



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 3 months ended 31/03/2020**

	Note	Individual quarter ended		Cumulative period 3 months ended	
		31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Revenue	A7	22,393	21,714	22,393	21,714
Cost of sales		(18,850)	(18,292)	(18,850)	(18,292)
<b>Gross profit</b>		<b>3,543</b>	<b>3,422</b>	<b>3,543</b>	<b>3,422</b>
<b>Other income</b>		<b>9</b>	<b>52</b>	<b>9</b>	<b>52</b>
Selling and distribution expenses		(589)	(660)	(589)	(660)
Administration expenses		(2,563)	(2,534)	(2,563)	(2,534)
Other expenses		(558)	(573)	(558)	(573)
<b>Loss from operations</b>		<b>(158)</b>	<b>(293)</b>	<b>(158)</b>	<b>(293)</b>
Finance costs		(341)	(454)	(341)	(454)
		(499)	(747)	(499)	(747)
Share of results of associate		57	(16)	57	(16)
<b>Loss before taxation</b>	B8	<b>(442)</b>	<b>(763)</b>	<b>(442)</b>	<b>(763)</b>
Income tax expense	B5	(72)	51	(72)	51
<b>Loss after taxation</b>		<b>(514)</b>	<b>(712)</b>	<b>(514)</b>	<b>(712)</b>
<b>Total comprehensive loss for the period</b>		<b>(514)</b>	<b>(712)</b>	<b>(514)</b>	<b>(712)</b>
<b>(Loss)/Profit Attributable To:</b>					
Owners of The Parent		(546)	(742)	(546)	(742)
Non-Controlling Interests		32	30	32	30
		(514)	(712)	(514)	(712)
<b>Total comprehensive (loss)/ income attributable to :</b>					
Owners of The Parent		(546)	(742)	(546)	(742)
Non-Controlling Interests		32	30	32	30
		(514)	(712)	(514)	(712)
<b>Weighted average number of ordinary shares in issue ('000)</b>	B11	<b>96,000</b>	96,000	<b>96,000</b>	96,000
<b>Earnings per share attributable to owners of the parent :</b>					
Basic (Sen)	B11	<b>(0.57)</b>	(0.77)	<b>(0.57)</b>	(0.77)
Diluted (Sen)	B11	<b>(0.57)</b>	(0.77)	<b>(0.57)</b>	(0.77)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)

**Condensed Consolidated Statement of Financial Position as at 31/03/2020**

	Note	Unaudited As at 31/03/2020 RM'000	Audited As at 31/12/2019 RM'000
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		12,280	12,742
Investment in an associate		4,804	4,747
Deferred Tax Assets		683	686
		<u>17,767</u>	<u>18,175</u>
<b>Current assets:</b>			
Inventories		54,648	58,137
Trade and other receivables		37,932	38,082
Tax recoverable		916	783
Deposits, Cash and bank balances		5,010	8,609
		<u>98,506</u>	<u>105,611</u>
<b>TOTAL ASSETS</b>		<u><u>116,273</u></u>	<u><u>123,786</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities:</b>			
Trade and Other payables		13,255	18,325
Provision for taxation		-	36
Lease liabilities	B7	1,362	1,514
Loans and borrowings	B7	21,001	22,588
		<u>35,618</u>	<u>42,462</u>
<b>Non-current liabilities</b>			
Lease liabilities	B7	2,363	2,533
Deferred tax liabilities		152	138
		<u>2,515</u>	<u>2,671</u>
<b>TOTAL LIABILITIES</b>		<u>38,133</u>	<u>45,133</u>
<b>Equity:</b>			
Share capital		48,515	48,515
Retained profits		28,298	28,843
<b>Equity attributable to owners of the parent</b>		<u>76,813</u>	<u>77,358</u>
Non-controlling Interests		1,327	1,295
<b>TOTAL EQUITY</b>		<u>78,140</u>	<u>78,653</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>116,273</u></u>	<u><u>123,786</u></u>
<b>Net assets per share attributable to owners of the parent (RM)</b>		<b>0.80</b>	0.81

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)*

**Unaudited Condensed Statement of Changes in Equity for the 3 months ended 31/03/2020**

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

Note	Share Capital RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 01/01/2019</b>	48,515	31,155	<b>79,670</b>	1,214	<b>80,884</b>
Total comprehensive (loss)/ income for the period	-	(742)	<b>(742)</b>	30	<b>(712)</b>
Dividends paid	-	-	-	-	-
<b>Balance at 31/03/2019</b>	<b>48,515</b>	<b>30,413</b>	<b>78,928</b>	<b>1,244</b>	<b>80,172</b>
<b>Balance at 01/01/2020</b>	48,515	28,843	<b>77,358</b>	1,295	<b>78,653</b>
Total comprehensive (loss)/income for the period	-	(546)	<b>(546)</b>	32	<b>(514)</b>
<b>Balance at 31/03/2020</b>	<b>48,515</b>	<b>28,298</b>	<b>76,813</b>	<b>1,327</b>	<b>78,140</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 2019 and the accompanying explanatory notes attached to this interim financial report.)*

**Unaudited Condensed Statement of Cash Flows for the 3 months ended 31/03/2020**

	3 months ended	
	31/03/2020	31/03/2019
	RM'000	RM'000
<b>Cash Flows From Operating Activities:</b>		
<b>Loss before tax</b>	<b>(442)</b>	<b>(763)</b>
<i>Adjustments for :</i>		
Depreciation of property, plant and equipment	521	432
Gain on disposal property, plant and equipment	(1)	(17)
Interest expense	325	447
Interest on lease liabilities	10	-
Interest income	(9)	51
Share of profits of Associate	(57)	16
<b>Operating profit before changes in working capital</b>	<b>347</b>	<b>166</b>
<b>Working Capital Changes</b>		
Decrease/(Increase) in trade and other receivables	(438)	4,996
(Increase)/Decrease in inventories	3,489	(10,454)
(Decrease)/Increase in trade and other payables	(4,431)	1,314
Increase/(Decrease) in Short term Trade Banker Acceptance	(1,587)	3,543
	<b>(2,967)</b>	<b>(601)</b>
<b>Cash generated from operations</b>	<b>(2,620)</b>	<b>(435)</b>
Interest received	9	(51)
Interest paid	(335)	(447)
Income tax refunded	-	66
Income tax paid	(224)	(406)
	<b>(550)</b>	<b>(838)</b>
<b>Net Cash generated from operating activities</b>	<b>(3,170)</b>	<b>(1,273)</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from sale of property, plant and equipment	1	17
Purchase of property, plant and equipment	(59)	(203)
<b>Net cash used in Investing Activities</b>	<b>(58)</b>	<b>(186)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from bank borrowings	63	-
Payment of lease liabilities	(141)	-
Payment for hire purchase obligations	(243)	(361)
<b>Net cash flow used in Financing Activities</b>	<b>(321)</b>	<b>(361)</b>
<b>Net changes in Cash and Cash Equivalents</b>	<b>(3,549)</b>	<b>(1,820)</b>
<b>Cash and Cash Equivalents at Beginning of The Period</b>	<b>8,559</b>	<b>10,166</b>
<b>Cash and Cash Equivalents at End of The Period</b>	<b>5,010</b>	<b>8,346</b>
<b>Cash and Cash Equivalents Comprise:</b>		
Cash and bank balances	5,010	8,346
	<b>5,010</b>	<b>8,346</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)*



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## Notes of the Interim Financial Report for the 3 months ended 31/03/2020

### 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 3 months ended 31/03/2020 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 31/12/2019, 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 31/12/2019.

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 31/12/2019 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, and amendments/improvements to MFRSs 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 3 Business Combinations \*/\*\*/\*

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

MFRS 7 Financial Instruments: Disclosures \*/\*\*/\*

MFRS 9 Financial Instruments \*/\*\*/\*

MFRS 10 Consolidated Financial Statements (1)

MFRS 15 Revenue from Contracts with Customers\*\*\*\*

MFRS 16 Leases\*\*/\*

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 3 months ended 31/03/2020

MFRS 116 Property, Plant and Equipment\*\*\*/\*\*  
MFRS 119 Employee Benefits \*\*\*\*  
MFRS 128 Investments in Associates and Joint Ventures \*/\*\*\*\*  
MFRS 132 Financial Instruments: Presentation\*\*\*\*  
MFRS 136 Impairment of Assets\*\*\*\*  
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets \*\*\*/\*\*\*\*  
MFRS 138 Intangible Assets \*\*\*\*  
MFRS 139 Financial Instruments: Recognition and Measurement\*  
MFRS 140 Investment Property\*\*\*\*  
MFRS 141 Agriculture\*\*\*

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

\*\* Effective for the period beginning on or after 1 June 2020

\*\*\* Effective for the period beginning on or after 1 January 2022

\*\*\*\* Effective for the period beginning on or after 1 January 2023

(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 3 months period ended 31/03/2020.

### 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 31/03/2020.



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**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

**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 31/03/2020</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenues from external customers	7,888	6,856	5,886	1,763	<b>22,393</b>
Reportable segment gross profit/(loss)	711	1,572	1,294	(34)	<b>3,543</b>
<i>3 months ended 31/03/2019</i>					
Revenues from external customers	8,088	5,789	6,915	922	<b>21,714</b>
Reportable segment gross profit	503	1,413	1,425	81	<b>3,422</b>



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**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

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

There were no material events subsequent to the current financial quarter ended 31/03/2020 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 31/03/2020.

**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 31/03/2020.

**A12. Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period to date ended 31/03/2020 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	-	3	4	7
Total for type of transaction	-	<b>3</b>	<b>4</b>	<b>7</b>
<i>Cumulative 3 months Period:</i>				
Associate	-	3	4	7
Total for type of transaction	-	<b>3</b>	<b>4</b>	<b>7</b>



**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

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

**B1. Review of performance**

	1st quarter ended			Cumulative period 3 months ended		
	31/03/2020 RM'000	31/03/2019 RM'000	Changes %	31/03/2020 RM'000	31/03/2019 RM'000	Changes %
Revenue	22,393	21,714	3.13	22,393	21,714	3.13
<b>Operating (Loss)/Profit</b>	<b>(167)</b>	<b>(345)</b>	<b>(51.74)</b>	<b>(167)</b>	<b>(345)</b>	<b>(51.74)</b>
(Loss)/Profit Before Interest and Tax	(101)	(309)	(67.48)	(101)	(309)	(67.48)
(Loss)/Profit Before Tax	(442)	(763)	(42.14)	(442)	(763)	(42.14)
<b>(Loss)/Profit After Tax</b>	<b>(514)</b>	<b>(712)</b>	<b>(27.88)</b>	<b>(514)</b>	<b>(712)</b>	<b>(27.88)</b>
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	(546)	(742)	(26.48)	(546)	(742)	(26.48)

The Group revenue for the 3 months cumulative period had increased by 3.13% from RM21.71 million as reported in the corresponding preceding period in the prior financial year to RM22.39 million.

Sales of Stainless Steel Products segment and Marine Hardware & Consumable segment accounted for approximately 65.8% of its total revenue. Revenue from Other Industrial Hardware segment and Engineering Works segment constituted approximately 26.3% and 7.9% respectively.

During the quarter under review, we recorded revenue of RM1.76 million or increased by 91.2% for Engineering Works segment as compared to RM922 thousand as reported in corresponding preceding period in prior financial year.

The Company generated revenue of RM7.89 million or decreased by 2.5% for Stainless Steel Products segment as compared to RM8.1 million as reported in corresponding preceding period in prior financial year. However this segment contributed gross profit margin of RM711 thousand.

Revenue from Other Industrial Hardware segment decreased from RM6.92 million to RM5.89 million or 14.9% as compared to previous corresponding preceding period. The decreased in revenue was principally due to less demand in the industry.

Despite the declined revenue in other industrial hardware, our revenue from Marine Hardware & Consumable segment increased from RM5.79 million in the corresponding preceding period in prior financial year to RM6.86 million. This was mainly due to our sales and marketing team secured existing customers increase in purchase orders from local customers

The Group (loss) before tax for the 3 months cumulative period had decreased from loss before tax of RM0.76 million in the corresponding preceding period in prior financial year to loss before tax of RM0.44 million representing a decrease of 42.14% .

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

	Individual quarter ended		
	31/03/2020 RM'000	31/12/2019 RM'000	Changes %
Revenue	22,393	30,746	(27.17)
<b>Operating (Loss)/Profit</b>	<b>(167)</b>	<b>(951)</b>	<b>(82.49)</b>
(Loss)/Profit Before Interest and Tax	(101)	(856)	(88.26)
(Loss)/Profit Before Tax	(442)	(1,244)	(64.51)
<b>(Loss)/Profit After Tax</b>	<b>(514)</b>	<b>(2,293)</b>	<b>(77.61)</b>
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	(546)	(2,300)	(76.28)

The Group loss before tax of RM442,000 for the current quarter under review was lower by 64.51% compared with the loss before tax amounting to RM1,244,000 in the immediate preceding quarter.

**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

**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	54	54
Deferred tax expense	18	18
Net tax charge	<u>72</u>	<u>72</u>
Reconciliation of Effective Tax Rate:		Current Year-to-Date RM'000                  %
<b>Accounting Profit before tax</b>		<b>(442)</b> -
Statutory tax amount / rate		(105)                  23.8%
<i>Tax Effects of Expenses Disallowed:</i>		
Depreciation of non-qualifying property, plant & equipment		(7)                  1.6%
Other Expenses not deductible for tax purposes		6                  -1.4%
Other professional fee		27                  -6.1%
Share of results of an associate		(14)                  3.2%
Deferred tax assets not recognised		161                  -36.5%
Over/(Under) provision of deferred tax in prior years		4                  -1.0%
<b>Effective tax amount / rate</b>		<b>72</b> <b>-16.3%</b>

**B6. Status of corporate proposals**

**(a) 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 31/03/2020 are as follows:

	Total RM'000	Secured RM'000
Long-term:		
Lease liabilities	2,363	2,363
	<u>2,363</u>	<u>2,363</u>
Short-term:		
Bills and other trade financing liabilities	21,001	21,001
Lease liabilities	1,362	1,362
	<u>22,363</u>	<u>22,363</u>

**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

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

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

	Individual quarter ended		Cumulative period 3 months ended	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
<i>1) Other operating income:</i>				
Interest income	(9)	(51)	(9)	(51)
Gain on disposal of property, plant and equipment	(1)	(17)	(1)	(17)
<i>2) Administration expenses &amp; Cost of sales:</i>				
Depreciation of properties, plant & equipment	521	432	521	432
Employee benefit expenses	3,309	3,388	3,309	3,388
<i>3) Other expenses/(Reversal):</i>				
Realised Forex (gains)/losses	29	80	29	80
<i>4) Finance costs:</i>				
Bank overdrafts	5	6	5	6
Bankers acceptance	275	389	275	389
Hire Purchase	45	52	45	52
Interest on lease liabilities	10	-	10	-

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 for the current quarter ended 31/03/20.

**B10. Proposed Dividends**

The Directors do not recommend any dividend for the current quarter ended 31/03/2020.

**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 31/03/2020 are as follows:

	Current Quarter RM'000	Current Year-to-Date RM'000
Loss for the financial period attributable to owners of the Parent (used as numerator for the Basic EPS)	<u>(546)</u>	<u>(546)</u>

**Notes of the Interim Financial Report for the 3 months ended 31/03/2020**

(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 31/03/2020 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 31/12/2019 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 24/06/2020.