



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 31/12/2018

	Note	Individual quarter ended		Cumulative period 12 months ended	
		31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Revenue	A7	26,513	39,765	106,589	123,219
Cost of sales		(22,173)	(31,515)	(87,443)	(99,605)
Gross profit		4,340	8,250	19,146	23,614
Other income		95	81	307	198
Selling and distribution expenses		(824)	(844)	(2,986)	(3,145)
Administration expenses		(2,764)	(2,642)	(10,603)	(9,312)
Other expenses		(473)	(917)	(3,347)	(2,645)
Profit from operations		374	3,928	2,517	8,710
Finance costs		(482)	(372)	(1,666)	(1,434)
		(108)	3,556	851	7,276
Share of results of associate		65	141	271	353
Profit before taxation	B8	(43)	3,697	1,122	7,629
Income tax expense	B5	(192)	(1,111)	(149)	(1,933)
(Loss)/Profit after taxation		(235)	2,586	973	5,696
Total Comprehensive income for the period		(235)	2,586	973	5,696
(Loss)/Profit Attributable To:					
Owners of The Parent		(228)	2,608	954	5,474
Non-Controlling Interests		(7)	(22)	19	222
		(235)	2,586	973	5,696
Total Comprehensive income attributable to :					
Owners of The Parent		(228)	2,608	954	5,474
Non-Controlling Interests		(7)	(22)	19	222
		(235)	2,586	973	5,696
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	(0.24)	2.72	0.99	5.70
Diluted (Sen)	B11	(0.24)	2.72	0.99	5.70

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Condensed Consolidated Statement of Financial Position as at 31/12/2018

	Note	Unaudited As at 31/12/2018 RM'000	Audited As at 31/12/2017 RM'000
ASSETS			
Non-current assets:			
Property, plant and equipment		12,476	11,297
Investment in an associate		4,579	4,308
Deferred Tax Assets		1,144	761
		<u>18,199</u>	<u>16,366</u>
Current assets:			
Inventories		52,401	44,241
Trade and other receivables		39,780	48,041
Tax recoverable		1,944	999
Deposits, Cash and bank balances		10,166	13,495
		<u>104,291</u>	<u>106,776</u>
TOTAL ASSETS		<u><u>122,490</u></u>	<u><u>123,142</u></u>
EQUITY AND LIABILITIES			
Current Liabilities:			
Trade and Other payables		8,442	10,781
Provision for taxation		(97)	117
Hire purchase payable	B7	908	778
Loans and borrowings	B7	30,099	28,081
		<u>39,352</u>	<u>39,757</u>
Non-current liabilities			
Hire purchase payables	B7	2,183	1,481
Deferred tax liabilities		133	135
		<u>2,316</u>	<u>1,616</u>
TOTAL LIABILITIES		<u>41,668</u>	<u>41,373</u>
Equity:			
Share capital		48,515	48,515
Retained profits		31,092	32,058
Equity attributable to owners of the parent		<u>79,607</u>	<u>80,573</u>
Non-controlling Interests		1,215	1,196
TOTAL EQUITY		<u>80,822</u>	<u>81,769</u>
TOTAL EQUITY AND LIABILITIES		<u><u>122,490</u></u>	<u><u>123,142</u></u>
Net assets per share attributable to owners of the parent (RM)		0.83	0.84

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.)



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Unaudited Condensed Statement of Changes in Equity for the 12 months ended 31/12/2018

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

Note	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 01/01/2017	48,000	515	27,751	76,266	1,732	77,998
Transition to no par value regime **	515	(515)				
Effects of changes in stakes in a subsidiary	-	-	271	271	(756)	(485)
Total comprehensive income for the period	-	-	5,474	5,474	222	5,696
Dividends paid	-	-	(1,440)	(1,440)	-	(1,440)
Balance at 31/12/2017	48,515	-	32,056	80,571	1,198	81,769
Balance at 01/01/2018	48,515	-	32,058	80,573	1,196	81,769
Total comprehensive income for the period	-	-	954	954	19	973
Dividends paid	-	-	(1,920)	(1,920)	-	(1,920)
Balance at 31/12/2018	48,515	-	31,092	79,607	1,215	80,822

** 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 2017 and the accompanying explanatory notes attached to this interim financial report.)

Unaudited Condensed Statement of Cash Flows for the 12 months ended 31/12/2018

	12 months ended	
	31/12/2018	31/12/2017
	RM'000	RM'000
Cash Flows From Operating Activities:		
Profit before tax	1,121	7,629
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	1,830	1,905
Impairment loss in trade receivables	1,237	163
Gain on disposal property, plant and equipment	(78)	(140)
Interest expense	1,647	1,433
Interest income	(307)	(198)
Share of profits of Associate	(271)	(353)
Operating profit before changes in working capital	<u>5,179</u>	<u>10,439</u>
Working Capital Changes		
Decrease/(Increase) in trade and other receivables	6,749	(9,038)
(Increase)/Decrease in inventories	(8,160)	6,480
(Decrease)/Increase in trade and other payables	(2,064)	(5,901)
Increase/(Decrease) in Short term Trade Banker Acceptance	2,018	5,408
	<u>(1,457)</u>	<u>(3,051)</u>
Cash generated from operations	3,722	7,388
Interest received	307	198
Interest paid	(1,647)	(1,433)
Income tax refunded	485	205
Income tax paid	(2,177)	(1,960)
	<u>(3,032)</u>	<u>(2,990)</u>
Net Cash generated from operating activities	<u>690</u>	<u>4,398</u>
Cash Flows From Investing Activities:		
Proceeds from sale of property, plant and equipment	78	507
Purchase of property, plant and equipment	(1,332)	(1,111)
Acquisition of non-controlling interest	-	(485)
Net cash used in Investing Activities	<u>(1,254)</u>	<u>(1,089)</u>
Cash Flows From Financing Activities:		
Dividends paid on shares	(1,920)	(1,440)
Proceeds from bank borrowings	169	-
Payment for hire purchase obligations	(1,014)	(804)
Net cash flow used in Financing Activities	<u>(2,765)</u>	<u>(2,244)</u>
Net changes in Cash and Cash Equivalents	(3,329)	1,065
Cash and Cash Equivalents at Beginning of The Period	13,495	12,430
Cash and Cash Equivalents at End of The Period	<u>10,166</u>	<u>13,495</u>
Cash and Cash Equivalents Comprise:		
Cash and bank balances	10,166	13,495
	<u>10,166</u>	<u>13,495</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2017 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 31/12/2018

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 31/12/2018 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 31/12/2017, 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 31/12/2017.

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 31/12/2017 except for the adoption of the following Amendments/Improvement to MFRSs which are applicable to its financial statements and are relevant to its operations: -

New Malaysian Financial Reporting Standards ("MFRSs")

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1 First- time adoption of MFRSs

MFRS 2 Share-based Payment

MFRS 4 Insurance Contracts

MFRS 128 Investments in Associates and Joint Ventures

MFRS 140 Investment Property

New IC Interpretation ("IC Int")

IC Int 22 Foreign Currency Transactions and Advance Consideration

The following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued by MASB but not yet effective and have not been applied by the Group.

New MFRSs

MFRS 16 Leases *

MFRS 17 Insurance Contracts ***

Amendments/Improvements to MFRSs

MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards***

MFRS 2 Share-based Payment **

MFRS 3 Business Combinations */**

MFRS 5 Non-current Assets Held for Sale and Discontinued Operations***

MFRS 6 Exploration for and Evaluation of Mineral Resources **

MFRS 7 Financial Instruments: Disclosure ***

MFRS 9 Financial Instruments *

MFRS 10 Consolidated Financial Statements (1)

MFRS 11 Joint Arrangements *

MFRS 14 Regulatory Deferral Accounts **

MFRS 15 Revenue from Contracts with Customers***

MFRS 101 Presentation of Financial Statements **

MFRS 107 Statements of Cash Flows***

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors **



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Notes of the Interim Financial Report for the 12 months ended 31/12/2018

MFRS 112 Income Taxes *

MFRS 116 Property, Plant and Equipment***

MFRS 119 Employee Benefits *

MFRS 123 Borrowing Costs *

MFRS 128 Investments in Associates and Joint Ventures */(1)

MFRS 132 Financial Instruments: Presentation***

MFRS 134 Interim Financial Reporting**

MFRS 136 Impairment of Assets***

MFRS 137 Provisions, Contingent Liabilities and Contingent Assets **

MFRS 138 Intangible Assets **

MFRS 140 Investment Property**

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments *

Amendments to IC Int

IC Int 12 Service Concession Arrangements **

IC Int 19 Extinguishing Financial Liabilities with Equity Instruments **

IC Int 20 Stripping Costs in the Production Phase of a Surface Mine **

IC Int 22 Foreign Currency Transactions and Advance Consideration **

IC Int 132 Intangible Assets - Web Site Costs **

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

** Effective for the period beginning on or after 1 January 2020

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

(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.

(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.

Notes of the Interim Financial Report for the 12 months ended 31/12/2018

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 31/12/2018.

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 31/12/2018.

A7. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>3 months ended 31/12/2018</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	10,323	6,705	7,571	1,914	26,513
Reportable segment gross profit	774	1,693	1,554	319	4,340
<i>3 months ended 31/12/2017</i>					
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

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>12 months ended 31/12/2018</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	35,655	30,146	32,426	8,362	106,589
Reportable segment gross profit	2,832	8,293	6,819	1,202	19,146
<i>12 months ended 31/12/2017</i>					
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

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

There were no material events subsequent to the current financial quarter ended 31/12/2018 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 were no changes in composition of the Group during the current quarter ended 31/12/2018 but on 29/10/2018, KSSC has an internal restructuring to dispose of its entire 100% equity interest in K.Seng Seng Manufacturing Sdn Bhd to the Company's wholly own subsidiary, KSG Engineering Sdn Bhd.

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.



Notes of the Interim Financial Report for the 12 months ended 31/12/2018

A11. Capital commitment

There were no capital commitments either contracted upon or otherwise that had affected the Group as at the current quarter ended 31/12/2018.

A12. Related party transactions

The Group's related party transactions in the current quarter and the cumulative period to date ended 31/12/2018 are as follows:

Nature of Relationship	Sales of goods	Purchases of goods	Overdue Charges	Total for nature of relationship
	RM'000	RM'000	RM'000	RM'000
<i>Current quarter:</i>				
Associate	1,055	4	22	1,081
Total for type of transaction	1,055	4	22	1,081
<i>Cumulative 12 months Period:</i>				
Associate	4,609	13	45	4,667
Total for type of transaction	4,609	13	45	4,667

Notes of the Interim Financial Report for the 12 months ended 31/12/2018

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		
	31/12/2018 RM'000	31/12/2017 RM'000	Changes %	31/12/2018 RM'000	31/12/2017 RM'000	Changes %
Revenue	26,513	39,765	(33.33)	106,589	123,219	(13.50)
Operating Profit	279	3,847	(92.75)	2,210	8,512	(74.04)
Profit Before Interest and Tax	439	4,069	(89.21)	2,788	9,063	(69.24)
(Loss)/Profit Before Tax	(43)	3,697	(101.16)	1,122	7,629	(85.29)
Profit After Tax	(235)	2,586	(109.09)	973	5,696	(82.92)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	(228)	2,608	(108.74)	954	5,474	(82.57)

The Group revenue for the 12 months cumulative period had decreased by 13.5% from RM123.22 million as reported in the corresponding preceding period in the prior financial year to RM106.59 million.

Sales of Stainless Steel Products segment and Marine Hardware & Consumable segment accounted for approximately 64.23% of total revenue. Revenue from Other Industrial Hardware segment and Engineering Works segment constituted approximately 28.55% and 7.22% respectively of total revenue.

During the quarter under review, the Company generated revenue of RM10.32 million or decreased by 5.9% for Stainless Steel Products segment as compared to RM10.97 million as reported in corresponding preceding period in prior financial year. The Company generated revenue of RM1.91 million or decreased by 83.97% for Engineering Works segment as compared to RM11.94 million as reported in corresponding preceding period in prior financial year. This was principally due to completion of the fabrication & installation of Gloves Dipping Line in the corresponding preceding period in the prior financial year compare to current quarter under review.

Revenue from Other Industrial Hardware segment increased marginally from RM7.23 million to RM7.57 million or 4.7% as compared to previous corresponding preceding period. However this segment contributed gross profit margin of RM1.55million.

Inspite of lower revenue derived from the Marine Hardware & Consumable segment amounting to RM6.71million as compared to corresponding preceding period of RM9.62 million, this segment contributed gross profit margin of RM1.69 million.

The Group profit before tax for the 12 months cumulative period had decreased from RM7.61 million in the corresponding preceding period in prior financial year to RM1.12 million, representing a decrease of 85.29% in profit before tax. This was mainly attributable to lower revenue as described in the above and impairment loss in trade receivable of RM1.26 million.

B2. Comparison with immediate preceding quarter's results

	Individual quarter ended		
	31/12/2018 RM'000	30/9/2018 RM'000	Changes %
Revenue	26,513	31,201	(15.03)
Operating Profit	279	53	426.42
Profit Before Interest and Tax	439	319	37.62
(Loss)/Profit Before Tax	(43)	12	(458.33)
(Loss)/Profit After Tax	(235)	359	(165.46)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	(228)	440	(151.82)



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Notes of the Interim Financial Report for the 12 months ended 31/12/2018

The Group loss before tax of RM-43 thousand for the current quarter under review was 458.33% lower compared with the profit before tax amounting to RM12 thousand of the immediate preceding quarter. This was mainly attributable to impairment loss in trade receivable of 1.26 million.

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	57	(385)
Adjustment for under provision	-	(380)
Deferred tax expense	135	914
Net tax charge	192	149

Reconciliation of Effective Tax Rate:

	Current Year-to-Date RM'000	%
Accounting Profit before tax	1,122	-
Statutory tax amount / rate	201	17.9%
<i>Tax Effects of Expenses Disallowed:</i>		
Depreciation of non-qualifying property, plant & equipment	50	4.5%
Other Expenses not deductible for tax purposes	36	3.2%
Other professional fee	98	8.7%
Share of results of an associate	(49)	-4.4%
Deferred tax assets not recognised on:		
Under provision of deferred tax in prior years	193	17.0%
Over provision of tax expense in prior years	(380)	-34.0%
Effective tax amount / rate	149	13.3%

B6. Status of corporate proposals

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

B7. Details of Group borrowings and debts securities

The Group's borrowings securities denominated in Malaysian Ringgit as at 31/12/2018 are as follows:

	Total RM'000	Secured RM'000
Long-term:		
Hire purchase liabilities	2,183	2,183
	2,183	2,183
Short-term:		
Bills and other trade financing liabilities	30,099	30,099
Hire purchase liabilities	908	908
	31,007	31,007



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Notes of the Interim Financial Report for the 12 months ended 31/12/2018

B8. Profit before taxation

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

	Individual quarter ended		Cumulative period 12 months ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
<i>1) Other operating income:</i>				
Interest income	(95)	(81)	(307)	(198)
Loss/(Gain) on disposal of property, plant and equipment	(22)	(59)	(78)	(140)
<i>2) Administration expenses & Cost of sales:</i>				
Depreciation of properties, plant & equipment	516	586	1,830	1,905
Employee benefit expenses	3,475	3,400	13,691	12,458
<i>3) Other expenses:</i>				
Impairment loss in trade receivable	(21)	163	1,237	163
Realised Forex (gains)/losses	(15)	21	6	156
<i>4) Finance costs:</i>				
Bank overdrafts	6	5	22	20
Bankers acceptance	427	330	1,434	1,279
Hire Purchase	45	33	192	135

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 except for Koseng Sdn Bhd ("Plaintiff"), a 75% subsidiary of the Group had filed a Writ of Summon dated 12/11/2018 against Phuah Huat Trading ("Defendant"), demanding for the sum of RM1,141,600 being Trade Receivables due to the Plaintiff.

B10. Proposed Dividends

There is no proposed dividend for current quarter.

The directors proposed a final single tier dividend of 0.5 Sen per share amounting to RM480,000.00 in respect of the financial year ended 2018, subject to the shareholders' approval at the forthcoming Annual General Meeting.

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 31/12/2018 are as follows:

	Current Quarter RM'000	Current Year-to-Date RM'000
(Loss)/Profit for the financial period attributable to owners of the Parent (used as numerator for the Basic EPS)	<u>(228)</u>	<u>954</u>



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(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 31/12/2018 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 31/12/2017 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 26/02/2019.