KRETAM HOLDINGS BERHAD

(Company No.: 168285 - H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

This interim financial report is unaudited and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2013.

A. CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 30 Sep		9 months ended 30 Sep	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	104,600	98,301	290,149	271,191
Cost of sales and services	(86,901)	(79,577)	(234,236)	(221,156)
Gross profit	17,699	18,724	55,913	50,035
Selling and distribution costs	(7,900)	(5,722)	(23,019)	(18,606)
	9,799	13,002	32,894	31,429
Other income	1,123	1,886	3,386	2,841
Administrative expenses	(3,241)	(4,077)	(10,434)	(12,040)
Other expenses	(172)	(255)	(1,585)	(1,365)
	7,509	10,556	24,261	20,865
Finance costs	(1,043)	(756)	(2,683)	(1,913)
Profit before taxation	**6,466**	**9,800**	**21,578**	**18,952**
Taxation	(4,770)	(2,267)	(12,743)	(5,074)
Profit after taxation	**1,696**	**7,533**	**8,835**	**13,878**
Profit after taxation attributable to:-				
Shareholders of the Company	1,574	7,504	8,641	13,794
Non-Controlling Interests	122	29	194	84
	1,696	**7,533**	**8,835**	**13,878**
EARNINGS PER SHARE (EPS):-				
	sen	**sen**	**sen**	**sen**
Basic EPS	0.08	0.41	0.47	0.75
Diluted EPS	0.07	0.33	0.39	0.61

B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 30 Sep		9 months ended 30 Sep	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	**1,696**	**7,533**	**8,835**	**13,878**
Other Comprehensive Income (OCI)	0	0	0	0
Income tax relating to components of OCI	0	0	0	0
Other Comprehensive Income net of tax	**0**	**0**	**0**	**0**
Total Comprehensive Income	**1,696**	**7,533**	**8,835**	**13,878**
Total Comprehensive Income attributable to:-				
Shareholders of the Company	1,574	7,504	8,641	13,794
Non-Controlling Interests	122	29	194	84
	1,696	**7,533**	**8,835**	**13,878**

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment and land use rights	541,173	531,525
Investment property	643	646
Biological assets	400,482	399,810
Intangible assets	42,776	42,777
Trade & other receivables	5,272	5,272
CURRENT ASSETS		
Inventories	127,387	66,430
Receivables	14,091	35,276
Tax refundable	16,604	27,234
Derivatives	157	131
Cash and bank balances	70,763	65,595
	229,002	194,666
CURRENT LIABILITIES		
Payables	40,979	55,693
Loans and borrowings	100,297	58,149
Derivatives	70	592
Income tax payable	27	30
	141,373	114,464
NET CURRENT ASSETS	87,629	80,202
NON-CURRENT LIABILITIES		
Loans and borrowings	55,339	47,329
Deferred taxation	94,535	93,919
	928,101	918,984
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	375,004	365,525
Share premium reserve	169,593	157,357
Equity component of ICPS	201,422	222,513
Revaluation reserve	35,362	35,362
Other reserves	0	0
Retained profits	143,717	135,075
	925,098	915,832
Equity attributable to non-controlling interests	3,003	3,152
	928,101	918,984
	sen	**sen**
NET ASSETS PER SHARE	**49.3**	**50.1**

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					
	Shareholders of the Company				Non-controlling Interests	TOTAL EQUITY
	Share Capital	Reserves	Retained Profits	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT YEAR TO DATE:						
At 1 January 2014	365,525	415,232	135,075	915,832	3,152	918,984
Conversion of ICPS* into ordinary shares	9,479	(8,855)	0	624	0	624
Total Comprehensive Income for the year	0	0	8,642	8,642	194	8,836
Dividend paid to non-controlling interests	0	0	0	0	(343)	(343)
At 30 September 2014	375,004	406,377	143,717	925,098	3,003	928,101
PREVIOUS YEAR CORRESPONDING PERIOD:						
At 1 January 2013	365,525	411,317	120,033	896,875	3,222	900,097
Total Comprehensive Income for the period	0	0	13,794	13,794	84	13,878
Dividend paid to non-controlling interests	0	0	0	0	(120)	(120)
At 30 September 2013	365,525	411,317	133,827	910,669	3,186	913,855

** - ICPS: Irredeemable Convertible Preference Shares*

The Reserves are not distributable.

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sep	
	2014	**2013**
	RM'000	**RM'000**
Cash flows from operating activities		
Profit before taxation	21,578	18,952
Adjustments for:-		
Depreciation	21,605	20,057
Interest income	(712)	(564)
Finance costs	2,683	1,913
Gain on disposal of subsidiary	0	(20)
Others	471	299
Changes in working capital	(55,407)	5,562
Income taxes paid, net of refunds	(1,496)	(24,019)
Interest received	632	480
Interest paid	(2,537)	(1,403)
	(13,183)	21,257
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,602)	(56,318)
Proceeds from disposal of property plant and equipment	81	70
Additions to biological assets	0	(149)
Others	(26)	0
	(31,547)	(56,397)
Cash flows from financing activities		
Repayment of finance lease obligations	(1,691)	(1,606)
Drawdown of revolving credit and loan	51,905	27,929
Payment of dividend to non-controlling interests	(343)	(120)
	49,871	26,203
Increase/(decrease) in cash and cash equivalents	5,141	(8,937)
Cash and cash equivalents at the beginning of the year	64,756	39,740
Cash and cash equivalents at the end of the period	69,897	30,803
Cash and cash equivalents comprise of the following:		
Cash and bank balances	70,763	30,978
Bank overdraft	0	(175)
less: Fixed deposits with maturity of more than 3 months	(866)	0
	69,897	30,803

F. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD FRS 134

1. ACCOUNTING POLICIES

The interim financial statements are prepared as required by Paragraph 9.22 of the Bursa Malaysia Listing Requirements and comply with Financial Reporting Standard FRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB).

(a) Changes to Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"; "FRS" when referred to in the singular) and IC Interpretations which became applicable beginning from the Group's financial year ending 31 December 2014:

Amendments to FRS 10, FRS 12 and FRS 127	*Investment Entities*
Amendments to FRS 132	*Offsetting Financial Assets and Financial Liabilities*
Amendments to FRS 136	*Recoverable Amount Disclosures for Non-financial Assets*
Amendments to FRS 139	*Novation of Derivatives and Continuation of Hedge Accounting*
IC Interpretation 21	*Levies*

The new and revised FRSs and IC Interpretations did not have any significant impact on the Group's results and financial position upon their initial application.

(b) New and Revised FRSs, IC Interpretations and Amendments Issued but are Not Yet Effective for the Current Financial Year

The Group has not yet adopted the following new and revised FRSs, IC Interpretations and Amendments; they will only become effective for the Group's financial year ending 31 December 2015:

FRS, Amendments to FRS and IC Interpretations	**Effective for financial periods beginning on or after**
Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
FRS 9 *Financial Instruments* (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 *Financial Instruments* (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 *Financial Instruments: Hedge Accounting* and amendments to FRS 9, FRS 7 and FRS 139	To be announced

Adoption of those of the above that become effective on 1 January 2015 (in the next financial year) is not expected to have any material impact on the Group's results and financial position.

(c) Malaysian Financial Reporting Standards ("MFRS") and MFRS Framework

On 19 November 2011 the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") which is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, except for entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers (collectively referred to as "Transitioning Entities"). Transitioning Entities are allowed to defer adoption of the MFRS Framework until such time as determined by the MASB.

On 2 September 2014 the MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group falls within the definition of Transitioning Entities and has elected to defer adoption of the MFRS Framework. Consequently, the Group will apply the MFRS Framework for the first time in its financial statements for the year ending 31 December 2017. In presenting its first set of financial statements under the MFRS Framework, the Group will be required to restate its comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required to be made on transition will be made, retrospectively, against opening retained earnings.

2. SEASONAL OR CYCLICAL FACTORS

The Group's production from its plantations generally experiences an "up-down" cycle once a year, with low production usually in the early part of the year, and peak production in the final quarter of the year.

3. SIGNIFICANT ITEMS/EVENTS

There were no items or events which arose, which affected assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

4. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

During the period under review, there were no:

(i) material changes in estimates of amounts reported in the previous interim periods of the current financial year; and
(ii) material changes in estimates of amounts reported in prior financial years.

5. DEBT AND EQUITY SECURITIES

(a) Subdivision of shares and ICPS

On 9 January 2014 the Company completed its proposed share split involving the subdivision of:

(i) each existing ordinary share of RM1 each into 5 ordinary shares of RM0.20 each; and
(ii) each existing Irredeemable Convertible Preference Share ("ICPS") of RM1 each into 5 ICPS of RM0.20 each.

(b) Conversion of ICPS

On 11 April 2014 the Company converted 47,391,305 ICPS of RM0.20 each into the same number of ordinary shares of RM0.20 each.

Other than the above, there were no cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

6. PAYMENT OF DIVIDENDS

The Company did not pay any dividends during the period under review.

7. SEGMENT REVENUE AND RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Plantation & Mill	Refinery	Elimi- nation	TOTAL
	RM'000	RM'000	RM'000	RM'000
REVENUES AND RESULTS:-				
Segment Revenue - external	85,498	204,651	0	290,149
Inter-segment revenue	126,220	0	(126,220)	0
	211,718	204,651	(126,220)	290,149
Segment results	41,201	(27,388)	8,323	22,136
Unallocated Items:-				
Other income				1,424
Corporate expenses				(1,622)
Finance costs				(360)
Gain on disposal of subsidiary				0
Profit before taxation				21,578
Taxation				(12,743)
Profit after taxation				8,835
ASSETS:-				
Segment assets	896,522	287,897		1,184,419
Unallocated assets				34,929
Total assets				1,219,348

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of leasehold land, plantations and buildings have been brought forward, without amendment from the previous audited financial statements (for the year ended 31 December 2013).

9. SUBSEQUENT EVENTS

As at the date of this report, there were no material events which arose subsequent to the end of the period under review.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review, there were no:

(a) acquisitions or disposals of subsidiaries; and
(b) discontinued operations.

11. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS SINCE THE LAST FINANCIAL YEAR

There were no changes in contingent liabilities or contingent assets since 31 December 2013.

G. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

12. REVIEW OF PERFORMANCE

For the first half of 2014, the Group achieved total revenue of RM290.1 million (Q1-Q3 2013: RM271.2 million) and pre-tax profit of RM21.6 million (Q1-Q3 2013: RM19.0 million).

Commentary on the performance of the operating segments of the Group is as follows:-

(a) Plantations and Mills

As shown in Note 7, the Group's plantation and mill operations achieved revenues (including inter-segment revenues) of RM211.7 million (Q1-Q3 2013: RM169.2 million), and pre-tax profit of RM41.2 million (Q1-Q3 2013: RM15.5 million).

The higher revenue and pre-tax profit compared to the previous year's corresponding period is mainly due to higher CPO and palm kernel (PK) prices, especially the latter during the first half of the year. For an indication, monthly average CPO and palm kernel (PK) prices for Sabah as published by the Malaysian Palm Oil Board (MPOB) are as follows:-

	CPO		**PK**	
	2014	**2013**	**2014**	**2013**
January	2,510.00	2,162.00	1,760.50	1,024.50
February	2,625.00	2,340.00	1,945.00	1,136.00
March	2,831.00	2,297.50	2,124.50	1,083.00
April	2,662.00	2,258.00	1,947.50	1,140.00
May	2,604.50	2,237.50	1,912.50	1,131.50
June	2,423.00	2,355.50	1,820.50	1,160.00
July	2,384.00	2,297.50	1,586.50	1,193.00
August	2,150.50	2,303.50	1,298.00	1,261.50
September	2,039.50	2,322.00	1,175.50	1,316.50

The following information relates to the Group's plantation and mill operations for the quarter/period under review, and comparison with the Sabah industrial average is provided:

	3rd Quarter			**January to September**		
	2014	**2013**	**% change**	**2014**	**2013**	**% change**
FFB Production (mt)	100,187	91,391	9.6%	273,829	266,629	2.7%
FFB Yield (mt/hectare):						
The Group's estates	5.93	5.53	7.1%	16.57	16.14	2.7%
MPOB Sabah average	5.52	5.12	7.8%	15.60	14.87	4.9%
Oil Extraction Rate:						
The Group's palm oil mills	21.37%	21.37%	0.0%	21.16%	20.79%	1.8%
MPOB Sabah average	21.66%	21.21%	2.1%	21.45%	21.04%	2.0%

The 25% increase in the division's revenue was mainly due to:

(a) improved average CPO price of about 11% (RM2,431 versus RM2,192);
(b) significantly higher PK price by some 51% (RM1,771 versus RM1,169)
(c) 2.7% increase in FFB production (see table above); and
(d) 0.37 percentage point (or 1.8% in relative terms) improvement in oil extraction rates.

In terms of operating profit, the RM239 and RM602 per metric tonne improvement in the average CPO and PK price respectively meant that profit margins also increased by close to the same amount, and pre-tax profit was boosted accordingly.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenues of RM204.7 million (Q1-Q3 2013: RM164.7 million) and suffered a pre-tax loss of RM27.4 million (Q1-Q3 2013: pre-tax loss of RM0.04 million).

The higher revenue was in line with improved palm oil prices and higher utilization of the refinery. Conversely, opportunities for positive contributions from the occasional favourable trade (involving the direct export of CPO) in the first quarter of 2013 did not present themselves in the current period, and coupled with unfavourable refining margins and lack of economies of scale, had resulted in the refinery division suffering a loss.

13. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

The following is a summary based on the two respective quarters' condensed consolidated income statements:

	Current Quarter RM'000	Previous Quarter RM'000
Revenue	104,600	87,308
Cost of sales and services, including distribution	(94,801)	(77,464)
	9,799	9,844
Other income	1,123	1,170
Administrative, finance and other expenses	(4,456)	(4,507)
Profit before taxation	6,466	6,507

Higher revenue and (correspondingly cost of sales) was mainly due to higher sales volumes at the refinery.

14. CURRENT YEAR PROSPECTS

Like other companies in the palm oil industry, the Group's fortunes are closely tied to movements in CPO (and also refined palm product prices). As shown in Note 12, these saw an upward trend during the first quarter of 2014 only to slip back thereafter to the RM2,000 level (in September). However, they appear to have bottomed out, and at the time of this report, they have improved to the RM2,200 - 2,300 level. Having regard to the fact that there are less than two months left in the year, the Board takes the view that 2014 will be a fairly challenging year for the Group.

15. ACHIEVEMENT OF REVENUE/PROFIT ESTIMATES, FORECASTS AND/OR INTERNAL TARGETS

Not applicable as the Company did not provide any revenue or profit estimate, forecast or projection, and did not publish any internal targets, in any public document.

16. EXPLANATION OF VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Company did not provide any profit forecast or guarantee, in any public document.

17. TAXATION

	Quarter ended 30.09.2014 RM'000	9 months ended 30.09.2014 RM'000
Provision in respect of results for the current quarter/period	3,459	12,147
Overprovision for taxation in respect of previous years	(20)	(20)
Deferred taxation	1,331	616
	4,770	12,743

The Group's effective rate of taxation is significantly higher than the 25% statutory rate due to losses incurred in its refinery operations, for which no corresponding deferred tax assets have been recognized.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

(a) Proposed Employees' Share Option Scheme ("ESOS")

The Company has not yet implemented the ESOS since the date all the necessary approvals were obtained.

(b) Bulking Joint Venture Agreement ("BJVA")

On 7 July 2014 Usaha Dimega Sdn Bhd ("UDSB"), a subsidiary in which the Group holds an effective interest of 66.67%, entered into a conditional Bulking Joint Venture Agreement ("BJVA") with Rikaworth Sdn Bhd ("RSB") and Sawit Bulkers Sdn Bhd ("SBSB") to venture into the business of palm oil common bulking installations for palm oil and related products together with a system of pipe racks to facilitate the transfer of liquid products between the bulking facilities and users of such facilities and the conveyance of the same to and from the jetty facilities of the Sabah Ports Authority in Sandakan, subject to the terms and conditions of the BJVA.

The BJVA is subject to the fulfilment (unless waived by mutual written consent of UDSB and RSB) of certain Conditions Precedent, after which UDSB and RSB are to subscribe for shares at par in the JV Company in cash on a date to be decided by the Board of Directors of the JV Company within 10 days after the Conditions Precedent are fulfilled or waived. Following the subscription of shares, the equity interest held by the respective parties shall be as follows:-

	No. of Shares	Percentage
UDSB	12,750,000	60%
RSB	8,500,000 (including the existing 100,000 issued shares)	40%

The status of the Conditions Precedent are as follows:

	Conditions Precedent	Status
1	The approvals of RSB and UDSB for the rolling business plan for the JV Company relating to the then current financial year and three succeeding financial years	Not yet obtained
2	RSB and UDSB obtaining the approvals of their respective shareholders to the terms and conditions of the BJVA	Obtained
3	Obtaining the licence/consent from the Malaysian Palm Oil Board to commence construction of the bulking installation	Not yet obtained
4	Increasing the authorised capital of the JV Company to RM50,000,000 consisting of 50,000,000 shares of RM1.00 each	Not yet done
5	RSB and UDSB agreeing to the form and substance of the Land Sale and Purchase Agreement relating to the purchase of the Land and price relating thereto	Not yet agreed
6	RSB and UDSB agreeing to the terms and conditions of the Bulking Facilities User Agreement relating to the use of the JV Company's bulking facilities by Green Edible Oil Sdn Bhd ("GEOSB") (a wholly-owned subsidiary of the Group) operating a refinery in the vicinity of the Sawit POIC Area to produce refined palm oil products	Not yet agreed
7	The JV Company (as sublessee) and Sandakan Bulkers (as sublessor) agreeing to the terms and conditions of the Pipe Rack Land Sublease relating to the sublease of a strip of land on which the JV Company's pipe racks would be erected	Not yet agreed
8	Issuance of the letter of offer in respect of the alienation of the Land by the Lands and Surveys Department	Not yet issued
9	The JV Company obtaining such other authorizations, consents and permits as shall be necessary for commencing its business according to written laws	Not yet obtained
10	Sandakan Bulkers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulkers to grant a licence for the Offtaker to use a stretch of land for the purpose of building a pipe rack to carry pipes for liquid goods and water pipe	Not yet agreed
11	RSB issuing a letter to the JV Company promising to insert into all future sale and purchase agreements in respect of the sale of various lots within the Sawit POIC Area, words to restrict the use of the said lots for conducting bulking business	Not yet done
12	The execution and delivery of KHB's Guarantee issued in favour of RSB to guarantee the performance, liabilities and obligations of UDSB under the BJVA	Not yet done
13	RSB and UDSB agreeing to the rate of charges payable to the JV Company for each metric ton of goods loaded onto any barge or vessel at the mini jetty located adjacent to GEOSB's land	Not yet agreed

19. GROUP BORROWINGS

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Current secured:		
Hire purchase	1,560	1,788
Bankers' acceptances	88,623	54,369
Term loan	8,203	0
Current unsecured: Liability component of ICPS*	1,911	1,992
	100,297	58,149
Non-current secured:		
Hire purchase	2,149	3,403
Term loans	48,897	39,450
Non-current unsecured: Liability component of ICPS	4,293	4,476
	55,339	47,329
TOTAL BORROWINGS	**155,636**	**105,478**

** - ICPS: Irredeemable Convertible Preference Shares*

Except where indicated otherwise, the above borrowings are denominated in Malaysian Ringgit.

20. ADDITIONAL DISCLOSURES

(a) Financial Derivatives

Outstanding financial derivatives held by the Group as at 30 September 2014 are as follows:

	Currency	Contract/ Notional Amount '000	Fair Value Assets RM'000	Fair Value Liabilities RM'000
US Dollar forward contracts - less than 1 year	**USD**	6,463	0	70
Palm oil futures contracts - less than 1 year	**RM**	2,453	156	0

(b) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

For the quarter ended 30 September 2014, there were no gains or losses arising from changes to fair values of the Group's financial liabilities.

(c) Breakdown of Realised and Unrealised Profits and Losses

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realized	178,771	177,885
- Unrealized	(30,311)	(32,046)
	148,460	145,839
less: Consolidation adjustments	(4,743)	(10,764)
Total retained profits	143,717	135,075

21. CHANGES IN STATUS OF MATERIAL LITIGATION UP TO 20 NOVEMBER 2014

Not applicable as the Group is not involved in any material litigation.

22. DIVIDENDS DECLARED

No dividend has been declared or recommended in respect of the period under review.

23. EARNINGS/(LOSS) PER SHARE ("EPS")

Basic and diluted EPS for the period under review is calculated based on the following:

	Quarter ended 30.09.2014	9 months ended 30.09.2014
Weighted average number of shares in issue	1,875,018,440	1,857,658,988
Potential number of shares from conversion of ICPS	452,608,695	452,608,695
Number of shares used in calculating diluted EPS	2,327,627,135	2,310,267,683
	RM'000	**RM'000**
Profit after taxation from continuing operations	1,696	8,835
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(122)	(194)
Profit after taxation from continuing operations attributable to shareholders of the Company	1,574	8,641
Finance costs saved from potential conversion of ICPS	119	360
Adjusted profit/(loss) after taxation	1,693	9,001
EPS for profit after taxation from continuing operations:	**sen**	**sen**
- Basic	0.08	0.47
- Diluted	0.07	0.39

** - ICPS: Irredeemable Convertible Preference Shares*

Basic EPS is calculated by dividing "Profit after taxation attributable to shareholders of the Company" by the "Weighted average number of shares in issue" during the period.

Diluted EPS is calculated by dividing "Adjusted profit/(loss) after taxation" by the "Number of shares used in calculating diluted EPS".

24. AUDITOR'S REPORT ON THE PREVIOUS YEAR'S FINANCIAL STATEMENTS

The auditors' report on the Group's consolidated financial statements for the year ended 31 December 2013 was not qualified.

25. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:-

	Quarter ended 30.09.2014 RM'000	9 months ended 30.09.2014 RM'000
Interest income	229	712
Other income, including investment income	584	2,221
Interest expense	1,043	2,683
Depreciation and amortization	7,067	20,445
Provision for and write-off of receivables	0	0
Foreign exchange gain/(loss)	48	(140)
Provision for and write-off of inventories	0	(9)
Gain/(loss) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Gain/(loss) on derivatives	513	(359)
Exceptional items	0	0

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer
24 November 2014