

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019**

	Note	3 months ended		Cumulative 9 months ended	
		30/9/19	30/9/18	30/9/19	30/9/18
		RM'000	RM'000	RM'000	RM'000
REVENUE		15,768	18,232	42,681	51,942
COST OF SALES		(12,429)	(13,590)	(34,878)	(39,509)
GROSS PROFIT		<u>3,339</u>	<u>4,642</u>	<u>7,803</u>	<u>12,433</u>
OTHER INCOME		266	281	358	161
ADMINISTRATIVE EXPENSES		(3,710)	(4,662)	(11,102)	(12,625)
SELLING AND DISTRIBUTION EXPENSES		(217)	(226)	(593)	(693)
OTHER EXPENSES		(67)	(101)	(96)	(240)
FINANCE COST		(127)	(41)	(380)	(118)
LOSS BEFORE TAX		<u>(516)</u>	<u>(107)</u>	<u>(4,010)</u>	<u>(1,082)</u>
TAX EXPENSE	24	-	(30)	(42)	(127)
LOSS FOR THE FINANCIAL PERIOD		<u>(516)</u>	<u>(137)</u>	<u>(4,052)</u>	<u>(1,209)</u>
OTHER COMPREHENSIVE LOSS					
Foreign currency translation difference		(233)	(141)	(277)	(331)
		<u>(233)</u>	<u>(141)</u>	<u>(277)</u>	<u>(331)</u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(749)</u>	<u>(278)</u>	<u>(4,329)</u>	<u>(1,540)</u>
Profit/(Loss) attributable to:					
Owners of the parent		107	59	(2,690)	(1,192)
Non-controlling interests		(623)	(196)	(1,362)	(17)
		<u>(516)</u>	<u>(137)</u>	<u>(4,052)</u>	<u>(1,209)</u>
Total comprehensive loss attributable to:					
Owners of the parent		(126)	(82)	(2,967)	(1,523)
Non-controlling interests		(623)	(196)	(1,362)	(17)
		<u>(749)</u>	<u>(278)</u>	<u>(4,329)</u>	<u>(1,540)</u>
Profit/(Loss) per share (sen)					
Basic	25	0.06	0.03	(1.50)	(0.67)
Diluted	25	Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.			

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Note	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
		As at 30/09/2019	As at 31/12/2018
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		29,114	31,425
Right-of-use assets		2,143	-
		<u>31,257</u>	<u>31,425</u>
Current assets			
Inventories		955	994
Trade receivables		18,338	22,010
Other receivables		3,805	3,872
Right-of-use assets		2,518	-
Tax recoverable		181	649
Deposits with licensed banks		511	511
Cash and bank balances		4,675	5,102
		<u>30,983</u>	<u>33,138</u>
TOTAL ASSETS		<u>62,240</u>	<u>64,563</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		48,115	48,115
(Accumulated losses)/Retained earnings		(2,582)	195
Other reserves		(22,328)	(22,051)
		<u>23,205</u>	<u>26,259</u>
Non-controlling interests		9,187	10,549
TOTAL EQUITY		<u>32,392</u>	<u>36,808</u>
Non-current liabilities			
Deferred tax liabilities		856	856
Lease liabilities		2,240	-
Finance lease liabilities	20	29	45
		<u>3,125</u>	<u>901</u>
Current liabilities			
Trade payables		8,705	11,127
Other payables		12,293	12,402
Borrowings	20	3,160	3,262
Lease liabilities		2,540	-
Finance lease liabilities	20	25	48
Tax payable		-	15
		<u>26,723</u>	<u>26,854</u>
TOTAL LIABILITIES		<u>29,848</u>	<u>27,755</u>
TOTAL EQUITY AND LIABILITIES		<u>62,240</u>	<u>64,563</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.13</u>	<u>0.15</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

Cumulative year ended 30 SEPTEMBER 2019

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				RETAINED EARNINGS RM'000
Balance as at 31.12.2018, as previously stated	48,115	-	(22,246)	93	4,049	(3,947)	195	26,259	10,549	36,808
Effect on adopting MFRS 16	-	-	-	-	-	-	(87)	(87)	-	(87)
Adjusted balance as at 01.01.2019	48,115	-	(22,246)	93	4,049	(3,947)	108	26,172	10,549	36,721
Loss for the financial period	-	-	-	-	-	-	(2,690)	(2,690)	(1,362)	(4,052)
Other comprehensive loss for the financial period	-	-	-	-	(277)	-	-	(277)	-	(277)
Total comprehensive loss for the financial period	-	-	-	-	(277)	-	(2,690)	(2,967)	(1,362)	(4,329)
Balance as at 30.09.2019	48,115	-	(22,246)	93	3,772	(3,947)	(2,582)	23,205	9,187	32,392

Cumulative year ended 30 SEPTEMBER 2018

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				RETAINED EARNINGS RM'000
Balance as at 31.12.2017, as previously stated	48,115	-	(22,246)	93	4,347	(3,947)	4,549	30,911	12,643	43,554
Effect on adopting MFRS 9	-	-	-	-	-	-	(28)	(28)	-	(28)
Adjusted balance as at 01.01.2018	48,115	-	(22,246)	93	4,347	(3,947)	4,521	30,883	12,643	43,526
Loss for the financial period	-	-	-	-	-	-	(1,192)	(1,192)	(17)	(1,209)
Other comprehensive loss for the financial period	-	-	-	-	(331)	-	-	(331)	-	(331)
Total comprehensive loss for the financial period	-	-	-	-	(331)	-	(1,192)	(1,523)	(17)	(1,540)
Balance as at 30.09.2018	48,115	-	(22,246)	93	4,016	(3,947)	3,329	29,360	12,626	41,986

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statements.)

MCLEAN TECHNOLOGIES BERHAD (Company No: 893631-T)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

	9 months ended	
	30/9/2019	30/9/2018
	RM'000	RM'000
OPERATING ACTIVITIES		
Loss before tax	(4,010)	(1,082)
Adjustments for:		
Bad debt written off	89	150
Depreciation of property, plant and equipment	3,517	3,479
Amortisation of right-of-use assets	2,388	-
Interest income	(2)	(2)
Interest expenses	380	118
Allowance for doubtful debts	7	-
Unrealised loss on foreign exchange	(299)	90
Operating profit before working capital changes	<u>2,070</u>	<u>2,753</u>
Changes in working capital:-		
Inventories	36	392
Receivables	3,639	479
Payables	(2,414)	1,868
CASH GENERATED FROM OPERATIONS	<u>3,331</u>	<u>5,492</u>
Tax refunded	410	322
NET CASH FROM OPERATING ACTIVITIES	<u>3,741</u>	<u>5,814</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,261)	(6,538)
Interest received	2	2
Dividend paid to non-controlling interest	-	(470)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,259)</u>	<u>(7,006)</u>
FINANCING ACTIVITIES		
Repayment of borrowings	(399)	-
Interest paid	(380)	(118)
Drawdown of borrowings	303	-
Repayment of lease liabilities	(2,356)	-
Repayment of term loan	(37)	(38)
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,869)</u>	<u>(156)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(387)	(1,348)
Brought forward	5,102	5,119
Effects of exchange translation differences on cash and cash equivalents	(40)	(45)
Carried forward	<u><u>4,675</u></u>	<u><u>3,726</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statements.)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

1. Basis of Preparation

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Significant Accounting Policies

There are no new MFRSs or interpretations that are effective for the first time in this quarter that would be expected to have a material effect of the Group.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2018 except for changes arising from the adoption of MFRS 16 *Leases* as described below:

Adoption of MFRS 16 Leases

The Group has adopted MFRS 16 *Leases* with effective from 1 January 2019. The standard replaces the MFRS 117 *Leases*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its present obligations to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains unchanged to the current standard which continues to be classified as finance or operating lease.

As allowed by the transactional provision, the Group applies modified retrospective approach without any restatement of comparative information and its impact of adopting MFRS 16 was recognised as an adjustment to the opening balance of components at 1 January 2019 as follows.

2. Significant Accounting Policies (continued)

Adoption of MFRS 16 Leases (continued)

Impact of change in accounting policies in Condensed Consolidated Statement of Financial Position as at 1 January 2019

Opening Balance	As previously reported RM'000	MFRS 16 adjustment RM'000	After adjustment RM'000
<u>Assets</u>			
Right-of-use assets			
- Non-current assets	-	3,865	3,865
- Current assets	-	3,359	3,359
<u>Liabilities</u>			
Lease liabilities			
- Non-current assets	-	3,978	3,978
- Current assets	-	3,333	3,333
<u>Equity</u>			
Retained earnings	195	(87)	108

3. Audit Report of Preceding Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's operations were not subject to any seasonal or cyclical changes.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Except for the legal liability arising from litigation (see Note 22), there was no other item which is unusual because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

6. Material Changes in Estimates

There were no material changes in estimates for the quarter ended 30 September 2019.

7. Debt and Equity Securities

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

8. Dividend Paid

There were no dividends declared or paid by the Group for the current quarter under review.

9. Segmental Reporting

The segmental results of the Group for the current and previous financial year-to-date under review is set out below:

Geographical information		
Revenue information based on the geographical location of customers are as follows:-		
Location	9 Months Ended 30.09.2019 RM'000	9 Months Ended 30.09.2018 RM'000
People’s Republic of China	5,639	9,786
Malaysia	18,993	22,111
Singapore	27,365	31,112
Others	1,984	1,697
Inter segment	(11,300)	(12,764)
	42,681	51,942

The business of the Group is generated from the business of surface treatment, precision cleaning, clean bulkpack and related service mainly in HDD and consumer electrics industries and there is only one business segment identified by the management.

10. Valuation of Property, Plant and Equipment

The Group’s property, plant and equipment were stated at cost less accumulated depreciation.

11. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

13. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

The Group has secured bank guarantee given to the Royal Malaysian Customs Department for RM442,500.

(b) Contingent assets

There were no contingent assets as at the end of current financial quarter.

14. Capital Commitment

	As at 30.09.2019 RM'000	As at 30.09.2018 RM'000
Authorised but not contracted for:-		
Office equipment, electrical fittings and furniture and fittings	69	2,166
Plant and machineries	-	43
	69	2,209

15. Review of Performance

Comparison between Current Financial Quarter Ended 30 September 2019 and Previous Corresponding Quarter Ended 30 September 2018

A summary of the Group’s performance is set out below:-

	3 Months Ended		Increase/(Decrease)	
	30.09.2019	30.09.2018		
	Surface Treatment & Precision Cleaning RM’000	Surface Treatment & Precision Cleaning RM’000	RM’000	%
Revenue	15,768	18,232	(2,464)	(13.51)
Gross profit	3,339	4,642	(1,303)	(28.07)
Loss before tax	(516)	(107)	(409)	NA
Loss after tax	(516)	(137)	(379)	NA
Profit attributable to owners of the parent	107	59	48	NA

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter decreased by 13.51% as compared to the previous corresponding quarter. The decline mainly caused by surface treatment services.

Precision cleaning gross profit margin was remain unchanged and surface treatment services were greatly impacted by the lower revenue from its HDD segment. Overall gross profit margin decreased from 25.46% to 21.18% in the current quarter.

The Group’s administrative expenses was decreased by RM0.95 million mainly due to decrease of legal and professional fee incurred approximately RM0.32 million and decrease of indirect staff cost approximately RM0.26 million compared to the previous corresponding quarter.

The Group’s finance cost was increased by RM86,000 mainly due to lease liabilities interest charged according to the new accounting standard adopted (MFRS 16) in the current financial quarter.

Overall, the Group reported a loss before tax of RM0.52 million in the current financial quarter as compared to a loss before tax of RM0.11 million in the previous year corresponding quarter.

Comparison between Current Period-to-date Ended 30 September 2019 and Previous Corresponding Period-to-date Ended 30 September 2018

A summary of the Group’s performance is set out below:-

	9 Months Ended		Increase/(Decrease)	
	30.09.2019	30.09.2018		
	Surface Treatment & Precision Cleaning RM’000	Surface Treatment & Precision Cleaning RM’000	RM’000	%
Revenue	42,681	51,942	(9,261)	(17.83)
Gross profit	7,803	12,433	(4,630)	(37.24)
Loss before tax	(4,010)	(1,082)	(2,928)	NA
Loss after tax	(4,052)	(1,209)	(2,843)	NA
Loss attributable to owners of the parent	(2,690)	(1,192)	(1,498)	NA

15. Review of Performance (continued)

Comparison between Current Period-to-date Ended 30 September 2019 and Previous Corresponding Period-to-date Ended 30 September 2018 (continued)

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter decreased by 17.83% as compared to the previous corresponding period-to-date. The decline is across all surface treatment and precision cleaning services.

Precision cleaning gross profit margin is remain unchanged and surface treatment services were impacted by the lower revenue from its HDD segment. Overall gross profit margin decreased from 23.94% to 18.28% in the current period-to-date.

The Group’s administrative expenses was decreased by RM1.51 million mainly due to decrease of legal and professional fee approximately RM0.34 million, decrease of indirect staff cost approximately RM0.31 million and decrease of rental expenses approximately RM0.33 million compared to the previous corresponding quarter.

The Group’s finance cost was increased by RM0.26 million mainly due to lease liabilities interest charged according to the new accounting standard adopted (MFRS 16) in the current financial quarter.

Overall, the Group reported a loss before tax of RM4.01 million in the current financial quarter as compared to a loss before tax of RM1.08 million in the previous corresponding period-to-date.

16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter		
	30.09.2019	30.06.2019		
	Surface Treatment & Precision Cleaning	Surface Treatment & Precision Cleaning	Increase/(Decrease)	
	RM’000	RM’000	RM’000	%
Revenue	15,768	13,412	2,356	17.57
Gross profit	3,339	2,016	1,323	65.63
Loss before tax	(516)	(1,765)	1,249	NA
Loss after tax	(516)	(1,785)	1,269	NA
Profit/(Loss) attributable to owners of the parent	107	(1,178)	1,285	NA

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter increased by 17.57% as compared to the immediate preceding quarter. The increase is mainly from precision cleaning services cassettes and cleanroom assembly services.

The overall gross profit margin increased from 15.03% to 21.18%.

For the current financial quarter, included in the Group other income was an amount of RM63,000 relating to government grant received from subsidiary in Singapore.

The Group registered a loss before tax of RM0.52 million as compared to a loss before tax of RM1.77 million in the immediate preceding quarter.

17. Future Prospects

Demand for precision washing and surface treatment services in the HDD industry is expected to remain weak. To diversify our revenue stream, we increase our focus on cleanroom packaging services and widen our surface treatment services to include other ancillary engineering services.

2nd half 2019 revenue is expected to be similar to the 1st half 2019. However overall the 2nd half performance is expected to be better than 1st half of 2019.

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.

19. Status of Corporate Proposals

Warrants 2015/2020 with exercise right expiring on 7 October 2020

Up to 30 September 2019, the total number of warrants converted into ordinary shares at RM0.25 each and the number of unexercised warrants are as follows:

Total number of warrants listed	Total number of warrants converted into ordinary shares	Total number of unexercised warrants
28,175,996	5,000,000	23,175,996

20. Group Borrowings and Debt Securities

The Group’s borrowings as at 30 September 2019 presented as follows:-

	As at 3rd quarter ended 2019					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
Secured						
Finance lease liability	-	29	-	25	-	54
Factoring loan	-	-	1,044	3,160	1,044	3,160

	As at 3rd quarter ended 2018					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
Secured						
Finance lease liability	-	21	-	13	-	34
Factoring loan	-	-	1,089	3,286	1,089	3,286

20. Group Borrowings and Debt Securities (continued)

The total borrowings denominated in foreign currency as at 30 September 2019 are: -

	RM'000
Foreign currency – SGD 1,043,913 @ RM3.0266/SGD	<u>3,160</u>

The factoring loan is charged at an effective interest rate of approximately 3.75% per annum. The finance lease liabilities are charged at an effective interest rate of 3.35% per annum.

21. Off Balance Sheet Financial Instruments

As at 30 September 2019, the Group is a party to a foreign currency forward contract of USD200,000 at the rate of 1.3688. Had the contract been settled at the financial position date, the net effect on the exchange exposure is a decrease in the loss of RM920.

22. Material Litigation

On 16 February 2016, Petroliam Nasional Berhad (“Petroliam”) and Petronas Gas Berhad (“PGB”) (“collectively referred to as “Petronas”), through their appointed solicitor, have issued a letter of demand to the Company’s subsidiaries, DWZ Industries Sdn. Bhd. (“DWZ”) and DWZ Industries (Johor) Sdn. Bhd. (“DWZ Johor”) (“collectively referred to as “DWZ Entities”) for unlawful entry into PGB’s land by way of installing a piping structure under the land and discharge of foreign effluent which caused damage to PGB’s pipeline. The amount of damages demanded is RM46,754,614.07. DWZ Entities through its solicitor has taken all measures to resist the claim.

On 31 October 2016, DWZ Entities was served with a writ and a statement of claim in respect of the Civil Action commenced by PGB. The trial for Johor Bahru Civil Suit No. JA-22NCVC-204-10/2016, between PGB and DWZ Entities, has progressed on 11 March 2018, 20 May 2018, 6 June 2018, 18 June 2018, 19 June 2018, 20 June 2018 and 21 June 2018.

The decision of the Johor Bahru High Court on 19 December 2018 has held DWZ Entities to be jointly and severally liable to PGB for their pleaded claim for unlawful entry into PGB’s land, tort of trespass, nuisance and negligence for the discharge of foreign effluent causing damage to PGB’s pipeline. The Court has issued declarations to that effect and has issued an injunction against the Defendants’ their servants and agents from entering the Plaintiff’s land, constructing or installing or causing to be constructed or installing any piping or structure on the Plaintiff’s land and to injunct the DWZ Entities from releasing or discharging any effluents to the Plaintiff’s land.

The High Court has ordered damages against DWZ Entities in the amount of RM 3,226,243.00 together with interest at the rate of 5% per annum from the date of loss till the date of full payment and costs in the amount of RM 100,000.00.

DWZ Entities have appealed against the High Court decision dated 19 December 2018 on both liability and quantum. A Notice of Appeal to the Court of Appeal, Putrajaya, was filed by solicitors for DWZ Entities on 16 January 2019.

The Appeal brought by DWZ Entities has now been fixed for Hearing before the Court of Appeal, Putrajaya on 12 November 2019.

22. Material Litigation (continued)

Parties have through negotiations arrived at a settlement which is presently being formalised. The hearing of the appeal on the 11th of November 2019 has been adjourned to 7th January 2020 to enable parties to formalise the settlement.

Once the settlement agreement has been formalised and executed, a further announcement will be made.”

23. Dividend Payable

There was no dividend payable or proposed during the current quarter ended 30 September 2019.

24. Tax (Income)/Expense

Details of taxation are as follows: -

	3 Months Ended		9 Months Ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Current taxation	-	30	22	127
Under provision in prior year	-	-	20	-
	-	30	42	127

The effective tax rate is not reflective of the statutory tax rate principally due to the restriction in the group relief available in respect of losses incurred by certain subsidiary companies and expenses which were not deductible for tax purposes.

25. Profit/(Loss) Per Share (“EPS/LPS”)

Basic

The calculation of the basic earnings per share is based on the net profit divided by the weighted average number of ordinary shares.

	3 Months Ended		9 Months Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	107	59	(2,690)	(1,192)
Weighted average number of ordinary shares in issue ('000)	178,778	178,778	178,778	178,778
Basic EPS/(LPS) (sen)	0.06	0.03	(1.50)	(0.67)

Diluted

Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

26. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Loss before tax is arrived at after charging/(crediting) the following items:-

	3 Months Ended 30 September 2019 RM'000	9 Months Ended 30 September 2019 RM'000
(a) Interest income	-	(2)
(b) Other income including investment income	(366)	(356)
(c) Interest expenses	127	380
(d) Depreciation and amortisation	1,950	5,905
(e) Bad debts written off	67	89
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange (gain)/loss	(111)	(117)
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-

- End -