



**CHUAN HUAT RESOURCES BERHAD
(290729-W)**

Condensed Consolidated Financial Statements
For the Third Quarter and Period Ended
30 September 2018

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position
As at 30 September 2018**

(The figures below have not been audited)

	Unaudited As at 30/09/18 (RM'000)	Audited As at 31/12/17 (RM'000)
ASSETS		
Non-Current assets		
Property, plant & equipment	182,930	169,451
Investment properties	42,932	42,443
Investments	3,407	4,163
Intangible assets	-	77
	<u>229,269</u>	<u>216,134</u>
Current assets		
Inventories	108,528	108,534
Trade & other receivables	204,737	215,794
Cash & cash equivalents	10,511	20,160
	<u>323,776</u>	<u>344,488</u>
TOTAL ASSETS	553,045	560,622
EQUITY AND LIABILITIES		
Share Capital	84,335	84,335
Reserves	184,133	188,096
	<u>268,468</u>	<u>272,431</u>
Non-controlling interest	15,703	15,011
Total equity	<u>284,171</u>	<u>287,442</u>
Non-current liabilities		
Borrowings	20,952	25,577
Deferred tax liabilities	8,093	6,974
	<u>29,045</u>	<u>32,551</u>
Current liabilities		
Trade & other payables	68,590	54,128
Borrowings	170,766	186,393
Taxation	473	108
	<u>239,829</u>	<u>240,629</u>
Total liabilities	<u>268,874</u>	<u>273,180</u>
TOTAL EQUITY AND LIABILITIES	553,045	560,622
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.59</u>	<u>1.61</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2017

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)
Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter and Period ended 30 September 2018
 (The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30/09/18 (RM'000)	30/09/17 (RM'000)	30/09/18 (RM'000)	30/09/17 (RM'000)
Revenue	182,869	189,106	516,980	499,673
Operating expenses	(180,121)	(183,302)	(506,608)	(481,129)
Other income	247	508	3,021	3,709
Operating profit	2,995	6,312	13,393	22,253
Depreciation and amortisation	1,115	(1,882)	(3,000)	(5,652)
Interest expenses	(2,232)	(1,918)	(7,046)	(5,923)
Interest income	216	261	623	697
Provision for and write off of receivables	(188)	(226)	(2,851)	(2,264)
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	26	-	151	5
Impairment of assets	-	-	-	-
Foreign exchange gain or (loss)	(39)	(30)	21	(34)
Profit from operation	1,893	2,517	1,291	9,082
Fair value gain on investment properties	-	-	-	-
Profit before tax	1,893	2,517	1,291	9,082
Taxation	(1,471)	(1,007)	(3,163)	(3,632)
Profit for the period	422	1,510	(1,872)	5,450
Other Comprehensive Income net of tax	71	984	56	2,958
Total Comprehensive Income for the period	493	2,494	(1,816)	8,408
Profit attributable to:-				
Owner of the parent	347	1,328	(2,164)	4,765
Non-controlling interest	75	182	292	685
Profit for the period	422	1,510	(1,872)	5,450
Comprehensive Income attributable to:-				
Owner of the parent	418	2,312	(2,108)	7,723
Non-controlling interest	75	182	292	685
Comprehensive Income for the period	493	2,494	(1,816)	8,408
Earnings per share (sen):-				
Basic and diluted earnings per share	0.21	0.79	(1.28)	2.83

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2017.

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Changes in Equity****For the Period ended 30 September 2018**

(The figures below have not been audited)

	Attributable to equity holders of the Company						Total (RM'000)	Minority interests (RM'000)	Total Equity (RM'000)
	Non – Distributable			Distributable					
	Share Capital (RM'000)	Capital Reserve (RM'000)	Warrant Reserve (RM'000)	Exchange Translation Reserve (RM'000)	Revaluation Reserve (RM'000)	Retained Earnings (RM'000)			
At 1 January 2018	84,335	21,923	-	309	75,268	90,596	272,431	15,011	287,442
Total comprehensive income for the year	-	-	-	56	-	(2,164)	(2,108)	292	(1,816)
Increase paid-up capital	-	-	-	-	-	-	-	400	400
Dividend paid	-	-	-	-	-	(1,855)	(1,855)	-	(1,855)
At 30 September 2018	84,335	21,923	-	365	75,268	86,577	268,468	15,703	284,171
At 1 January 2017	84,335	21,923	566	756	71,033	86,817	265,430	14,538	279,968
Total comprehensive income for the year	-	-	-	(130)	3,088	4,765	7,723	685	8,408
Transferred to retained profits upon expiry of warrant 2011/2016	-	-	-	-	-	-	-	-	-
Increase paid-up capital	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(3,036)	(3,036)	-	(3,036)
At 30 September 2017	84,335	21,923	566	626	74,121	88,546	270,117	15,223	285,340

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2017

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows
For the Period ended 30 September 2018***(The figures below have not been audited)*

	9 months ended	
	30/09/18	30/09/17
	(RM'000)	(RM'000)
Cash flows from operating activities		
Profit/(loss) before tax from operation	1,291	9,082
Adjustment for non-cash items :-		
Depreciation and amortization	3,000	5,652
Interest expenses	7,046	5,923
Interest income	(623)	(697)
Provision for and write off of receivables	2,851	2,264
Provision for and write off of inventories	-	-
Non-cash items	(1,642)	(2,959)
Operating profit before working capital changes	11,923	19,265
(Increase)/Decrease in inventories	5	(2,967)
Decrease/(Increase) in receivables	10,570	(25,252)
(Decrease)/ increase in payables	14,140	(1,254)
Cash (used)/ generated from operations	36,638	(10,208)
Interest received	597	651
Interest paid	(5,959)	(5,082)
Net tax (paid)/ refund	(1,271)	(911)
Net cash (outflow) from operating activities	30,005	(15,550)
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,825)	(1,635)
Purchase of investment and investment properties	(892)	(8,113)
Purchase of intangible assets	-	-
Proceeds from issuance of shares	400	-
Proceeds from disposal of property, plant and equipment	196	206
Proceeds from disposal of investment properties	555	2,333
Proceeds from disposal of quoted and unquoted shares	-	57
..Net cash inflow from disposal of a subsidiary company	-	2
Interest received	26	46
Net cash outflow from investing activities	(14,540)	(7,104)
Cash flows from financing activities		
Net proceeds from /(repayments to) term loans	(5,336)	1,455
Repayments of finance lease liabilities	(1,050)	(1,020)
Net (repayments to)/ proceeds from short term borrowings	(17,202)	20,013
Dividend paid	(1,855)	(3,036)
Interest paid	(1,087)	(842)
(Increased)/ decreased in fixed deposit pledged	-	(20)
Net cash (outflow)/inflow from financing activities	(26,530)	16,550
Effects of changes in exchange rates	(56)	130
Net increase in cash & cash equivalents	(11,065)	(6,104)
Cash & cash equivalents at beginning of the financial year	18,779	22,390
Cash & cash equivalents at end of the financial period	7,658	16,416

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2017

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

1. Basis of Preparation

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017 which were prepared under the Malaysian Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities.

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of MFRS 134 – *Interim Financial Reporting* and the applicable disclosure provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

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 December 2017.

2. Significant Accounting Policies

The accounting policies applied by the Group in these interim consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2017, except for the adoption of the following newly-issued MFRS for the financial periods beginning on or after 1 January:

Effective for annual periods beginning on or after 1 January 2018

- MFRS 9: *Financial Instruments*
- MFRS15: *Revenue from Contracts with Customers*
- Amendments to MFRS 2: *Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4: *Insurance Contracts, Applying FRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 140: *Transfer of Investment Property*
- IC Interpretation 22: *Foreign Currency Transactions and Advance Consideration*
- Annual Improvements to MFRSs 2014–2016 Cycle
 - MFRS 1: *First-Time Adoption of MFRS*
 - MFRS 12: *Disclosure Of Interests in Other Entities*
 - MFRS 128: *Investments in Associates and Joint Ventures*

2. Significant Accounting Policies (cont'd)

As at the date of authorisation of these interim financial statements, the Group have not made early adoption of the following MFRSs, IC Interpretations and Amendments to MFRSs which have been issued and will be effective for the financial periods as stated below:-

Effective for annual periods beginning on or after 1 January 2019

- MFRS 16 : *Leases*
- IC Interpretation 23: *Uncertainty over Income Tax Treatment*
- Amendments to MFRS 9: *Prepayment Features with Negative Compensation*
- Amendments to MFRS 119: *Plan Amendments, Curtailment of Settlement*
- Amendments to MFRS 128: *Long-term Interest in Associates and Joint Ventures*
- Annual Improvements to MFRSs 2015–2017 Cycle
 - MFRS 3: *Business Combinations*
 - MFRS 11: *Joint Arrangements*
 - MFRS 112: *Income Taxes*
 - MFRS 123 : *Borrowing Costs*

Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2: *Share-based Payment Transactions*
- Amendments to MFRS 3: *Business Combinations*
- Amendments to MFRS 14: *Regulatory Deferral Account*
- Amendments to MFRS 101: *Presentations of Financial Statements*
- Amendments to MFRS 108: *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134: *Interim Financial Reporting*
- Amendments to MFRS 137: *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to MFRS 138: *Intangible Assets*

Effective for annual periods beginning on or after 1 January 2021

- MFRS 17 : *Insurance Contracts*

The Group plans to apply the abovementioned MFRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability.

3. Auditors' Report in respect of the 2017 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.

4. Seasonality or Cyclicity of Interim Operations

The Group's performance was not affected by any significant seasonal or cyclical factors in the current quarter under review.

5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and nine months ended 30 September 2018.

6. Changes in Estimates

There were changes in depreciation rates for certain plant and machineries as their life cycles are expected to last twice longer than the initial estimates. Therefore, the depreciation rates for these machines have been revised from 10% p.a. to 5% p.a. on a straight line basis. The changes resulted the profit before tax in current period ended 30 September 2018 to increase by RM2.5 million.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the quarter and nine months ended 30 September 2018.

8. Dividends Paid

The Company paid a first and final single tier dividend of 1.1 sen per ordinary share amounting to RM1,855,367 in respect of the financial year ended 31 December 2017 on 16 August 2018.

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9. Segment Information

	3 months ended		9 months ended	
	30/09/18	30/09/17	30/09/18	30/09/17
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Segment Revenue</u>				
Trading of hardware & building materials	187,593	200,263	524,473	516,703
Trading of IT related products	15,876	15,218	44,411	42,121
Others	510	579	1,882	1,406
Total revenue including inter-segment sales	203,979	216,060	570,766	560,230
Elimination of inter segment sales	(21,110)	(26,954)	(53,786)	(60,557)
Total revenue	182,869	189,106	516,980	499,673
<u>Operating profit</u>				
Trading of hardware & building materials	3,357	6,024	13,884	21,559
Trading of IT related products	279	254	394	658
Others	(641)	33	(885)	36
Total Operating Profit	2,995	6,311	13,393	22,253
<u>Profit/ (loss) before taxation</u>				
Trading of hardware & building materials	2,568	2,554	2,760	9,372
Trading of IT related products	176	143	47	308
Others	(851)	(180)	(1,516)	(598)
Total Profit before taxation	1,893	2,517	1,291	9,082

10. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous audited financial statements as at 31 December 2017.

11. Material Events Subsequent to the Balance Sheet Date

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter and nine months ended 30 September 2018 and up to the date of this Interim Financial Report.

13. Contingent Liabilities/Contingent Assets

	30/09/18 (RM'000)	30/06/18 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of Banking facilities granted to subsidiary Companies	340,120	355,320	-
Corporate guarantees in respect of the Supply of goods to subsidiary companies	77,600	79,600	(2,000)

14. Capital Commitments

The Group has commitments as follows:

	30/09/18 (RM'000)	30/06/18 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	1,931	2,497	(566)

15. Related Party Transactions

The related parties of the Group and of the Company comprise the following:

Related companies being subsidiary companies of Chuan Huat Resources Berhad (CHRB) are as follow:-.

- i) Chuan Huat Metal Sdn Bhd (CHM), a 80% owned subsidiary
- ii) Pineapple Resources Berhad, a 63.85% owned subsidiary and it's subsidiary companies (PRB Group)
- iii) Keyline Consulting Sdn Bhd (KLC), a 70% owned subsidiary
- iv) CHRB Building Materials Sdn Bhd (CHRB BM), a 60% owned subsidiary
- v) CHRB Trading Sdn Bhd (CHRB Trading), a 55% owned subsidiary
- vi) CH Sweestech Door Sdn Bhd ("CHSD"), a 52.5% owned subsidiary

Other related parties being companies in which a Substantial shareholder or a Director of the Company and subsidiary companies have interest..

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15. Related Party Transactions (cont'd)

The significant related party transactions are as follows:

	9 months ended 30/09/18 (RM'000)	9 months ended 30/09/17 (RM'000)
a) Sale of goods to		
i) <u>Other related parties</u>		
Ahmad Zaki Sdn Bhd	27,012	14,808
ii) <u>Subsidiaries</u>		
CHM	3,228	1,854
CHRB BM	1,179	757
CHSD	107	239
KLC	428	416
b) Purchase of goods from		
i) <u>Other related parties</u>		
Amalgamated Industrial Steel Berhad	-	142
ii) <u>Subsidiaries</u>		
KLC	2,840	1,206
CHM	79	84
CHRB BM	17	-
CHSD	460	1
i) <u>Subsidiaries</u>		
Rental income received from subsidiaries	212	212
Security, water & electricity charges received from subsidiaries	36	36
Management fee and incentive received from subsidiaries	152	57
Rental of motor vehicle	32	19
Interest expenses	1	10

Ahmad Zaki Sdn Bhd is a company in which Dato' Sri Haji Wan Zaki bin Haji Wan Muda is a substantial shareholder of Chuan Huat Resources Berhad.

Amalgamated Industrial Steel Berhad is a company in which CHRB had 6.67% indirect interest through a 100% owned subsidiary, Chuan Huat Hardware Holdings Sdn Bhd.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are no more favourable than those arranged with independent third parties.

16. Cash and Cash Equivalents

	9 months ended	
	30/09/18 (RM'000)	30/09/17 (RM'000)
Fixed deposit with a licensed bank	786	2,116
Cash and bank balances	9,725	17,219
Bank overdraft	(2,067)	(2,103)
	14,009	17,232
Less : Fixed Deposits pledged	(786)	(816)
	7,658	16,416

17. Review of Performance

The Group's revenue for the third quarter ended 30 September 2018 has reduced marginally by 3.30%, to RM182.87 million as compared to RM189.11 million recorded in the corresponding period of the preceding year.

However, the Group's revenue for the nine months financial period ended 30 September 2018 has marginally increased by 3.46% compared to the corresponding period of the preceding year.

The group recorded a profit before tax of RM1.893 million and RM1.291 million for the third quarter and nine months ended 30 September 2018 as compared to profit before tax of RM2.517 million and RM9.082 million in the corresponding financial period of the preceding year.

The details of the performance of the various segments are as follows:

	3 months ended			9 months ended		
	30.09.18 RM'000	30.09.17 RM'000	Change %	30.09.18 RM'000	30.09.17 RM'000	Change %
Revenue						
Trading of hardware & building materials	166,713	175,024	-4.75	472,224	458,386	3.02
Trading of IT related products	15,877	13,849	-14.64	43,564	40,572	7.37
Others	279	233	19.74	1,192	715	66.71
Total	182,869	189,106	-3.30	516,980	499,673	3.46
Profit / (Loss) before taxation						
Trading of hardware & building materials	2,568	2,554	0.55	2,760	9,372	-70.55
Trading of IT related products	176	143	23.08	47	308	-84.74
Others	(851)	(180)	-372.78	(1,516)	(598)	-153.51
Total	1,893	2,517	-24.79	1,291	9,082	-85.79

The reasons for the changes in the various sectors are as follows:-

(i) Trading of hardware & building materials

The revenue for Trading of hardware and building materials division was reduced marginally by 4.75% to RM166.713 million in third quarter as compared to the corresponding quarter of preceding year. The revenue for the nine months period has increased marginally by 3.02% to RM472.224 million compared to the corresponding period of preceding year. The marginal variance of turnover was mainly due to lower demand in steel products.

The profit before tax has decreased in the third quarter and nine months period ended 30 September 2018 as compared to the corresponding period of preceding year. This was mainly due to reduction in sales margin for steel service sectors.

(ii) Trading of IT related products

The IT division's revenue for the third quarter and nine months financial period ended 30 September 2018 has increased by 14.64% and 7.37% respectively compared to the corresponding period of the preceding year. The increase in revenue were mainly generated from online e-commerce sales with the addition of new non IT products such as home and life-style products.

Despite increase in revenue, the Group has recorded a lower Profit Before Tax ("PBT") of RM176,000 and RM46,000 for the third quarter and nine months ended 30 September 2018 respectively compared to the PBT of RM143,000 and RM308,000 in the corresponding financial period of the preceding year. This was mainly due to lower gross profit margin as a result of the discounts given during the promotional activities to boost sales and share of losses from an associate company.

(iii) Others

The division recorded higher sales in third quarter ended 30 September 2018 and nine months financial period ended 30 September 2018 as compared to the preceding year's financial period. This was mainly due to increase in sales of a property in current financial period. However, the division recorded higher loss in third quarter ended 30 September 2018 and nine months ended 30 September 2018 due to impairment loss on quoted investment.

18. Material changes in profit before taxation against preceding quarter

	Individual Quarter 3 months ended		Change %
	30/09/18 (RM'000)	30/06/18 (RM'000)	
Profit / (Loss) before taxation			
Trading of hardware & building Materials	2,568	51	4,935.29
Trading of IT related products	176	(200)	188.00
Others	(851)	(483)	-76.19
Total	1,893	(632)	399.53

The reasons for the changes in the various sectors are as follows:-

(i) Trading of hardware & building materials

The increase in profit was mainly due to a revision in the depreciation policy for certain plant and machineries from 10% p.a. to 5% p.a. during the quarter under review.

(ii) Trading of IT related products

The higher profit earned was mainly due to increase in revenue during the quarter under review.

(iii) Others

This higher loss was mainly due to impairment loss on quoted investment.

19. Commentary on Prospects

Despite the changes in the current challenging economic condition, and experiencing some slowdown over the last few months after the changes in the political arena, the steel industry has remained resilient. The industry is also expecting a lot of obstacles and tough challenges ahead in view of the United State threats on raising tariff barrier against their global trading partners. This will create further uncertainties in the local economic environment.

The move from depending the revenue of the IT division from the traditional retail to online is seeing a more stable revenue, although the margins are relatively lower. However, the operating cost of maintaining the online team is lower compared to physical retailing outlets.

Barring any unforeseen circumstances, the remaining period of the year is expected to be stable.

20. Profit Forecast and Profit Guarantee

The Group is not subject to any profit forecast or profit guarantee requirements.

21. Income Tax Expenses

	3 months ended		9 months ended	
	30/09/18 (RM'000)	30/09/17 (RM'000)	30/09/18 (RM'000)	30/09/17 (RM'000)
Malaysia income tax				
- current	959	1,331	2,186	2,976
- under/ (over) provision in prior years	(142)	(95)	(142)	(91)
	-	-	-	-
	817	1,236	2,044	2,885
Deferred taxation	654	(229)	1,119	747
TOTAL	1,471	1,007	3,163	3,632

The effective tax rate for the financial period ended 30 September 2018 and 30 September 2017 are not reflective of the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

22. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at the date of this report.

23. Borrowings

	9 months ended	
	30/09/18 (RM'000)	30/09/17 (RM'000)
<u>Short Term</u>		
Bank overdrafts (unsecured)	2,068	2,103
Bills payable (unsecured)	156,466	162,216
Trust receipts	2,898	-
Finance lease liabilities	1,311	1,089
Term loans (amount payable within 12 months)	8,024	5,140
	<u>170,766</u>	<u>170,548</u>
<u>Long Term</u>		
Finance lease liabilities	3,920	3,205
Less : amount payable within 12 months	(1,311)	(1,089)
	<u>2,610</u>	<u>2,116</u>
Term Loans (secured)	26,367	21,187
Less : amount payable within 12 months	(8,024)	(5,140)
	<u>18,342</u>	<u>16,047</u>
	<u>20,952</u>	<u>18,163</u>

24. Realised and Unrealised Profits / (Losses)

	As at	As at
	30/09/18 (RM'000)	30/09/17 (RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	75,649	83,703
- Unrealised	10,928	4,843
	<u>86,577</u>	<u>88,546</u>
Consolidation adjustments	-	-
Retained earnings as per statements of financial positions	<u>86,577</u>	<u>88,546</u>

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

26. Changes in Material Litigation

As at date of this report, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2017.

27. Dividends

No dividend has been declared nor recommended for payment for the quarter and nine months ended 30 September 2018.

28. Earnings per share**a. Basic earnings per share**

The basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total number of ordinary shares of the Company in issue for the respective period as follows:

	3 months ended		9 months ended	
	30/09/18 (RM'000)	30/09/17 (RM'000)	30/09/18 (RM'000)	30/09/17 (RM'000)
(Loss)/Profit attributable to the owners of the parent (RM'000)	347	1,328	(2,164)	4,765
Total number of ordinary shares in issue ('000)	168,670	168,670	168,670	168,670
Basic earnings per share (sen)	0.21	0.79	(1.28)	2.83

29. Authorisation for Issue

This interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD**DATO' LIM LOONG HENG**
DEPUTY MANAGING DIRECTOR

Date: 28 Nov 2018