



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 12 months ended 31/12/2017

	Note	Individual quarter ended		Cumulative period 12 months ended	
		31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Revenue	A7	39,765	26,822	123,219	102,176
Cost of sales		(31,515)	(20,846)	(99,605)	(82,722)
Gross profit		8,250	5,976	23,614	19,454
Other income		81	236	198	300
Selling and distribution expenses		(844)	(788)	(3,145)	(2,762)
Administration expenses		(2,642)	(2,075)	(9,312)	(8,379)
Other expenses		(917)	(754)	(2,645)	(2,251)
Profit from operations		3,928	2,595	8,710	6,362
Finance costs		(372)	(315)	(1,456)	(1,315)
Share of results of associate		141	(21)	353	302
Profit before taxation	B8	3,697	2,259	7,607	5,349
Income tax expense	B5	(1,111)	(608)	(1,933)	(1,380)
Profit after taxation		2,586	1,651	5,674	3,969
Total Comprehensive income for the period		2,586	1,651	5,674	3,969
Profit Attributable To:					
Owners of The Parent		2,608	1,549	5,452	3,739
Non-Controlling Interests		(22)	102	222	230
Total Comprehensive income attributable to :		2,586	1,651	5,674	3,969
Total Comprehensive income attributable to :					
Owners of The Parent		2,608	1,549	5,452	3,739
Non-Controlling Interests		(22)	102	222	230
Total Comprehensive income attributable to :		2,586	1,651	5,674	3,969
Weighted average number of ordinary shares in issue ('000)	B11	96,000	96,000	96,000	96,000
Earnings per share attributable to owners of the parent :					
Basic (Sen)	B11	2.72	1.61	5.68	3.89
Diluted (Sen)	B11	2.72	1.61	5.68	3.89

(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 31/12/2017

	Note	Unaudited As at 31/12/2017 RM'000	Audited As at 31/12/2016 RM'000
ASSETS			
Non-current assets:			
Property, plant and equipment		11,297	11,564
Investment in an associate		4,308	3,955
Deferred Tax Assets		761	403
		16,366	15,922
Current assets:			
Inventories		44,241	50,721
Trade and other receivables		47,289	46,520
Tax recoverable		999	1,517
Deposits, Cash and bank balances		13,394	12,430
		105,923	111,188
TOTAL ASSETS		122,289	127,110
EQUITY AND LIABILITIES			
Current Liabilities:			
Trade and Other payables		9,950	24,036
Provision for taxation		117	88
Hire purchase payable	B7	792	669
Loans and borrowings	B7	28,081	22,674
		38,940	47,467
Non-current liabilities			
Hire purchase payables	B7	1,467	1,499
Deferred tax liabilities		135	146
		1,602	1,645
TOTAL LIABILITIES		40,542	49,112
Equity:			
Share capital		48,515	48,000
Share premium		-	515
Retained profits		32,034	27,751
Equity attributable to owners of the parent		80,549	76,266
Non-controlling Interests		1,198	1,732
TOTAL EQUITY		81,747	77,998
TOTAL EQUITY AND LIABILITIES		122,289	127,110
Net assets per share attributable to owners of the parent (RM)		0.84	0.79

(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.)



誠成集團

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Unaudited Condensed Statement of Changes in Equity for the 12 months ended 31/12/2017

<----- 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
Balance at 01/01/2016	48,000	515	24,712	73,227	1,500	74,727
Total comprehensive income for the period	-	-	3,739	3,739	230	3,969
Dividends paid	-	-	(768)	(768)	-	(768)
Balance at 31/12/2016	48,000	515	27,683	76,198	1,730	77,928
Balance at 01/01/2017	48,000	515	27,751	76,266	1,732	77,998
Transition to no par value regime **	515	(515)				
Changes of ownership interest in a subsidiary A9	-	-	271	271	(756)	(485)
Total comprehensive income for the period	-	-	5,452	5,452	222	5,674
Dividends paid A6	-	-	(1,440)	(1,440)	-	(1,440)
Balance at 31/12/2017	48,515	-	32,034	80,549	1,198	81,747

** 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.)

Unaudited Condensed Statement of Cash Flows for the 12 months ended 31/12/2017

	12 months ended	
	31/12/2017	31/12/2016
	RM'000	RM'000
Cash Flows From Operating Activities:		
Profit before tax	7,607	3,089
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	1,905	1,305
Impairment loss in trade receivables	163	-
Gain on disposal property, plant and equipment	(140)	-
Interest expense	1,433	990
Interest income	(198)	(65)
Share of profits of Associate	(353)	(323)
Operating profit before changes in working capital	10,417	4,996
Working Capital Changes		
Decrease/(Increase) in trade and other receivables	(9,146)	(3,110)
(Increase)/Decrease in inventories	6,480	(4,492)
(Decrease)/Increase in trade and other payables	(6,232)	5,663
Increase/(Decrease) in Short term Trade Banker Acceptance	5,408	8,036
	(3,490)	6,097
Cash generated from operations	6,927	11,093
Interest received	198	65
Interest paid	(1,433)	(990)
Income tax refunded	205	53
Income tax paid	(1,960)	(1,236)
	(2,990)	(2,108)
Net Cash generated from operating activities	3,937	8,985
Cash Flows From Investing Activities:		
Proceeds from sale of property, plant and equipment	507	15
Purchase of property, plant and equipment	(1,111)	(248)
Acquisition of non-controlling interest	(125)	-
Net cash used in Investing Activities	(729)	(233)
Cash Flows From Financing Activities:		
Dividends paid on shares	(1,440)	(768)
Payment for hire purchase obligations	(804)	(776)
Net cash flow used in Financing Activities	(2,244)	(1,544)
Net changes in Cash and Cash Equivalents	964	7,208
Cash and Cash Equivalents at Beginning of The Period	12,430	5,046
Cash and Cash Equivalents at End of The Period	13,394	12,254

(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 12 months ended 31/12/2017

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 12 months ended 31/12/2017 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 **
MFRS 17	Insurance Contracts***

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs *
MFRS 2	Share-based Payment *
MFRS 3	Business Combinations**
MFRS 4	Insurance Contracts *
MFRS 9	Financial Instruments**
MFRS 10	Consolidated Financial Statements (1)
MFRS 11	Joint Arrangement **
MFRS 112	Income Taxes**
MFRS 123	Borrowing Costs**
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 *
IC Int 23	Uncertainty over Income Tax Treatments**

* Effective for the period beginning on or after 1 January 2018

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

*** Effective for the period beginning on or after 1 January 2021

(1) Deferred*



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Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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.

(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 12 months period ended 31/12/2017.

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.

A6. Dividends paid

There were no dividends paid by the Group during the current quarter ended 31/12/2017.



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Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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 31/12/2017</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	10,974	9,621	7,229	11,941	39,765
Reportable segment gross profit	2,528	2,565	1,526	1,631	8,250
<i>3 months ended 31/12/2016</i>					
Revenues from external customers	9,209	8,546	6,362	2,705	26,822
Reportable segment gross profit	1,793	2,276	1,459	448	5,976

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>12 months ended 31/12/2017</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	39,734	33,342	28,103	22,040	123,219
Reportable segment gross profit	5,252	9,017	6,639	2,706	23,614
<i>12 months ended 31/12/2016</i>					
Revenues from external customers	33,032	28,726	24,383	16,035	102,176
Reportable segment gross profit	3,870	7,396	5,925	2,263	19,454

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

There were no material events subsequent to the current financial quarter ended 31/12/2017 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 no changes in composition of the Group during the current quarter ended 31/12/2017, 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.



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Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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

Authorised capital commitments not recognised in the interim financial statements as at 31/12/2017 are as follows:

Approved and contracted for	RM'000
	987
	987
Analysed as follows:	
For purchase of plant and equipment	987

A12. Related party transactions

The Group's related party transactions in the current quarter and the cumulative period to date ended 31/12/2017 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	936	2	-	938
Total for type of transaction	936	2	-	938
<i>Cumulative 12 months Period:</i>				
Associate	3,715	5	-	3,720
Total for type of transaction	3,715	5	-	3,720

Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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

B1. Review of performance

	4th quarter ended			Cumulative period 12 months ended		
	31/12/2017 RM'000	31/12/2016 RM'000	Changes %	31/12/2017 RM'000	31/12/2016 RM'000	Changes %
Revenue	39,765	26,822	48.26	123,219	102,176	20.59
Operating Profit	3,847	2,359	63.08	8,512	6,062	40.42
Profit Before Interest and Tax	4,069	2,574	58.08	9,063	6,664	36.00
Profit Before Tax	3,697	2,259	63.66	7,607	5,349	42.21
Profit After Tax	2,586	1,651	56.63	5,674	3,969	42.96
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	2,608	1,549	68.37	5,452	3,739	45.81

The Group revenue for the 12 months cumulative period had increased by 20.59% from RM102.18 million as reported in the corresponding preceding period in the prior financial year to RM123.22 million.

Sales of Stainless Steel Products segment and Marine Hardware & Consumable segment accounted for approximately 51.79% of total revenue. Revenue from Other Industrial Hardware segment and Engineering Works segment constituted approximately 18.18% and 30.03% respectively of total revenue.

During the quarter under review, we recorded revenue of RM11.94 million or increased by 341.44% for Engineering Works segment as compared to RM2.70 million as reported in corresponding preceding period in prior financial year. The increased in revenue was principally attributable to completion of fabrication & installation of Double Former Glove Dipping Lines under work in progress which was recognised in the current quarter, resulting in gross profit margin of RM1.63 million as compared to RM0.49 million recorded to the previous corresponding period.

Revenue from Other Industrial Hardware segment recorded slightly increased as previous corresponding preceding period from RM6.36 million to RM7.23 million. However Other Industrial Hardware Segment contributed gross profit margin of RM1.53 million as compared to 1.46 million.

The Group profit before tax for the 12 months cumulative period had improved from RM5.35 million achieved in the corresponding preceding period in prior financial year to RM7.61 million, representing an increase of 42.21% 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

	Individual quarter ended		
	31/12/2017 RM'000	30/09/2017 RM'000	Changes %
Revenue	39,765	31,574	25.94
Operating Profit	3,847	2,045	88.12
Profit Before Interest and Tax	4,069	2,124	91.57
Profit Before Tax	3,697	1,749	111.38
Profit After Tax	2,586	1,093	136.60
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	2,608	960	171.67

The Group profit before tax of RM3.70 million for the current quarter under review was 111.38% higher compared with the profit before tax amounting to RM1.75 million of the immediate preceding quarter. This was mainly due to the higher profit margin in the current period as described in B1 above.

Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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	627	(369)
Adjustment for under provision	-	208
Deferred tax expense	484	2,094
Net tax charge	1,111	1,933

Reconciliation of Effective Tax Rate:

	Current RM'000	Year-to-Date %
Accounting Profit before tax	7,607	-
Statutory tax amount / rate	1,828	24.0%
<i>Tax Effects of Expenses Disallowed:</i>		
Depreciation of non-qualifying property, plant & equipment	59	0.8%
Other Expenses not deductible for tax purposes	28	0.4%
Other professional fee	61	0.8%
Share of results of an associate	(85)	-1.1%
Under provision of deferred tax in prior years	(166)	-2.0%
Over provision of tax expense in prior years	208	3.0%
Effective tax amount / rate	1,933	25.4%

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 be transferred to Working Capital:

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	Transfer to Working Capital as per announcement dated 19/12/2017
(ii) Working Capital	6,260	6,260	-	
(iii) Listing Expenses	1,900	1,900	-	
	11,470	8,411	3,059	

Notes of the Interim Financial Report for the 12 months ended 31/12/2017

B7. Details of Group borrowings and debts securities

The Group's borrowings securities denominated in Malaysian Ringgit as at 31/12/2017 are as follows:

	Total RM'000	Secured RM'000
Long-term:		
Hire purchase liabilities	1,467	1,467
	<u>1,467</u>	<u>1,467</u>
Short-term:		
Bills and other trade financing liabilities	28,081	28,081
Hire purchase liabilities	792	792
	<u>28,873</u>	<u>28,873</u>

B8. Profit before taxation

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

	Individual quarter ended		Cumulative period 12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
<i>1) Other operating income:</i>				
Interest income	(81)	(46)	(198)	(110)
Other income	-	(189)	-	(189)
Loss/(Gain) on disposal of property, plant and equipment	(59)	-	(140)	-
<i>2) Administration expenses & Cost of sales:</i>				
Depreciation of properties, plant & equipment	586	564	1,905	1,869
Employee benefit expenses	3,400	2,879	12,458	11,520
<i>3) Other expenses:</i>				
Impairment loss in trade receivable	163	278	163	278
Realised Forex (gains)/losses	21	(163)	156	(229)
<i>4) Finance costs:</i>				
Bank overdrafts	5	5	20	23
Bankers acceptance	330	275	1,279	1,141
Hire Purchase	33	32	135	137

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

There is no proposed dividend for current quarter.

The directors proposed a final single tier dividend of 2 Sen per share amounting to RM1,920,000.00 in respect of the financial year ended 2017, subject to the approval at the coming Annual General Meeting.

Notes of the Interim Financial Report for the 12 months ended 31/12/2017

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 31/12/2017 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>2,608</u>	<u>5,452</u>

(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 31/12/2017 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. 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.

B13. Authorisation for issue

The interim financial report was duly reviewed by Audit Committee and approved by the Board of Directors on 26/02/2018.