

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2014**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Revenue	19,676	16,742	66,722	50,181
Cost of sales	<u>(16,210)</u>	<u>(12,147)</u>	<u>(54,407)</u>	<u>(38,183)</u>
Gross profit	3,466	4,595	12,315	11,998
Other operating income	223	697	1,546	872
Administrative expenses	(1,158)	(1,620)	(3,774)	(2,965)
Selling and distribution expenses	(550)	(267)	(1,463)	(631)
Other operating expenses	-	(2,191)	-	(2,201)
Finance costs	<u>(165)</u>	<u>(149)</u>	<u>(519)</u>	<u>(679)</u>
Profit before taxation	1,816	1,065	8,105	6,394
Taxation	102	(731)	(1,085)	(1,432)
Profit after taxation ("PAT")	<u>1,918</u>	<u>334</u>	<u>7,020</u>	<u>4,962</u>
Other comprehensive income after tax:				
- Foreign exchange translation	<u>2,304</u>	<u>1,196</u>	<u>1,915</u>	<u>3,067</u>
Total comprehensive income	<u>4,222</u>	<u>1,530</u>	<u>8,935</u>	<u>8,029</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
- Owners of the company	<u>1,918</u>	<u>334</u>	<u>7,020</u>	<u>4,962</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
- Owners of the company	<u>4,222</u>	<u>1,530</u>	<u>8,935</u>	<u>8,029</u>
Weighted average no. of ordinary shares ('000)	516,000	361,304	456,389	352,849
Earnings per share attributable to owners of the company (sen):				
- Basic	0.37	0.09	1.54	1.41
- Diluted	N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

(1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Kanger International Berhad ("Kanger" or the "Company") for the financial year ended ("FYE") 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	(Unaudited) As at 31 December 2014 RM '000	(Audited) As at 31 December 2013 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	22,845	11,776
Development expenditure	6,010	1,500
	<u>28,855</u>	<u>13,276</u>
<b>CURRENT ASSETS</b>		
Inventories	29,056	21,803
Trade and other receivables	18,824	11,812
Cash and cash equivalents	17,549	37,040
	<u>65,429</u>	<u>70,655</u>
<b>TOTAL ASSETS</b>	<b><u>94,284</u></b>	<b><u>83,931</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity attributable to owners of the company:		
Share capital	51,600	43,000
Reserves	15,318	15,081
<b>TOTAL EQUITY</b>	<b><u>66,918</u></b>	<b><u>58,081</u></b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,821	1,802
Amount owing to a director	354	354
Bank borrowings	24,078	22,293
Tax payable	1,113	1,401
	<u>27,366</u>	<u>25,850</u>
<b>TOTAL LIABILITIES</b>	<b><u>27,366</u></b>	<b><u>25,850</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>94,284</u></b>	<b><u>83,931</u></b>
<b>NET ASSET PER SHARE (sen)</b>	<b><u>12.97</u></b>	<b><u>13.51</u></b>

Note:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2014**

	----- Non-Distributable -----					Distributable Retained Earnings RM '000	Total Equity RM '000
	Share Capital RM '000	Share Premium RM '000	Merger Reserve RM '000	Revaluation Reserve RM '000	Translation Reserve RM '000		
Balance as at 1 January 2014	43,000	11,000	(12,805)	788	2,734	13,364	58,081
Bonus issue	8,600	(8,600)	-	-	-	-	-
Share issue expenses	-	(98)	-	-	-	-	(98)
PAT	-	-	-	-	-	7,020	7,020
Foreign currency translation	-	-	-	-	1,915	-	1,915
Total comprehensive income	-	-	-	-	1,915	7,020	8,935
Balance as at 31 December 2014	51,600	2,302	(12,805)	788	4,649	20,384	66,918
Balance as at 1 January 2013	- *	-	-	-	(333)	8,402	8,069
PAT	-	-	-	-	-	4,962	4,962
Foreign currency translation	-	-	-	-	3,067	-	3,067
Total comprehensive income	-	-	-	-	3,067	4,962	8,029
<b>Transactions with owners</b>							
Issuance of ordinary shares	8,000	11,000	-	-	-	-	19,000
Issuance of shares for merger exercise	35,000	-	(12,805)	788	-	-	22,983
	43,000	11,000	(12,805)	788	-	-	41,983
Balance as at 31 December 2013	43,000	11,000	(12,805)	788	2,734	13,364	58,081

Notes:

\* Represents RM2

(1) The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2014**

	<b>Current Year to date 31 December 2014 RM'000</b>	<b>Preceding Year to date 31 December 2013 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	8,105	6,394
Adjustments for:		
Depreciation of property, plant and equipment	1,067	971
Inventories written off	73	-
Interest expenses	519	679
Interest income	(157)	(186)
Property, plant and equipment written off	-	22
Operating profit before working capital changes:	9,607	7,880
Change in inventories	(7,326)	(3,766)
Change in trade and other receivables	(7,012)	(3,557)
Change in trade and other payables	(444)	1,180
Change in amount owing to a Director	-	354
<b>CASH (USED IN)/ GENERATED FROM OPERATIONS</b>	<b>(5,175)</b>	<b>2,091</b>
Interest paid	(519)	(679)
Interest received	157	186
Income tax paid	(962)	(830)
<b>NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES</b>	<b>(6,499)</b>	<b>768</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,429)	(97)
Development expenditure	(4,418)	(1,500)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,847)</b>	<b>(1,597)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Share issue expenses	(98)	(1,000)
Drawdown of bank borrowings	23,638	18,993
Proceeds from issuance of shares	-	20,000
Repayment of bank borrowings	(22,750)	(15,530)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>790</b>	<b>22,463</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(21,556)</b>	<b>21,634</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>2,065</b>	<b>3,831</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>37,040</b>	<b>11,575</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>17,549</b>	<b>37,040</b>

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Cash and cash equivalents at end of the financial year comprise the following:

- Cash and bank balances	8,484	29,075
- Fixed deposit placed with licensed banks	9,065	7,965
	<u>17,549</u>	<u>37,040</u>

*Note:*

*(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.*

**QUARTERLY REPORT FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 DECEMBER 2014**

**A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

**A1. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2013 and the accompanying explanatory notes attached to this interim financial report.

Kanger and its subsidiaries (“**Group**”) have not applied the following standards, amendments and interpretations under the MFRS framework that have been issued by the Malaysian Accounting Standards Board (“**MASB**”) but are not yet effective for the Group:

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
Amendments to MFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 14 – Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 5 – Non-current Assets Held For Sale and Discontinued Operations	1 January 2016
Amendments to MFRS 7 – Mandatory Date of MFRS 9 and Transition Disclosures	1 January 2016
MFRS 10 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	1 January 2016
MFRS 10 – Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 11 – Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)	1 January 2016
MFRS 12 – Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 14 – Regulatory Deferral Accounts	1 January 2016
MFRS 101 – Disclosure Initiative (Amendments to MFRS 101)	1 January 2016
MFRS 116 and MFRS 138 – Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138)	1 January 2016
MFRS 116 and MFRS 141 – Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	1 January 2016
MFRS 119 – Amendments to MFRS 119 (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
MFRS 127 – Equity Method in Separate Financial Statements (Amendments to MFRS 127)	1 January 2016
MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to MFRS 10 and MFRS 128)	1 January 2016

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MFRS 128 – Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)	1 January 2016
MFRS 134 – Amendments to MFRS 134 (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
MFRS 15 – Revenue from Contract with Customers	1 January 2017
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018

The Group intends to adopt the above MFRSs, IC Interpretation as well as amendments to MFRSs when they become effective.

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group. The accounting policies and methods of computation adopted by the Group in these unaudited condensed interim financial statements are consistent with those adopted in the Audited Financial Statements of Kanger for the FYE 31 December 2013.

**A2. Auditors' report of preceding annual financial statements**

The auditors' reports on the preceding audited financial statements of the Company and its subsidiaries were not subject to any qualification.

**A3. Seasonal or cyclical factors**

The principal business of the Group was not significantly affected by seasonal or cyclical factors save for long Chinese New Year holidays in the People's Republic of China ("**PRC**") in the financial quarter ended 31 March 2014.

**A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

**A5. Material changes in estimates**

Not applicable as there were no estimates reported in the prior financial years.

**A6. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

**A7. Dividends**

There were no dividends paid or declared for the current financial quarter and financial year-to-date.

**A8. Segmental information**

The Group's revenue is derived from three (3) products as follows:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Horizontal and vertical bamboo flooring	10,549	12,864	46,923	31,154
Strand woven bamboo flooring	4,302	1,426	8,403	13,974
Other strand woven bamboo products	4,825	2,452	11,396	5,053
<b>Total</b>	<b>19,676</b>	<b>16,742</b>	<b>66,722</b>	<b>50,181</b>

The Group's revenue based on geographical location of customers is as follows:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
PRC	6,213	5,772	22,068	28,707
Export:				
- Iran	2,186	-	9,027	-
- United States of America	5,199	-	11,817	-
- Russia	157	-	2,891	-
- Turkmenistan	143	-	2,627	5,487
- Netherlands	88	-	1,613	-
- United Arab Emirates	-	1,829	-	4,323
- Others*	5,690	9,141	16,679	11,664
<b>Total</b>	<b>19,676</b>	<b>16,742</b>	<b>66,722</b>	<b>50,181</b>

\* Includes countries in Europe, Asia and South America.

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry, that is, the bamboo industry in the PRC.

**A9. Valuation of property, plant and equipment**

The Group has not carried out any valuation of its property, plant and equipment in the current financial quarter.

**A10. Capital commitments**

The Group does not have any capital commitment as at 31 December 2014.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter.

**A12. Contingent liabilities and contingent assets**

There were no changes in contingent liabilities or contingent assets since the last annual reporting period date up to the date of this report.

**A13. Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

**A14. Related party transactions**

There were no related party transactions entered into with related parties during the current financial quarter.

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1. Analysis of performance**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Revenue	19,676	16,742	66,722	50,181
Profit before taxation	1,816	1,065	8,105	6,394

For the current financial quarter ended 31 December 2014 (“**Q4 2014**”), the Group recorded revenue of RM19.68 million and profit before taxation of RM1.82 million. Gross profit margin and profit before taxation margin stood at 17.6% and 9.2% respectively for Q4 2014.

For the financial year ended 31 December 2014 (“**FYE 2014**”), the Group recorded revenue of RM66.72 million and profit before taxation of RM8.11 million. Gross profit margin and profit before taxation margin stood at 18.5% and 12.1% respectively for FYE 2014.

The increase in revenue in Q4 2014 and FYE 2014 as compared to the corresponding quarter ended 31 December 2013 (“**Q4 2013**”) and the corresponding year ended 31 December 2013 (“**FYE 2013**”) by 17.5% and 33.0% respectively was mainly due to the increase in export sales as a result of increase in demand for the Group’s products from overseas. The Group recorded export sales of RM13.46 million in Q4 2014 and RM44.65 million in FYE 2014 as compared to RM10.97 million in Q4 2013 and RM21.47 million in FYE 2013 respectively.

For Q4 2014, profit before taxation increased by 70.5% from RM1.07 million in Q4 2013 to RM1.82 million in Q4 2014 mainly due to listing expenses of RM1.0 million incurred in Q4 2013. However, this was partially offset by lower gross profit margin of 17.6% in Q4 2014 as compared to 27.4% in Q4 2013. The decrease in gross profit margin was mainly as a result of a decrease in the selling price of certain older bamboo flooring products in line with our Group’s efforts to clear these stocks.

Overall, profit before tax increased by RM1.71 million or 26.8% in FYE 2014 as compared to FYE 2013 mainly due to the increase in revenue but was partially offset by the decrease in gross profit margin.

**B2. Comparison with immediate preceding quarter’s results**

	Quarter ended		Variance RM '000
	31 December 2014 RM '000	30 September 2014 RM '000	
Revenue	19,676	21,170	(1,494)
Profit before taxation	1,816	1,944	(128)

The Group recorded marginal decrease in revenue by RM1.49 million to RM19.68 million in Q4 2014 as compared to RM21.17 million in the preceding financial quarter ended 30 September 2014. The Group’s gross profit margin of 17.6% in Q4 2014 is comparable to the gross profit margin of 17.4% recorded in the preceding financial quarter ended 30 September 2014.

The Group’s profit before taxation also decreased by RM0.13 million to RM1.82 million in Q4 2014 as compared to RM1.94 million in the preceding financial quarter ended 30 September 2014 mainly due to expenses incurred for its corporate proposals as detailed in Section B6 below.

**B3. Prospects for the financial year ending 31 December 2015 (“FYE 2015”)**

China’s strong economic growth has led to increasingly affluent consumers who now have the purchasing power as well as the willingness to pay to enhance individual lifestyles for greater comfort and pleasure. The modernisation and urbanisation of the country has also caused a growth in the China’s property construction industry, an industry that the bamboo flooring market is dependent on for the consumption of its products. China’s initiative of development of its western region and the construction of 36 million affordable houses as stated in its 12<sup>th</sup> Five-Year Plan (2011 – 2015) is envisaged to uphold performance of the construction industry which is expected to positively affect the bamboo flooring market. The bamboo flooring market in China is valued at RMB3.37 billion in 2012 and is expected to grow at a compound annual growth rate of 8.4 percent for the year 2012 to 2017 to RMB5.04 billion in 2017. (Source: Independent Market Research Report prepared by Protégé Associate Sdn Bhd).

As stated in the Company’s announcement dated 2 January 2015, Kanger proposed to undertake:

- (a) issuance of redeemable convertible notes programme comprising redeemable convertible commercial papers and/or redeemable convertible medium term notes (“**Notes**”) with an aggregate principal amount of up to RM100.0 million (“**Proposed Notes Issue**”); and
- (b) diversification of principal activities of the Group to include property investment and management (“**Proposed Diversification**”).

Apart from the Proposed Diversification, the Group will also continue to strive to grow its existing business whereby the Company will allocate part of the proceeds raised from the Proposed Notes Issue for the expansion of its dealership network in the PRC. With the aforesaid expansion plan and the Group’s existing production capabilities, the Board of Directors of Kanger (“**Board**”) is of the view that the Group will enjoy positive growth for the financial year ending 31 December 2015.

**B4. Profit forecast**

The Group has not issued any profit forecast in any public documents.

**B5. Taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Current tax expenses	360	731	1,547	1,432
Over provision in previous year	(462)	-	(462)	-
Total tax expenses	<u>(102)</u>	<u>731</u>	<u>1,085</u>	<u>1,432</u>
Effective tax rate	<u>19.8%</u>	<u>68.6%</u>	<u>19.1%</u>	<u>22.4%</u>

The PRC income tax is computed in accordance with the relevant laws and regulations in the PRC. The applicable income tax rate is 25% for current quarter and financial year-to-date, except for the Group’s subsidiary, Ganzhou Kanger Industrial Co., Ltd, which currently enjoys a preferential tax rate of 15%.

**B6. Status of corporate proposals and utilisation of proceeds**

**(i) Status of corporate proposal**

On 2 January 2015, Kenanga Investment Bank Berhad (“**Kenanga IB**”) had, on behalf of the Board, announced that the Company proposed to undertake the following:

- (a) Proposed Notes Issue; and
- (b) Proposed Diversification.

Subsequently, on 27 January 2015, Kenanga IB had, on behalf of the Board, announced that the Securities Commission had, vide its letter dated 23 January 2015 which was received by Kenanga IB on 27 January 2015, authorised the issuance of the Notes.

In addition, on 29 January 2015, TA Securities Holdings Berhad had, on behalf of the Board, announced that the Company proposed to undertake a free warrants issue of 258,000,000 warrants on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.10 each in Kanger held by the shareholders of Kanger whose names appear in the Record of Depositors at an entitlement date to be determined later.

Save as disclosed above, there are no other corporate proposals announced but not completed as at the date of this report.

**(ii) Utilisation of proceeds**

The Company was listed on the ACE Market of Bursa Securities on 23 December 2013. The status of utilisation of the gross proceeds of RM20 million from the public issue by the Group as at 31 December 2014 is as follows:

Purpose	Estimated timeframe for utilisation (from date of listing)	Proposed utilisation RM '000	Actual utilisation RM '000	Deviation		Balance RM '000
				RM '000	%	
i) Capital expenditure	Within 12 months	1,000	1,000	-	-	-
ii) Research and development expenditure	Within 24 months	2,000	-	-	-	2,000
iii) Repayment of bank borrowings	Within 12 months	5,500	5,500	-	-	-
iv) Working capital	Within 24 months	8,200	8,309	109 <sup>(1)</sup>	1.3	-
v) Estimated listing expenses	Within 3 months	3,300	3,191	(109) <sup>(1)</sup>	(3.3)	-
Total gross proceeds		20,000	18,000			

Note:

- (i) The excess amount budgeted for will be utilised for working capital purposes.

**B7. Borrowings**

The Group's borrowings as at 31 December 2014 are as follows:

	<b>RM '000</b>
<b>Secured</b>	
Short term revolving loan	2,500
Term loans	5,073
Bills payables	13,686
	<hr/> 21,259
<b>Unsecured</b>	
Term loans	2,819
	<hr/> 2,819
<b>Total bank borrowings</b>	<hr/> <hr/> 24,078

Currency exposure profile of borrowings is as follows:

	<b>RM '000</b>
<b>Secured</b>	
Ringgit Malaysia	2,500
Chinese Renminbi	18,759
	<hr/> 21,259
<b>Unsecured</b>	
Chinese Renminbi	2,819
	<hr/> 2,819
<b>Total bank borrowings</b>	<hr/> <hr/> 24,078

Note:

(1) The Group's borrowings are presented in Renminbi ("**RMB**") and translated into Ringgit Malaysia at the exchange rate of RMB1: RM0.5637 as at 31 December 2014.

**B8. Material litigation**

As at date of this report, there is no litigation or arbitration which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

**B9. Dividends**

There were no dividends paid or declared for the current financial quarter.

**B10. Earnings per share**

The basic earnings per share are calculated as follows:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Profit attributable to ordinary equity holders of the company (RM '000)	1,918	334	7,020	4,962
Weighted average number of ordinary shares in issue ('000)	516,000	361,304	456,389	352,849
Basic earnings per share (sen)	0.37	0.09	1.54	1.41

**B11. Disclosure on selected expense/income items as required by the Listing Requirements**

Included in the profit before taxation are the following expense/(income) items:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2014 RM '000	31 December 2013 RM '000	31 December 2014 RM '000	31 December 2013 RM '000
Interest income	(147)	(94)	(157)	(185)
Interest expenses	165	171	519	679
Depreciation	234	229	1,067	971
Inventories written off	73	-	73	-
Property, plant and equipment written off	-	22	-	22
Realised gain on foreign exchange	-	-	-	(86)

**B12. Disclosure of realised and unrealised profits**

The breakdown of the retained earnings of the Group as at 31 December 2014 into realised and unrealised profits is as follows:

	<b>As at 31 December 2014 RM '000</b>	<b>As at 31 December 2013 RM '000</b>
Total retained earnings of the Group:		
- Realised	20,384	13,364
- Unrealised	-	-
Total	<u>20,384</u>	<u>13,364</u>
Less: Consolidation adjustments	-	-
Total retained earnings of the Group	<u><u>20,384</u></u>	<u><u>13,364</u></u>

By Order of the Board

WONG KEO ROU (MAICSA 7021435)  
Company Secretary  
Kuala Lumpur  
26 February 2015