

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2017**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Revenue	23,848	13,886	57,795	45,754
Cost of sales	<u>(18,725)</u>	<u>(10,021)</u>	<u>(45,458)</u>	<u>(34,440)</u>
Gross profit	5,123	3,865	12,337	11,314
Other operating income	-	584	35	646
Administrative expenses	(1,380)	(1,386)	(4,152)	(5,281)
Selling and distribution expenses	(399)	(686)	(1,602)	(1,932)
Other operating expenses	(1)	-	(1)	(26)
Finance costs	<u>(225)</u>	<u>(142)</u>	<u>(620)</u>	<u>(427)</u>
Profit before taxation	3,118	2,235	5,997	4,294
Taxation	(186)	(39)	(358)	(312)
Profit after taxation ("PAT")	<u>2,932</u>	<u>2,196</u>	<u>5,639</u>	<u>3,982</u>
Other comprehensive income after tax:				
- Foreign exchange translation	<u>(30)</u>	<u>2,077</u>	<u>(3,268)</u>	<u>(5,189)</u>
Total comprehensive income/ (loss)	<u>2,902</u>	<u>4,273</u>	<u>2,371</u>	<u>(1,207)</u>
<b>PROFIT ATTRIBUTABLE TO:</b>				
- Owners of the company	<u>2,932</u>	<u>2,196</u>	<u>5,639</u>	<u>3,982</u>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO:</b>				
- Owners of the company	<u>2,902</u>	<u>4,273</u>	<u>2,371</u>	<u>(1,207)</u>
Weighted average no. of ordinary shares ('000)	798,461	798,461	798,461	716,748
Earnings per share attributable to owners of the company (sen):				
- Basic	0.37	0.28	0.71	0.56
- Diluted	0.28	0.21	0.54	0.42

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 2016 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

	(Unaudited) As at 30 September 2017 RM '000	(Audited) As at 31 December 2016 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	72,971	44,804
Intangible assets	19,871	17,871
	92,842	62,675
<b>CURRENT ASSETS</b>		
Inventories	27,659	30,087
Trade and other receivables	45,911	55,271
Tax recoverable	447	273
Cash and cash equivalents	14,894	15,650
	88,911	101,281
<b>TOTAL ASSETS</b>	<b>181,753</b>	<b>163,956</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	79,846	79,846
Reserves	43,942	41,571
<b>TOTAL EQUITY</b>	<b>123,788</b>	<b>121,417</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7,352	8,170
Bank borrowings	24,656	28,226
Tax payable	656	100
	32,664	36,496
<b>LONG TERM LIABILITIES</b>		
Bank borrowings	25,071	5,810
Deferred taxation	230	233
	25,301	6,043
<b>TOTAL LIABILITIES</b>	<b>57,965</b>	<b>42,539</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>181,753</b>	<b>163,956</b>
<b>NET ASSETS PER SHARE (sen)</b>	15.50	15.21

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 2016 and the accompanying explanatory notes attached to this interim financial report.

**KANGER INTERNATIONAL BERHAD**  
(1014793-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2017**

	----- Non-Distributable -----					Equity Component of Redeemable Convertible Notes RM '000	Distributable	
	Share Capital RM '000	Share Premium RM '000	Merger Reserve RM '000	Revaluation Reserve RM '000	Translation Reserve RM '000		Retained Earnings RM '000	Total Equity RM '000
Balance as at 1 January 2017	79,846	4,381	(12,805)	1,226	13,155	-	35,614	121,417
PAT	-	-	-	-	-	-	5,639	5,639
Foreign currency translation	-	-	-	-	(3,268)	-	-	(3,268)
Total comprehensive income	-	-	-	-	(3,268)	-	5,639	2,371
Balance as at 30 September 2017	79,846	4,381	(12,805)	1,226	9,887	--	41,253	123,788

**Preceding year corresponding period ended 30 September 2016**

Balance as at 1 January 2016	60,442	3,385	(12,805)	788	14,481	132	30,135	96,558
Conversion of redeemable convertible notes	19,404	996	-	-	-	(132)	-	20,268
Drawdown of redeemable convertible notes	-	-	-	-	-	-	-	-
PAT	-	-	-	-	-	-	3,982	3,982
Foreign currency translation	-	-	-	-	(5,189)	-	-	(5,189)
Total comprehensive loss	-	-	-	-	(5,189)	-	3,982	(1,207)
Balance as at 30 September 2016	79,846	4,381	(12,805)	788	9,292	-	34,117	115,619

Note:

- (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 2016 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2017**

	Current Year to date 30 September 2017 RM'000	Preceding Year to date 30 September 2016 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	5,997	4,294
Adjustments for:		
Depreciation of property, plant and equipment	1,131	971
Amortisation of intangible assets	489	478
Interest expenses	620	427
Interest income	-	(1)
Operating profit before working capital changes:	8,237	6,169
Change in inventories	2,428	(2,583)
Change in trade and other receivables	9,360	(12,093)
Change in trade and other payables	(680)	(4,912)
<b>CASH GENERATED FROM/ (USED IN) OPERATIONS</b>	<b>19,345</b>	<b>(13,419)</b>
Interest paid	(620)	(427)
Interest received	-	1
Income tax paid	(113)	(1,055)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>18,612</b>	<b>(14,900)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(30,275)	(1,438)
Development expenditure	(2,788)	(1,701)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(33,063)</b>	<b>(3,139)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	16,755	10,207
Withdrawal of fixed deposit pledged	141	1,303
Repayment of bank borrowings	-	(5,738)
Drawdown of redeemable convertible notes	-	19,500
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>16,896</b>	<b>25,272</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,445</b>	<b>7,233</b>
<b>EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	<b>(2,687)</b>	<b>(3,725)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>6,853</b>	<b>17,231</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>6,611</b>	<b>20,739</b>

**KANGER INTERNATIONAL BERHAD**  
**(1014793-D)**

	<b>Current Period to date 30 September 2017 RM'000</b>	<b>Preceding Period to date 30 September 2016 RM'000</b>
Cash and cash equivalents at end of the financial period comprise the following:		
- Cash and bank balances	6,611	20,739
- Fixed deposit placed with licensed banks	8,283	9,953
	<u>14,894</u>	<u>30,692</u>
Less: Fixed deposit pledged	<u>(8,283)</u>	<u>(9,953)</u>
	<u>6,611</u>	<u>20,739</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 2016 and the accompanying explanatory notes attached to this interim financial report.*

QUARTERLY REPORT FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 30 SEPTEMBER 2017

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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”) (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2016 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 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>
MFRS 1 – Amendments to MFRS 1 (Annual improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 2 – Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
MFRS 12 – Amendments to MFRS 12 (Annual improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 15 – Revenue From Contracts with Customers	1 January 2018
MFRS 16 – Leases	1 January 2019
MFRS 17 – Insurance	1 January 2021
MFRS 128 – Amendments to MFRS 128 (Annual improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 140 – Transfers of Investment Property (Amendments to MFRS 140)	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 2016.

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

The auditors' report on the audited consolidated financial statements of the Company for the FYE 31 December 2016 was 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 2017.

**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.

**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 in the current financial quarter.

**A7. Segmental information**

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

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Horizontal and vertical bamboo flooring	20,423	13,717	46,782	39,991
Strand woven bamboo flooring	3,425	50	5,178	356
Bamboo furniture and other strand woven bamboo products	-	119	5,835	5,407
Total	<u>23,848</u>	<u>13,886</u>	<u>57,795</u>	<u>45,754</u>

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

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
PRC	11,595	4,530	25,257	16,867
Export:				
- Malaysia	4,779	1,209	7,631	1,209
- New Zealand	1,502	2,572	4,385	4,858
- United Arab Emirates	1,125	-	4,199	-
- Mexico	1,858	912	3,879	2,859
- Bangladesh	1,313	-	3,346	-
- Others*	1,676	4,663	9,098	19,961
	<u>23,848</u>	<u>13,886</u>	<u>57,795</u>	<u>45,754</u>

\* 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.

**A8. 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.

**A9. Capital commitments**

The capital commitments of the Group as at 30 September 2017 are as follows:

	RM '000
Approved and contracted for:	
- Capital work-in-progress	<u>38,082</u>

**A10. Changes in the composition of the Group**

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

**A11. Contingent liabilities and contingent assets**

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

**A12. Material events subsequent to the end of the quarter**

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



**A13. Related party transactions**

Save as disclosed below, there were no related party transactions entered into with related parties during the current financial quarter and financial year-to-date:-

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	30	30	30	30
	September	September	September	September
	2017	2016	2017	2016
	RM '000	RM '000	RM '000	RM '000
Sales to a company in which a Director has substantial interest	4,277	-	4,277	-

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

**B1. Analysis of performance**

	---- Individual Quarter ----		Variance (Amount/%) RM'000
	30 September 2017 RM '000	30 September 2016 RM '000	
Revenue	23,848	13,886	9,962/ 71.7%
Gross profit	5,123	3,865	1,258/ 32.5%
Profit before taxation	3,118	2,235	883/ 39.5%
Profit after taxation	2,932	2,196	736/ 33.5%

  

	---- Cumulative Quarter ----		Variance (Amount/%) RM'000
	30 September 2017 RM '000	30 September 2016 RM '000	
Revenue	57,795	45,754	12,041/ 26.3%
Gross profit	12,337	11,314	1,023/ 9.0%
Profit before taxation	5,997	4,294	1,703/ 39.7%
Profit after taxation	5,639	3,892	1,747/ 44.9%

Individual Quarter

The increase in revenue by 71.7% in the current financial quarter ended 30 September 2017 (“**Q3 2017**”) as compared to the corresponding quarter ended 30 September 2016 (“**Q3 2016**”) was mainly due to an increase in sales to the domestic PRC market in Q3 2017 by RM7.07 million due to the Group’s ongoing domestic marketing strategy. Gross profit margin decreased to 21.5% in Q3 2017 as compared to 27.8% in Q3 2016 mainly due to sale of higher margin products in Q3 2016.

Profit before taxation and profit after taxation for Q3 2017 also increased in tandem with the increase in revenue.

Cumulative Quarter

The increase in revenue by 26.3% for the financial period ended 30 September 2017 (“**FPE September 2017**”) as compared to the corresponding period ended 30 September 2016 (“**FPE September 2016**”) was mainly due to the pick-up in domestic PRC sales by RM8.39 million due to the Group’s increased effort in marketing its products to the domestic PRC market. Gross profit margin decreased to 21.3% in FPE September 2017 as compared to 24.7% in FPE September 2016 mainly due to sale of higher margin products in FPE September 2016, especially in Q3 2016.

Overall, profit before taxation and profit after taxation increased by 39.7% and 44.9% respectively in FPE September 2017 as compared to FPE September 2016 mainly due to the increase in revenue as well as the savings in arranger fees incurred in FPE 30 September 2016 for the drawdown and conversion of redeemable convertible notes.

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

	Quarter ended 30 September 2017 RM '000	30 June 2017 RM '000	Variance (Amount/%) RM'000
Revenue	23,848	19,144	4,704/ 24.6%
Gross profit	5,123	4,058	1,065/ 26.2%
Profit before taxation	3,118	1,807	1,311/ 72.6%
Profit after taxation	2,932	1,686	1,246/ 73.9%

The Group recorded an increase in revenue by RM4.70 million to RM23.85 million in Q3 2017 as compared to RM19.14 million in the preceding financial quarter ended 30 June 2017 ("Q2 2017"). This increase in revenue was mainly due to the increase in sales to the domestic PRC market by RM4.21 million in Q3 2017 as compared to Q2 2017. Gross profit margin remained fairly consistent at 21.5% in Q3 2017 as compared to 21.2% in Q2 2017

Overall, profit before taxation and profit after taxation increased by 72.6% and 73.9% respectively mainly due to the increase in revenue.

**B3. Prospects for the financial year ending 31 December 2017 ("FYE 2017")**

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 China's property construction industry, an industry that the bamboo flooring market is dependent on for the consumption of its products. Under its 13<sup>th</sup> Five-Year Plan (2016-2020), China aims to double its 2010 GDP and the 2010 per capita income of both urban and rural residents by 2020 and will focus more on green and low-carbon industries. This is envisaged 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. In addition, bamboo flooring products are increasingly welcomed by the consumer due to merits like environmental friendliness and high price-to-performance ratio. (Source: *Independent Market Research Report prepared by Protégé Associate Sdn Bhd, China's 13<sup>th</sup> Five Year Plan and China Wood Flooring Industry Report, 2014-2018*).

In line with the bright outlook of the bamboo industry, the Group has identified the following main strategies to continue to grow its businesses:-

- (a) Expansion of the Group's flooring products with the launching of new series of bamboo flooring products;
- (b) Enhancing the Group's flooring products to focus more on 'green' strand woven products;
- (c) Expansion of the Group's product portfolio to include bamboo furniture marketed under the 'KAR-ACE' brand;
- (d) Expansion of the Group's presence by increasing the number of appointed dealers and number of sales and marketing channels; and
- (e) Diversification of the Group's principal activities to include property investment and management which will provide the Group with additional income and cash flows.

Premised on the above, the Board of Directors of Kanger ("Board") is of the view that the Group will enjoy sustainable growth for FYE 2017.

**B4. Profit forecast**

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

**B5. Taxation**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Current tax expenses	<u>186</u>	<u>39</u>	<u>358</u>	<u>312</u>
Effective tax rate	<u>6.0%</u>	<u>1.7%</u>	<u>6.0%</u>	<u>7.3%</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 the current financial 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%. In addition, Kanger Trading (HK) Co. Limited currently enjoys 0% tax rate in Hong Kong as it is an export company and derives its income overseas.

**B6. Status of corporate proposals**

There is no corporate proposal announced but not completed as at the date of this report.

**B7. Borrowings**

The Group's borrowings as at 30 September 2017 are as follows:

	As at 30 September 2017 RM '000	As at 30 September 2016 RM '000
<b>Secured – Short term borrowings</b>		
Bank overdraft	404	246
Term loans	10,765	18,192
Bills payables	13,487	15,028
<b>Secured – Long term borrowings</b>		
Term loans	25,071	-
<b>Total borrowings</b>	<u>49,727</u>	<u>33,466</u>

The currency exposure profile of the Group's borrowings is as follows:

	As at 30 September 2017 RM '000	As at 30 September 2016 RM '000
<b>Secured – Short term borrowings</b>		
Ringgit Malaysia	404	246
Chinese Renminbi	49,323	33,220
<b>Total borrowings</b>	<u>49,727</u>	<u>33,466</u>

Note:

- (1) *The Group's borrowings in Renminbi ("RMB") are not hedged to Ringgit Malaysia and are translated into Ringgit Malaysia at the exchange rate of RMB1: RM0.6347 as at 30 September 2017.*

The borrowings increased by RM16.21 million or 48.6% as at 30 September 2017 as compared to 30 September 2016 mainly due to the drawdown of term loan by Ganzhou Kanger Industrial Co., Ltd for the construction of a commercial building in Ganzhou, Jiangxi Province, PRC.

The weighted average interest rate of the Group's borrowings is 6.38% as at 30 September 2017 and the entire borrowings as at 30 September 2017 is subjected to floating interest rate.

No hedging are done on the borrowings on the Group as majority of the borrowings are from the PRC and are used to finance the Group's operations in the PRC

**B8. Material litigation**

As at the 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 financial period ended ("FPE") 30 September 2017 (FPE 30 September 2016: Nil).

**B10. Earnings per share**

The Group's basic earnings per share is calculated as follows:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30	30	30	30
	September	September	September	September
	2017	2016	2017	2016
	RM '000	RM '000	RM '000	RM '000
Profit attributable to ordinary equity holders of the company (RM '000)	2,932	2,196	5,639	3,982
Weighted average number of ordinary shares in issue ('000)	798,461	798,461	798,461	716,748
Basic earnings per share (sen)	0.37	0.28	0.71	0.56

The Group's diluted earnings per share is calculated as follows:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Profit attributable to ordinary equity holders of the company (RM '000)	2,932	2,196	5,639	3,982
Weighted average number of ordinary shares in issue ('000)	798,461	798,461	798,461	716,748
Assuming full exercise of warrants ('000)	1,037,396	1,037,396	1,037,396	955,683
Assuming full conversion of Notes already issued ('000)	1,037,396	1,037,396	1,037,396	955,683
Diluted earnings per share (sen)	0.28	0.21	0.54	0.42

**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 ---	
	30 September 2017 RM '000	30 September 2016 RM '000	30 September 2017 RM '000	30 September 2016 RM '000
Interest expenses	225	142	620	427
Depreciation	558	273	1,131	971
Amortisation of intangible assets	166	160	489	478
Interest income	-	-	-	(1)

There were no other income, interest income, provision for and write off of receivables and inventories, impairment of assets, gain or loss on disposal of property, plant and equipment, gain or loss on derivatives, gain or loss on foreign exchange and exceptional items for the current quarter ended 30 September 2017.

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

The breakdown of the retained earnings of the Group as at 30 September 2017 into realised and unrealised profits is as follows:

	<b>As at 30 September 2017 RM '000</b>	<b>As at 30 September 2016 RM '000</b>
Total retained earnings of the Group:		
- Realised	41,253	34,117
- Unrealised	-	-
Total	<u>41,253</u>	<u>34,117</u>
Less: Consolidation adjustments	-	-
Total retained earnings of the Group	<u><u>41,253</u></u>	<u><u>34,117</u></u>

By Order of the Board

**WONG YUET CHYN (MAICSA 7047163)**

Company Secretary

Kuala Lumpur

24 November 2017