| Gain on liquidation of a joint venture | (1,210) | - |
| Interest expense | 206 | 252 |
| Interest income | (273) | (253) |
| Property, plant and equipment written off | 5 | 2 |
| Share of loss of a joint venture | 181 | 47 |
| Unrealised gain on foreign exchange | (79) | (116) |
| Operating profit before changes in working capital | 5,754 | 4,947 |
| Net changes in inventories | 7,912 | 2,836 |
| Net changes in trade and other receivables | (7,018) | 1,707 |
| Net changes in trade and other payables | (2,890) | (1,561) |
| CASH GENERATED FROM OPERATIONS | 3,758 | 7,929 |
| Tax paid | (974) | (1,623) |
| Tax refunded | 618 | 239 |
| NET CASH FROM OPERATING ACTIVITIES | 3,402 | 6,545 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Placement)/Withdrawal of deposits with licensed banks with original maturity date more than three months | (3,600) | 1,510 |
| Interest received | 273 | 253 |
| Proceeds from liquidation of a joint venture | 4,113 | - |
| Purchase of property, plant and equipment | (1,137) | (8,154) |
| NET CASH USED IN INVESTING ACTIVITIES | (351) | (6,391) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdowns of: | | |
| - term loan | - | 4,500 |
| - bankers' acceptance | 141 | 2,696 |
| Repayments of: | | |
| - hire purchase creditors | (57) | (38) |
| - term loans | (439) | (368) |
| - bankers' acceptance | - | (3,979) |
| Interest paid | (206) | (252) |
| Dividend paid | (2,141) | (1,427) |
| NET CASH (USED IN)/FROM FINANCING ACTIVITIES | (2,702) | 1,132 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 349 | 1,286 |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS | 1 | 35 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 27,468 | 26,421 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | 27,818 | 27,742 |

Notes:

RM'000

1) Purchase of property, plant and equipment

| | |
|--|--------------|
| Purchase of property, plant and equipment | 1,194 |
| Less: Sales to related companies | (57) |
| Cash purchase of property, plant and equipment | <u>1,137</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 | 31,418 |
| Less: Deposits with licensed banks (more than three months) | (3,600) |
| Cash and bank balances at the end of the period | <u>27,818</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 March 2019 and the accompanying explanatory notes attached to this interim financial statements on page 5-13)

KARYON INDUSTRIES BERHAD (“KIB” OR “COMPANY”)

(Company No: 612797-T)

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE 2ND QUARTER ENDED 30 SEPTEMBER 2019

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 2019.

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 2019 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 2019. 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 References to the Conceptual Framework in MFRS Standards | | 1 January 2020 |
| Amendments to MFRS 3 | Business Combinations - Definition of a Business | 1 January 2020 |
| Amendments to MFRS 101 | Presentation of Financial Statements - Definition of Material | 1 January 2020 |
| Amendments to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material | 1 January 2020 |
| Amendments to MFRS 9, 139 and MFRS 7 | Interest Rate Benchmark Reform | 1 January 2020 |
| MFRS 17 | Insurance Contracts | 1 January 2021 |
| Amendments to MFRS 10 and MFRS 128 | Consolidated Financial Statements and Investments in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

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 and financial year-to-date.

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 and financial year-to-date.

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 and financial year-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 and financial year-to-date.

8. Dividend Paid

The dividend paid during the current and previous corresponding financial period are as follows:

| | Company | | | |
|---|------------------------------|-----------------------|------------------------------|-----------------------|
| | 2020 | | 2019 | |
| | Gross dividend per share sen | Amount of dividend RM | Gross dividend per share sen | Amount of dividend RM |
| In respect of the financial year ending 31 March 2020 First interim single tier dividend of 0.30 sen per ordinary share, declared on 28 August 2019 and paid on 30 September 2019 | 0.30 | 1,427,139 | - | - |
| Special single tier dividend of 0.15 sen per ordinary share, declared on 28 August 2019 and paid on 30 September 2019 | 0.15 | 713,568 | | |
| In respect of the financial year ended 31 March 2019 First interim single tier dividend of 0.30 sen per ordinary share, declared on 6 August 2018 and paid on 13 September 2018 | - | - | 0.30 | 1,427,139 |

9. Segmental Reporting

The segmental result of the Group for the current financial quarter under review and the preceding year corresponding quarter are set out below:

3 months ended 30 September 2019

| | Investment Holding | Manufacturing of Polymeric Product | Others | Total |
|---|--------------------|------------------------------------|------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | |
| Sales (Gross) | 3,545 | 42,006 | - | 45,551 |
| Inter-Segment sales | (3,482) | (2,107) | - | (5,589) |
| External | 63 | 39,899 | - | 39,962 |
| RESULT | | | | |
| Segment result | 305 | 3,758 | (1) | 4,062 |
| Finance costs | - | (102) | - | (102) |
| Share of loss of a joint venture | (58) | - | - | (58) |
| Profit/(Loss) before tax | 247 | 3,656 | (1) | 3,902 |
| Tax expense | (246) | (714) | - | (960) |
| Profit/(Loss) after tax | 1 | 2,942 | (1) | 2,942 |
| Consolidated Statement of Financial Position | | | | |
| Segment assets | 12,410 | 110,104 | 424 | 122,938 |
| Segment liabilities | 771 | 21,022 | 6 | 21,799 |

3 months ended 30 September 2018

| | Investment Holding | Manufacturing of Polymeric Product | Others | Total |
|---|--------------------|------------------------------------|----------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| REVENUE | | | | |
| Sales (Gross) | 2,177 | 42,541 | - | 44,718 |
| Inter-Segment sales | (2,110) | (2,753) | - | (4,863) |
| External | 67 | 39,788 | - | 39,855 |
| RESULT | | | | |
| Segment result | (856) | 2,821 | 2 | 1,967 |
| Finance costs | - | (119) | - | (119) |
| Share of loss of a joint venture | (58) | - | - | (58) |
| (Loss)/Profit before tax | (914) | 2,702 | 2 | 1,790 |
| Tax expense | (153) | (429) | - | (582) |
| (Loss)/Profit after tax | (1,067) | 2,273 | 2 | 1,208 |
| Consolidated Statement of Financial Position | | | | |
| Segment assets | 13,061 | 110,402 | 425 | 123,888 |
| Segment liabilities | 721 | 24,413 | 7 | 25,141 |

9. **Segmental Reporting (cont'd)**

The segmental result of the Group for the cumulative financial quarter under review and the preceding year corresponding period are set out below:

6 months ended 30 September 2019

| | Investment Holding | Manufacturing of Polymeric Product | Others | Total |
|---|--------------------|------------------------------------|----------|---------------|
| | RM'000 | RM'000 | | RM'000 |
| REVENUE | | | | |
| Sales (Gross) | 4,599 | 81,863 | - | 86,462 |
| Inter-Segment sales | (4,472) | (4,330) | - | (8,802) |
| External | 127 | 77,533 | - | 77,660 |
| RESULT | | | | |
| Segment result | (566) | 7,200 | 2 | 6,636 |
| Finance costs | - | (206) | - | (206) |
| Share of loss of a joint venture | (181) | - | - | (181) |
| (Loss)/Profit before tax | (747) | 6,994 | 2 | 6,249 |
| Tax expense | (331) | (1,331) | - | (1,662) |
| (Loss)/Profit after tax | (1,078) | 5,663 | 2 | 4,587 |
| Consolidated Statement of Financial Position | | | | |
| Segment assets | 12,410 | 110,104 | 424 | 122,938 |
| Segment liabilities | 771 | 21,022 | 6 | 21,799 |

6 months ended 30 September 2018

| | Investment Holding | Manufacturing of Polymeric Product | Others | Total |
|---|--------------------|------------------------------------|----------|---------------|
| | RM'000 | RM'000 | | RM'000 |
| REVENUE | | | | |
| Sales (Gross) | 3,235 | 84,513 | - | 87,748 |
| Inter-Segment sales | (3,100) | (5,420) | - | (8,520) |
| External | 135 | 79,093 | - | 79,228 |
| RESULT | | | | |
| Segment result | (1,601) | 6,322 | 3 | 4,724 |
| Finance costs | - | (252) | - | (252) |
| Share of loss of a joint venture | (47) | - | - | (47) |
| (Loss)/Profit before tax | (1,648) | 6,070 | 3 | 4,425 |
| Tax expense | (225) | (992) | - | (1,217) |
| (Loss)/Profit after tax | (1,873) | 5,078 | 3 | 3,208 |
| Consolidated Statement of Financial Position | | | | |
| Segment assets | 13,061 | 110,402 | 425 | 123,888 |
| Segment liabilities | 721 | 24,413 | 7 | 25,141 |

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. Events Subsequent to the End of the Current Financial Quarter

There were no material events that have occurred from 1 October 2019 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 and financial year-to-date.

13. Contingent Liabilities and Contingent Assets

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

14. Capital Commitment

Capital commitment as at 30 September 2019 is as follows:

| | |
|--|-----------|
| Capital expenditure in respect of purchase of property, plant and equipment: | <u>RM</u> |
| Contracted but not provided for | 238,025 |

15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

| | 3 Months Ended | | Deviation | |
|-------------------|----------------|------------|-----------|--------|
| | 30.09.2019 | 30.09.2018 | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Revenue | 39,962 | 39,855 | 107 | 0.27 |
| Profit before tax | 3,902 | 1,790 | 2,112 | 117.99 |

The Group's revenue had increased slightly by RM0.107 million or 0.27% in the current quarter under review as compared to the corresponding quarter in the preceding financial period.

The Group's profit before tax had increased by RM2.112 million, from RM1.790 million for the quarter ended 30 September 2018 to RM3.902 million for the current quarter under review which was due mainly to a higher margin resulting from the decrease in raw material price and gain on liquidation of Karyon (Jinhua) Advanced Materials Co., Ltd ("KJAM") of RM1.210 million.

15. Performance Review (cont'd)

Current Financial Period as compared with Previous Year Corresponding Period

| | 6 Months Ended | | Deviation | |
|-------------------|----------------|------------|-----------|--------|
| | 30.09.2019 | 30.09.2018 | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Revenue | 77,660 | 79,228 | (1,568) | (1.98) |
| Profit before tax | 6,249 | 4,425 | 1,824 | 41.22 |

The Group's revenue for the cumulative financial quarter ended 30 September 2019 had shown a decrease of RM1.568 million or 1.98% from RM79.228 million to RM77.660 million as compared to the corresponding period in the preceding financial period. The decrease in the Group's revenue was attributed mainly to the lower sales of polymeric products of 343 metric tons.

However, the Group's profit before tax had increased by RM1.824 million, from RM4.425 million for the period ended 30 September 2018 to RM6.249 million for the current financial period. This was due mainly to a higher margin resulting from the decrease in raw material price and gain on liquidation of KJAM of RM1.210 million.

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

| | 3 Months Ended | | Deviation | |
|-------------------|----------------|------------|-----------|-------|
| | 30.09.2019 | 30.06.2019 | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Revenue | 39,962 | 37,698 | 2,264 | 6.01 |
| Profit before tax | 3,902 | 2,347 | 1,555 | 66.25 |

The Group's revenue had increased by RM2.264 million or 6.01% in the current quarter under review due mainly to the higher sales of polymeric products of 592 metric tons.

The profit before tax had also increased by RM1.555 million, from RM2.347 million for the quarter ended 30 June 2019 to RM3.902 million for the current quarter under review due mainly to higher sales of polymeric products and gain on liquidation of KJAM of RM1.210 million.

17. Future Prospects

The Board of Directors of the Company expects that the Group's operating environment and condition to be challenging given the geopolitical uncertainty that could adversely impact global trade.

Notwithstanding that, the Group will continue to develop competitive products to improve its efficiency and cost management to ensure price competitiveness on its products. The Group will continue to seek opportunity to venture into related business segments that can synergise with the Group's current business model.

With these in place, the Board is of the opinion that the financial performance of the Group for the financial year ending 31 March 2020 would remain satisfactory.

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 30.09.2019 RM'000 | Financial Year- To-Date 30.09.2019 RM'000 |
|---|--|--|
| Current income tax | 870 | 1,527 |
| Deferred tax liabilities | 99 | 144 |
| Over provision of real property gains tax in prior year | (9) | (9) |
| | <u>960</u> | <u>1,662</u> |

The Group's effective tax rate for the current financial quarter under review was lower than the statutory tax rate due mainly to the gain on liquidation of KJAM is not subject to income tax.

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

20. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the reporting date.

21. Group Borrowings and Debt Securities

The Group's borrowings, which are all denominated in Ringgit Malaysia, as at 30 September 2019 are shown below:

| | As at 30.09.2019 RM'000 | As at 30.09.2018 RM'000 |
|--|------------------------------------|------------------------------------|
| Long Term Borrowings - secured | | |
| Hire purchase creditors | 237 | 185 |
| Term loans | 7,632 | 8,679 |
| | <u>7,869</u> | <u>8,864</u> |
| Short Term Borrowings - secured | | |
| Banker acceptances | 141 | - |
| Hire purchase creditors | 121 | 78 |
| Term loans | 718 | 1,012 |
| | <u>980</u> | <u>1,090</u> |
| Total | <u>8,849</u> | <u>9,954</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 0.30 sen per share in respect of the financial year ending 31 March 2020 was declared on 28 August 2019 and paid on 30 September 2019 to Depositors who are registered in the Record of Depositors of the Company on 13 September 2019.

Special single tier dividend of 0.15 sen per share in respect of the financial year ending 31 March 2020 was declared on 28 August 2019 and paid on 30 September 2019 to Depositors who are registered in the Record of Depositors of the Company on 13 September 2019.

Total dividend paid for the current financial year-to-date was RM2,140,707.

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:

| | 3 Months Ended | | 6 Months Ended | |
|---|----------------|------------|----------------|------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation on property, plant and equipment | 343 | 294 | 675 | 590 |
| Gain on liquidation of a joint venture | 1,210 | - | 1,210 | - |
| Net foreign exchange loss/(gain) - realised | 58 | (70) | 26 | 20 |
| Net foreign exchange gain - unrealised | (1) | (34) | (79) | (116) |
| Property, plant and equipment written off | 5 | - | 5 | 2 |
| Interest income | (152) | (129) | (273) | (253) |
| Interest expenses | 102 | 119 | 206 | 252 |

Save as disclosed above, the other items required under Paragraph 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 six (6) months financial period, divided by the weighted average number of ordinary shares of KIB during the current financial quarter and the six (6) months financial period.

| | 3 Months Ended | | 6 Months Ended | |
|--|----------------|------------|----------------|------------|
| | 30.09.2019 | 30.09.2018 | 30.09.2019 | 30.09.2018 |
| Profit attributable to owners of the parent (RM'000) | 2,942 | 1,208 | 4,587 | 3,208 |
| Weighted average number of ordinary shares in issue ('000) | 475,713 | 475,713 | 475,713 | 475,713 |
| Basic EPS (sen) | 0.62 | 0.25 | 0.96 | 0.67 |

Diluted

The diluted EPS for the current financial quarter and the six (6) months financial period is equal to the basic EPS for the respective financial period as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.