



誠成集團

K. SENG SENG CORPORATION BERHAD

(Registration No. 198501000983 (133427 W))

(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 9 months ended 30/09/2019**

	Note	Individual quarter ended		Cumulative period 9 months ended	
		30/09/2019	30/9/2018	30/09/2019	30/9/2018
		RM'000	RM'000	RM'000	RM'000
Revenue	A7	27,252	31,201	76,725	80,076
Cost of sales		(22,523)	(25,855)	(63,923)	(65,270)
<b>Gross profit</b>		<b>4,729</b>	<b>5,346</b>	<b>12,802</b>	<b>14,806</b>
<b>Other income</b>		<b>37</b>	<b>167</b>	<b>128</b>	<b>324</b>
Selling and distribution expenses		(688)	(858)	(2,236)	(2,273)
Administration expenses		(2,373)	(2,674)	(7,291)	(7,839)
Other expenses		(530)	(1,761)	(1,697)	(2,875)
<b>Profit from operations</b>		<b>1,175</b>	<b>220</b>	<b>1,706</b>	<b>2,143</b>
Finance costs		(440)	(307)	(1,285)	(1,184)
		735	(87)	421	959
Share of results of associate		14	99	43	205
<b>Profit before taxation</b>	B8	<b>749</b>	<b>12</b>	<b>464</b>	<b>1,164</b>
Income tax expense	B5	(28)	347	(123)	44
<b>Profit after taxation</b>		<b>721</b>	<b>359</b>	<b>341</b>	<b>1,208</b>
<b>Total Comprehensive income for the period</b>		<b>721</b>	<b>359</b>	<b>341</b>	<b>1,208</b>
<b>Profit Attributable To:</b>					
Owners of The Parent		667	440	264	1,183
Non-Controlling Interests		54	(81)	77	25
		721	359	341	1,208
<b>Total Comprehensive income attributable to :</b>					
Owners of The Parent		667	440	264	1,183
Non-Controlling Interests		54	(81)	77	25
		721	359	341	1,208
<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	0.69	0.46	0.28	1.23
Diluted (Sen)	B11	0.69	0.46	0.28	1.23

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.)

**Condensed Consolidated Statement of Financial Position as at 30/09/2019**

	Note	Unaudited As at 30/09/2019 RM'000	Audited As at 31/12/2018 RM'000
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		11,784	12,476
Investment in an associate		4,622	4,579
Deferred Tax Assets		1,462	1,144
		<u>17,868</u>	<u>18,199</u>
<b>Current assets:</b>			
Inventories		61,383	52,401
Trade and other receivables		42,067	41,533
Tax recoverable		2,366	2,043
Deposits, Cash and bank balances		3,389	10,166
		<u>109,205</u>	<u>106,143</u>
<b>TOTAL ASSETS</b>		<u><u>127,073</u></u>	<u><u>124,342</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities:</b>			
Trade and Other payables		15,366	10,130
Provision for taxation		-	3
Hire purchase payable	B7	913	976
Loans and borrowings	B7	27,913	30,100
		<u>44,192</u>	<u>41,209</u>
<b>Non-current liabilities</b>			
Hire purchase payables	B7	2,075	2,116
Deferred tax liabilities		61	133
		<u>2,136</u>	<u>2,249</u>
<b>TOTAL LIABILITIES</b>		<u>46,328</u>	<u>43,458</u>
<b>Equity:</b>			
Share capital		48,515	48,515
Retained profits		30,939	31,155
<b>Equity attributable to owners of the parent</b>		<u>79,454</u>	<u>79,670</u>
Non-controlling Interests		1,291	1,214
<b>TOTAL EQUITY</b>		<u>80,745</u>	<u>80,884</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>127,073</u></u>	<u><u>124,342</u></u>
<b>Net assets per share attributable to owners of the parent (RM)</b>		<b>0.83</b>	<b>0.83</b>

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



誠成集團

K. SENG SENG CORPORATION BERHAD

(Registration No. 198501000983 (133427 W))

(Incorporated in Malaysia)

Unaudited Condensed Statement of Changes in Equity for the 9 months ended 30/09/2019

---- Attributable to Owners of Parent ----

Note	Share Capital	Retained Profits	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at 01/01/2018</b>	48,515	32,058	80,573	1,196	81,769
Total comprehensive income for the period	-	1,183	1,183	25	1,208
Dividends paid	-	(1,920)	(1,920)	-	(1,920)
<b>Balance at 30/09/2018</b>	<b>48,515</b>	<b>31,321</b>	<b>79,836</b>	<b>1,221</b>	<b>81,057</b>
<b>Balance at 01/01/2019</b>	48,515	31,155	79,670	1,214	80,884
Total comprehensive income for the period	-	264	264	77	341
Dividends paid	-	(480)	(480)	-	(480)
<b>Balance at 30/09/2019</b>	<b>48,515</b>	<b>30,939</b>	<b>79,454</b>	<b>1,291</b>	<b>80,745</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.)

**Unaudited Condensed Statement of Cash Flows for the 9 months ended 30/09/2019**

	9 months ended	
	30/09/2019	30/9/2018
	RM'000	RM'000
<b>Cash Flows From Operating Activities:</b>		
<b>Profit before tax</b>	464	1,164
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	1,347	1,314
Impairment loss in trade receivables	-	1,257
Gain on disposal property, plant and equipment	(17)	(56)
Interest expense	1,263	1,169
Interest income	(128)	(663)
Share of profits of Associate	(43)	(205)
<b>Operating profit before changes in working capital</b>	<b>2,886</b>	<b>3,980</b>
<b>Working Capital Changes</b>		
Decrease/(Increase) in trade and other receivables	457	5,182
(Increase)/Decrease in inventories	(8,981)	(10,245)
(Decrease)/Increase in trade and other payables	4,243	2
Increase/(Decrease) in Short term Trade Banker Acceptance	(3,142)	6,712
	<b>(7,423)</b>	<b>1,651</b>
<b>Cash generated from operations</b>	<b>(4,537)</b>	<b>5,631</b>
Interest received	128	663
Interest paid	(1,263)	(1,169)
Income tax refunded	439	318
Income tax paid	(1,278)	(1,818)
	<b>(1,974)</b>	<b>(2,006)</b>
<b>Net Cash generated from operating activities</b>	<b>(6,511)</b>	<b>3,625</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of property, plant and equipment	29	56
Purchase of property, plant and equipment	(470)	(156)
<b>Net cash used in Investing Activities</b>	<b>(441)</b>	<b>(100)</b>
<b>Cash Flows From Financing Activities:</b>		
Dividends paid on shares	(480)	(1,920)
Proceeds from bank borrowings	-	170
Payment for hire purchase obligations	(301)	(1,286)
<b>Net cash flow used in Financing Activities</b>	<b>(781)</b>	<b>(3,036)</b>
<b>Net changes in Cash and Cash Equivalents</b>	<b>(7,733)</b>	<b>489</b>
<b>Cash and Cash Equivalents at Beginning of The Period</b>	<b>10,166</b>	<b>13,495</b>
<b>Cash and Cash Equivalents at End of The Period</b>	<b>2,433</b>	<b>13,984</b>
<b>Cash and Cash Equivalents Comprise:</b>		
Cash and bank balances	3,389	13,984
Bank overdrafts	(956)	-
	<b>2,433</b>	<b>13,984</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.)*

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

**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 9 months ended 30/09/2019 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 31/12/2018, 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 31/12/2018.

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 31/12/2018 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 16 Leases

Amendments/Improvements to MFRSs

MFRS 3 Business Combinations

MFRS 9 Financial Instruments

MFRS 11 Joint Arrangements

MFRS 112 Income Taxes

MFRS 119 Employee Benefits

MFRS 123 Borrowing Costs

MFRS 128 Investments in Associates and Joint Ventures

New IC Interpretation ("IC Int")

IC Int 23 Uncertainty over Income Tax Treatments

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 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: Disclosures \*\*\*

MFRS 9 Financial Instruments \*\*\*

MFRS 10 Consolidated Financial Statements (1)

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

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

MFRS 116 Property, Plant and Equipment\*\*\*  
 MFRS 119 Employee Benefits \*\*\*  
 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\*\*\*

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.

**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 9 months period ended 30/09/2019.

**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 30/09/2019.



誠成集團

**K. SENG SENG CORPORATION BERHAD**

(Registration No. 198501000983 (133427 W))  
(Incorporated in Malaysia)

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

**A7. Operating Segment Information**

For management purposes, the Group is categories its 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 30/09/2019</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	9,642	8,828	6,893	1,889	<b>27,252</b>
Reportable segment gross profit	1,155	2,001	1,492	81	<b>4,729</b>
<i>3 months ended 30/09/2018</i>					
Revenues from external customers	9,968	8,532	10,019	2,682	<b>31,201</b>
Reportable segment gross profit	897	2,247	1,946	256	<b>5,346</b>

	Stainless steel products	Marine hardware & consumable	Other industrial hardware	Engineering Works	Total
<i>9 months ended 30/09/2019</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	26,318	22,296	22,745	5,366	<b>76,725</b>
Reportable segment gross profit	2,758	5,124	4,617	303	<b>12,802</b>
<i>9 months ended 30/09/2018</i>					
Revenues from external customers	25,332	23,441	24,855	6,448	<b>80,076</b>
Reportable segment gross profit	2,058	6,601	5,265	882	<b>14,806</b>

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

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

There were no material events subsequent to the current financial quarter ended 30/09/2019 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 30/09/2019.

**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 30/09/2019.

**A12. Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period to date ended 30/09/2019 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	254	2	37	293
Total for type of transaction	<b>254</b>	<b>2</b>	<b>37</b>	<b>293</b>
<i>Cumulative 9 months Period:</i>				
Associate	3,361	2	89	3,452
Total for type of transaction	<b>3,361</b>	<b>2</b>	<b>89</b>	<b>3,452</b>



**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

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

**B1. Review of performance**

	3rd quarter ended			Cumulative period 9 months ended		
	30/9/2019	30/9/2018	Changes	30/9/2019	30/9/2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	27,252	31,201	(12.66)	76,725	80,076	(4.18)
<b>Operating Profit</b>	<b>1,138</b>	<b>53</b>	<b>2047.17</b>	<b>1,578</b>	<b>1,819</b>	<b>(13.25)</b>
Profit Before Interest and Tax	1,189	319	272.73	1,749	2,348	(25.51)
Profit Before Tax	749	12	6141.67	464	1,164	(60.14)
<b>Profit After Tax</b>	<b>721</b>	<b>359</b>	<b>100.84</b>	<b>341</b>	<b>1,208</b>	<b>(71.77)</b>
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	667	440	51.59	264	1,183	(77.68)

The Group revenue for the 9 months cumulative period had decreased by 4.18% from RM80.08 million as reported in the corresponding preceding period in the prior financial year to RM76.73 million.

Sales of Stainless Steel Products segment and Marine Hardware & Consumable segment accounted for approximately 67.8% of its total revenue. Revenue from Other Industrial Hardware segment and Engineering Works segment constituted approximately 25.3% and 6.9% respectively.

During the quarter under review, the Company generated revenue of RM9.64 million or decreased by 3.27% for Stainless Steel Products segment as compared to RM9.97 million as reported in corresponding preceding period in prior financial year. However this segment contributed gross profit margin of RM1.16 million.

The Company recorded a lower revenue of RM1.89 million or decreased by 29.57% in Engineering Works segment as compared to RM2.68 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.

Revenue from Other Industrial Hardware segment decreased from RM10.02 million to RM6.89 million or 31.2% as compared to previous corresponding preceding period. The decreased in revenue was principally due to less demand in the industry.

In spite of revenue derived from the Marine Hardware & Consumable segment amounting to RM8.83 million as compared to corresponding preceding period of RM8.53 million, nevertheless this segment contributed gross profit of RM2 million.

The Group profit before tax for the 9 months cumulative period had decreased from RM1.16 million in the corresponding preceding period in prior financial year to RM0.46 million representing a decrease of 60.14% in profit before tax. However, the net profit generated this quarter has enabled the Group to achieve profitability in this cumulative period.

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

	Individual quarter ended		
	30/9/2019	30/6/2019	Changes
	RM'000	RM'000	%
Revenue	27,252	27,759	(1.83)
<b>Operating Profit</b>	<b>1,138</b>	<b>781</b>	<b>45.71</b>
Profit Before Interest and Tax	1,189	865	37.46
Profit Before Tax	749	474	58.02
<b>Profit After Tax</b>	<b>721</b>	<b>328</b>	<b>119.82</b>
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	667	335	99.10

### Notes of the Interim Financial Report for the 9 months ended 30/09/2019

The Group profit before tax of RM749,000 for the current quarter under review was higher by 58.02% compared with the profit before tax amounting to RM474,000 in the immediate preceding quarter.

#### 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	243	601
Deferred tax expense	(215)	(478)
Net tax charge	<u>28</u>	<u>123</u>
Reconciliation of Effective Tax Rate:		
	Current Year-to-Date RM'000	%
<b>Accounting Profit before tax</b>	<u>464</u>	-
Statutory tax amount / rate	119	25.7%
<i>Tax Effects of Expenses Disallowed:</i>		
Depreciation of non-qualifying property, plant & equipment	7	1.5%
Other Expenses not deductible for tax purposes	30	6.5%
Other professional fee	82	17.7%
Share of results of an associate	4	0.9%
Over/(Under) provision of deferred tax in prior years	(30)	-6.0%
Over provision of tax expense in prior years	(89)	-19.0%
<b>Effective tax amount / rate</b>	<u>123</u>	<u>26.5%</u>

#### 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 30/09/2019 are as follows:

	Total RM'000	Secured RM'000
Long-term:		
Hire purchase liabilities	2,075	2,075
	<u>2,075</u>	<u>2,075</u>
Short-term:		
Bills and other trade financing liabilities	26,957	26,957
Hire purchase liabilities	913	913
Bank overdrafts	956	956
	<u>28,826</u>	<u>28,826</u>

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

**B8. (Loss)/Profit before taxation**

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

	Individual quarter ended		Cumulative period 9 months ended	
	30/09/2019	30/9/2018	30/09/2019	30/9/2018
	RM'000	RM'000	RM'000	RM'000
<i>1) Other operating income:</i>				
Interest income	(37)	(290)	(128)	(663)
Loss/(Gain) on disposal of property, plant and equipment	-	-	(17)	(56)
<i>2) Administration expenses &amp; Cost of sales:</i>				
Depreciation of properties, plant & equipment	466	475	1,347	1,314
Employee benefit expenses	3,213	3,486	9,658	10,209
<i>3) Other expenses:</i>				
Impairment loss in trade receivable	-	1,257	-	1,257
Realised Forex (gains)/losses	(2)	(39)	70	21
<i>4) Finance costs:</i>				
Bank overdrafts	12	5	28	16
Bankers acceptance	371	250	1,090	1,007
Hire Purchase	48	46	145	146

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**

The Directors do not recommend any dividend for the current quarter ended 30/09/2019.

**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 30/09/2019 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>667</u>	<u>264</u>

**Notes of the Interim Financial Report for the 9 months ended 30/09/2019**

(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 30/09/2019 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 31/12/2018 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 20/11/2019.