



誠成集團

K. SENG SENG CORPORATION BERHAD

(Company No.: 133427-W)

(Incorporated in Malaysia under the Companies Act, 1965)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 6 months ended 30/06/2017**

	Note	Individual quarter ended		Cumulative period 6 months ended	
		30/06/2017 RM'000	30/06/2016 RM'000	30/06/2017 RM'000	30/06/2016 RM'000
Revenue	A7	27,124	27,619	51,880	50,534
Cost of sales		(23,063)	(22,606)	(42,322)	(41,910)
<b>Gross profit</b>		<b>4,061</b>	<b>5,013</b>	<b>9,558</b>	<b>8,624</b>
<b>Other income</b>		<b>45</b>	<b>108</b>	<b>85</b>	<b>223</b>
Selling and distribution expenses		(743)	(694)	(1,548)	(1,322)
Administration expenses		(2,291)	(2,108)	(4,304)	(4,135)
Other expenses		(539)	(575)	(1,144)	(1,093)
<b>Profit from operations</b>		<b>533</b>	<b>1,744</b>	<b>2,647</b>	<b>2,297</b>
Finance costs		(329)	(328)	(711)	(648)
		204	1,416	1,936	1,649
Share of results of associate		116	125	167	215
<b>Profit before taxation</b>	B8	<b>320</b>	<b>1,541</b>	<b>2,103</b>	<b>1,864</b>
Income tax expense	B5	(78)	(391)	(166)	(463)
<b>Profit after taxation</b>		<b>242</b>	<b>1,150</b>	<b>1,937</b>	<b>1,401</b>
<b>Total Comprehensive income for the period</b>		<b>242</b>	<b>1,150</b>	<b>1,937</b>	<b>1,401</b>
<b>Profit Attributable To:</b>					
Owners of The Parent		177	1,102	1,827	1,268
Non-Controlling Interests		65	48	110	133
		242	1,150	1,937	1,401
<b>Total Comprehensive income attributable to :</b>					
Owners of The Parent		177	1,102	1,827	1,268
Non-Controlling Interests		65	48	110	133
		242	1,150	1,937	1,401
<b>Weighted average number of ordinary shares in issue ('000)</b>					
	B11	96,000	96,000	96,000	96,000
<b>Earnings per share attributable to owners of the parent :</b>					
Basic (Sen)	B11	0.18	1.15	1.90	1.32
Diluted (Sen)	B11	0.18	1.15	1.90	1.32

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)



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**Condensed Consolidated Statement of Financial Position as at 30/06/2017**

	Note	Unaudited As at 30/06/2017 RM'000	Audited As at 31/12/2016 RM'000
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		11,437	11,564
Investment in an associate		4,122	3,955
Deferred Tax Assets		1,029	403
		<b>16,588</b>	<b>15,922</b>
<b>Current assets:</b>			
Inventories		52,739	50,721
Trade and other receivables		41,690	46,520
Tax recoverable		1,660	1,517
Deposits, Cash and bank balances		10,340	12,430
		<b>106,429</b>	<b>111,188</b>
<b>TOTAL ASSETS</b>		<b>123,017</b>	<b>127,110</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities:</b>			
Trade and Other payables		17,066	24,036
Provision for taxation		368	88
Hire purchase payable	B7	724	669
Loans and borrowings	B7	25,270	22,674
		<b>43,428</b>	<b>47,467</b>
<b>Non-current liabilities</b>			
Hire purchase payables	B7	1,559	1,499
Deferred tax liabilities		20	146
		<b>1,579</b>	<b>1,645</b>
<b>TOTAL LIABILITIES</b>		<b>45,007</b>	<b>49,112</b>
<b>Equity:</b>			
Share capital		48,515	48,000
Share premium		-	515
Retained profits		28,409	27,751
<b>Equity attributable to owners of the parent</b>		<b>76,924</b>	<b>76,266</b>
Non-controlling Interests		1,086	1,732
<b>TOTAL EQUITY</b>		<b>78,010</b>	<b>77,998</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>123,017</b>	<b>127,110</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>		<b>0.80</b>	<b>0.79</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)



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**Unaudited Condensed Statement of Changes in Equity for the 6 months ended 30/06/2017**

<----- Attributable to Owners of Parent ----->

Note	Share Capital	Share Premium	Retained Profits	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at 01/01/2016</b>	48,000	515	24,712	<b>73,227</b>	1,500	<b>74,727</b>
Total comprehensive income for the period	-	-	1,268	<b>1,268</b>	133	<b>1,401</b>
Dividends paid	-	-	(768)	<b>(768)</b>	-	<b>(768)</b>
<b>Balance at 30/06/2016</b>	<b>48,000</b>	<b>515</b>	<b>25,212</b>	<b>73,727</b>	<b>1,633</b>	<b>75,360</b>
<b>Balance at 01/01/2017</b>	48,000	515	27,751	<b>76,266</b>	1,732	<b>77,998</b>
Transition to no par value regime **	515	(515)				
Changes of ownership interest in a subsidiary A9	-	-	271	<b>271</b>	(756)	<b>(485)</b>
Total comprehensive income for the period	-	-	1,827	<b>1,827</b>	110	<b>1,937</b>
Dividends paid A6	-	-	(1,440)	<b>(1,440)</b>	-	<b>(1,440)</b>
<b>Balance at 30/06/2017</b>	<b>48,515</b>	<b>-</b>	<b>28,409</b>	<b>76,924</b>	<b>1,086</b>	<b>78,010</b>

\*\* Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium become part of the Company's share capital pursuant to the transitional provision set out in the Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)



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K. SENG SENG CORPORATION BERHAD

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**Unaudited Condensed Statement of Cash Flows for the 6 months ended 30/06/2017**

	6 months ended	
	30/06/2017	30/06/2016
	RM'000	RM'000
<b>Cash Flows From Operating Activities:</b>		
<b>Profit before tax</b>	<b>2,103</b>	<b>1,864</b>
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	868	859
Gain on disposal property, plant and equipment	(81)	-
Interest expense	697	641
Interest income	(85)	(35)
Share of profits of Associate	(167)	(215)
<b>Operating profit before changes in working capital</b>	<b>3,335</b>	<b>3,114</b>
<b>Working Capital Changes</b>		
Decrease/(Increase) in trade and other receivables	4,847	(3,415)
(Increase)/Decrease in inventories	(2,018)	(532)
(Decrease)/Increase in trade and other payables	(7,350)	(746)
Increase/(Decrease) in Short term Trade Banker Acceptance	2,597	7,842
	<b>(1,924)</b>	<b>3,149</b>
<b>Cash generated from operations</b>	<b>1,411</b>	<b>6,263</b>
Interest received	85	35
Interest paid	(697)	(641)
Income tax refunded	-	53
Income tax paid	(780)	(744)
	<b>(1,392)</b>	<b>(1,297)</b>
<b>Net Cash generated from operating activities</b>	<b>19</b>	<b>4,966</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of property, plant and equipment	81	15
Purchase of property, plant and equipment	(227)	(118)
Acquisition of non-controlling interest	(125)	-
<b>Net cash used in Investing Activities</b>	<b>(271)</b>	<b>(103)</b>
<b>Cash Flows From Financing Activities:</b>		
Dividends paid on shares	(1,440)	(768)
Payment for hire purchase obligations	(398)	(516)
<b>Net cash flow used in Financing Activities</b>	<b>(1,838)</b>	<b>(1,284)</b>
<b>Net changes in Cash and Cash Equivalents</b>	<b>(2,090)</b>	<b>3,579</b>
<b>Cash and Cash Equivalents at Beginning of The Period</b>	<b>12,430</b>	<b>5,046</b>
<b>Cash and Cash Equivalents at End of The Period</b>	<b>10,340</b>	<b>8,625</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)



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## Notes of the Interim Financial Report for the 6 months ended 30/06/2017

### A. Compliance with Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and Bursa Listing Requirements

#### A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), International Accounting Standard (IAS) 34: Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) and Chapter 9 Part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (Bursa Securities). The figures for the cumulative period 6 months ended 30/06/2017 have not been audited.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31/12/2016, which were prepared in accordance with Malaysian Financial Reporting Standards (MFRSs) and International Financial Reporting Standards (IFRSs). The explanatory notes attached to the 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 31/12/2016.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31/12/2016 except for the adoption of the following Amendments/Improvement to MFRSs which are applicable to its financial statements and are relevant to its operations:-

#### Amendments/Improvement to MFRSs:

MFRS 12	Disclosure of Interest in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

The adoption of the above Amendments/Improvements to MFRSs did not have any material effect on the financial statements of the Group.

The following new MFRSs and Amendments/Improvements to MFRSs were issued but not yet effective and have not been applied by the Group:

MFRS 9	Financial Instruments *
MFRS 15	Revenue from Contract Customer *
MFRS 16	Leases **

#### Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs *
MFRS 2	Share-based Payment *
MFRS 4	Insurance Contracts *
MFRS 10	Consolidated Financial Statements (1)
MFRS 128	Investments in associates and Joint Ventures * (1)
MFRS 140	Investment Property *

#### New IC Interpretation

IC Int 22	Foreign Currency Transactions and Advance Consideration *
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\* Effective for the period beginning on or after 1 January 2018

\*\* Effective for the period beginning on or after 1 January 2019

(1) Deferred

The Group will adopt the above new MFRSs and Amendments/Improvements to MFRSs when it becomes effective in the respective financial periods. The adoption of the above mentioned amendments to MFRSs are not expected to have any material effect to the financial statements of the Group upon initial recognition, except for MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers described below, for which the financial effects are still being assessed by the Group.



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## Notes of the Interim Financial Report for the 6 months ended 30/06/2017

### (i) MFRS 9 Financial Instruments

This final version of MFRS 9 replacing MFRS 139. MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held with two measurement at amortised cost or fair value. For impairment, MFRS 9 introduces expected-loss impairment model that will require more timely recognition of expected credit losses to reflect changes of credit risk of financial instruments. For hedge accounting, MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity.

### (ii) MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. MFRS 15 Revenue from Contracts with Customers established a new five-step model which will apply to recognition of revenue arising from contracts with customers.

## **A2. Seasonality or cyclicity of interim operations**

Other than lower demand for our products during the festive period particularly in the first quarter of the year, our Group does not experience any material seasonality or cyclicity in our business operations.

## **A3. Unusual Items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and cumulative 6 months period ended 30/06/2017.

## **A4. Material Changes in estimates**

There were no changes in estimates that had materially affected the Group during the current quarter under review and financial year to date.

## **A5. Issuances, repurchases and repayments of debts and equity instruments**

There were no issuance and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review and financial year to date.



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## Notes of the Interim Financial Report for the 6 months ended 30/06/2017

### A6. Dividends paid

The total dividend paid out of retained profits for the ordinary shares during the financial year to date was as follows:

	Current Quarter RM'000	Year-to-Date RM'000
Dividend paid on ordinary shares:		
Financial year ended 31/12/2016		
First and final dividend of 1.5 sen per share single tier paid on 30/06/2017	<u>1,440</u>	<u>1,440</u>

### A7. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

a) The stainless steel products segment is in the business of manufacture and sales of stainless steel tubes and pipes, and processing of stainless steel sheets products;

b) The marine hardware & consumable segment is in the business of trading of marine hardware includes, amongst others, PP and PE ropes, stainless steel bars, stainless steel fasteners, GI wire, wire ropes and wire netting, nylon trammel and PE nets, copper tubes, chain, brass stern gland and propellers, square boat and shank spikes, packing and asbestos sheets, stainless steel electrode and rigging hardware such as zincked block, pulley, pin shaft, hooks and chain block;

c) The other industrial hardware segment is in the business of trading of industrial hardware including, amongst others, bronze shaft, brass tubes, other steel industrial fasteners such as HT, MS and GI bolts and nuts, screws, washers and shackles, ductile iron pipe and fittings such as flange, valves, tapers, hose clips and clamps, industrial hoses such as spring hose, PVC hose, black rubber suction and water hose and PVC reinforced air hose, alloy chain, stainless steel wire mesh, colour cotton rag, rubber conveyor belt, industrial wipes, safety absorbent and fibre ceramic blanket.

d) The engineering works segment is in the business of manufacturing and installation of Double or Single former on-line chlorination nitrile glove dipping lines and Double or Single former rubber glove dipping lines, trading of dipping lines parts and consumable including, amongst others, conveyor chain and conveyor chain parts, former holder set, worm gear and motor, and engineering services including machining, cutting, dismantle and cleaning of conveyor chain.

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>3 months ended 30/06/2017</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	11,183	6,895	7,211	1,835	<b>27,124</b>
Reportable segment gross profit	862	1,726	1,546	(73)	<b>4,061</b>
<i>3 months ended 30/06/2016</i>					
Revenues from external customers	8,491	6,844	5,959	6,325	<b>27,619</b>
Reportable segment gross profit	838	1,809	1,494	872	<b>5,013</b>

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>6 months ended 30/06/2017</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	18,704	15,184	13,467	4,525	<b>51,880</b>
Reportable segment gross profit	1,788	4,080	3,256	434	<b>9,558</b>
<i>6 months ended 30/06/2016</i>					
Revenues from external customers	16,455	13,209	10,888	9,982	<b>50,534</b>
Reportable segment gross profit	1,208	3,186	2,696	1,534	<b>8,624</b>



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## Notes of the Interim Financial Report for the 6 months ended 30/06/2017

### A8. Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial quarter ended 30/06/2017 up to the date of this interim financial report which may substantially affect the results of the operations of the Group.

### A9. Effects of changes in the composition of the Group and financial year-to-date

There have changes in composition of the Group during the current quarter ended 30/06/2017, on 20/04/2017 KSSC has acquired the remaining 25% equity stake in KSG Engineering Sdn Bhd, consequently KSG Engineering becomes the wholly-owned subsidiary of the Group.

### A10. Changes in contingent liabilities & assets since the last annual financial statements date

There were no changes in the contingent liabilities and assets of the Group since the last audited date of the financial statements.

### A11. Capital commitment

There were no capital commitments either contracted upon or otherwise that had affected the Group as at the current quarter ended 30/06/2017.

### A12. Related party transactions

The Group's related party transactions in the current quarter and the cumulative period to date ended 30/06/2017 are as follows:

Nature of Relationship	Sales of goods RM'000	Purchases of goods RM'000	Overdue Charges RM'000	Total for nature of relationship RM'000
<i>Current quarter:</i>				
Associate	1,894	3	-	1,897
Total for type of transaction	<b>1,894</b>	<b>3</b>	<b>-</b>	<b>1,897</b>
<i>Cumulative 6 months Period:</i>				
Associate	2,374	3	-	2,377
Total for type of transaction	<b>2,374</b>	<b>3</b>	<b>-</b>	<b>2,377</b>



**Notes of the Interim Financial Report for the 6 months ended 30/06/2017**

**B. Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Bhd**

**B1. Review of performance**

The Group revenue for the 6 months cumulative period had increased by 2.66% from RM50.53 million as reported in the corresponding preceding period in the prior financial year to RM51.88 million.

Sales of our Stainless Steel Products segment and Marine Hardware & Consumable segment accounted for approximately 65.32% of our total revenue. Revenue from our Other Industrial Hardware segment and Engineering Works segment constituted approximately 25.96% and 8.72% respectively of our total revenue.

During the quarter under review, we recorded a lower revenue of RM1.84 million or decreased by 29.01% for our Engineering Works segment as compared to RM6.32 million as reported in corresponding preceding period in prior financial year. The decline in revenue was principally attributable to new fabrication & installation of Double Former Glove Dipping Lines still under work in progress and not yet recognised and during the take over period all new transactions will be suspended, which resulted in a loss of gross profit margin RM0.073 million as compared to RM0.872 million recorded to the previous corresponding period.

Despite the declined revenue in Engineering Works segment, our revenue from Other Industrial Hardware segment increased from RM5.96 million in the corresponding preceding period in prior financial year to RM7.21 million. This was mainly due to an increase in purchase orders from customers.

The Group profit before tax for the 6 months cumulative period had improved from RM1.86 million achieved in the corresponding preceding period in prior financial year to RM2.1 million, representing an increase of 12.82% in profit before tax. This was mainly attributable to the higher profit margin due to lower cost of sales for Marine hardware & consumable and Stainless Steel Products Segments.

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

The Group profit before tax of RM0.32 million for the current quarter under review was 82.04% lower compared with the profit before tax amounting to RM1.78 million of the immediate preceding quarter. This was mainly due to the lower profit margin in the current period as described in B1 above.

**B3. Commentary on prospects**

The Board will continue to enhance the Group marketing strategy through expansion of the Engineering Works Segment and increase the Group products offering to increase revenue. Barring the economic uncertainty, the Board strives for the betterment.

**B4. Profit forecast or profit guarantee**

Not applicable as the Group has not issued any profit forecast or profit guarantee in a public document.

**B5. Breakdown of tax changes**

Tax charges comprise:	Current Quarter RM'000	Current Year-to-Date RM'000
Malaysian taxation based on profit for the period:		
Current tax expense	411	917
Deferred tax expense	(333)	(751)
Net tax charge	<u>78</u>	<u>166</u>



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## Notes of the Interim Financial Report for the 6 months ended 30/06/2017

Reconciliation of Effective Tax Rate:

	Current Year-to-Date	
	RM'000	%
<b>Accounting Profit before tax</b>	<b>2,103</b>	<b>-</b>
Statutory tax amount / rate	505	24.0%
<i>Tax Effects of Expenses Disallowed:</i>		
Depreciation of non-qualifying property, plant & equipment	-	0.0%
Other Expenses not deductible for tax purposes	14	0.7%
Other professional fee	26	1.2%
Share of results of an associate	(40)	-1.9%
Under provision of deferred tax in prior years	(339)	-16.0%
<b>Effective tax amount / rate</b>	<b>166</b>	<b>7.9%</b>

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

#### (a) Corporate proposals

There were no corporate proposals not completed as at the date of this report.

#### (b) Utilisation of proceeds

The total gross proceeds raised from the public issue of RM11.47 million based on the issue price of RM0.57 will be utilised in the following manner:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Non- utilisation RM'000	Intended timeframe for utilisation (Listed on 19/01/2011)
(i) Business Expansion and capital expenditures	3,310	251	3,059	Extended to 18/01/2018
(ii) Working Capital	6,260	6,260	-	
(iii) Listing Expenses	1,900	1,900	-	
	11,470	8,411	3,059	

### B7. Details of Group borrowings and debts securities

The Group's borrowings securities denominated in Malaysian Ringgit as at 30/06/2017 are as follows:

	Total RM'000	Secured RM'000
Long-term:		
Hire purchase liabilities	1,559	1,559
	<u>1,559</u>	<u>1,559</u>
Short-term:		
Bills and other trade financing liabilities	25,270	25,270
Hire purchase liabilities	724	724
	<u>25,994</u>	<u>25,994</u>



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**Notes of the Interim Financial Report for the 6 months ended 30/06/2017**

**B8. Profit before taxation**

Profit before taxation is arrived at after charging/(crediting):

	Individual quarter ended		Cumulative period 6 months ended	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	RM'000	RM'000	RM'000	RM'000
<i>1) Other operating income:</i>				
Interest income	(45)	(27)	(85)	(35)
Other income	-	(80)	-	(187)
Loss/(Gain) on disposal of property, plant and equipment	-	-	(81)	-
<i>2) Administration expenses &amp; Cost of sales:</i>				
Depreciation of properties, plant & equipment	457	440	868	859
Employee benefit expenses	3,188	2,935	5,960	5,694
<i>3) Other expenses:</i>				
Realised Forex (gains)/losses	(21)	36	142	54
<i>4) Finance costs:</i>				
Bank overdrafts	5	4	10	11
Bankers acceptance	282	286	618	556
Hire Purchase	36	35	68	74

Save as disclosed above, the other items as required under Appendix 9B Part A(16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

**B9. Changes in Material Litigations**

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending which might materially and adversely affect the financial position or business of the Group.

**B10. Proposed Dividends**

The Directors do not recommend any dividend for the current quarter ended 30/06/2017.

**B11. Earnings per share**

(a) The earnings used as the numerator in calculating Basic and Diluted earnings per share (EPS) for the current quarter ended 30/06/2017 are as follows:

	Current Quarter RM'000	Current Year-to-Date RM'000
Profit for the financial period attributable to owners of the Parent (used as numerator for the Basic EPS)	<u>177</u>	<u>1,827</u>



誠成集團

**K. SENG SENG CORPORATION BERHAD**

(Company No.: 133427-W)

(Incorporated in Malaysia under the Companies Act, 1965)

### Notes of the Interim Financial Report for the 6 months ended 30/06/2017

(b) The weighted average number of ordinary shares used in the denominator in calculating Basic and Diluted earnings per share for the current quarter and cumulative period ended 30/06/2017 are as follows:

	Current Quarter '000	Current Year-to-Date '000
Weighted average number of ordinary shares in issue (used as denominator for the Basic EPS)	<u>96,000</u>	<u>96,000</u>
Weighted average number of ordinary shares in issue (used as denominator for the Diluted EPS)	<u>96,000</u>	<u>96,000</u>

Diluted earnings per share is equivalent to Basic EPS as the Group does not have any dilutive potential ordinary shares in issue during the financial quarter under review and financial year to date.

### B12. Realised and unrealised profits

	30/06/2017 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	24,227
- Unrealised	<u>1,009</u>
	25,236
Total share of retained profits from associate:	
- Realised	3,294
- Unrealised	<u>8</u>
	28,538
Consolidation adjustments	<u>(129)</u>
Total Group retained profits as per consolidated financial statements	<u><b>28,409</b></u>

### B13. Audit report qualification and status of matters raised

The audit report of the Group's annual financial statements for the year ended 31/12/2016 did not contain any qualification.

### B14. Authorisation for issue

The interim financial report was duly reviewed by Audit Committee and approved by the Board of Directors on 29/08/2017.