



**LKL INTERNATIONAL BERHAD (1140005-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 JANUARY 2019 <sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JANUARY 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 JANUARY 2018 RM'000	CURRENT YEAR-TO-DATE 31 JANUARY 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 JANUARY 2018 RM'000
Revenue	A9	11,086	10,246	28,336	22,237
Cost of sales		(7,459)	(6,086)	(18,450)	(13,019)
Gross profit		<u>3,627</u>	<u>4,160</u>	<u>9,886</u>	<u>9,218</u>
Other income		91	136	410	407
Administrative expenses		(2,684)	(2,258)	(7,070)	(6,704)
Selling and distribution expenses		(699)	(445)	(1,866)	(1,271)
Other expenses		(217)	(420)	(748)	(884)
Finance costs		(95)	(109)	(304)	(327)
Profit before taxation ("PBT")		<u>23</u>	<u>1,064</u>	<u>308</u>	<u>439</u>
Income tax expense	B4	125	(226)	6	(226)
Profit after taxation ("PAT")		<u>148</u>	<u>838</u>	<u>314</u>	<u>213</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the financial period		<u><u>148</u></u>	<u><u>838</u></u>	<u><u>314</u></u>	<u><u>213</u></u>
PAT/Total comprehensive income attributable to:-					
Owners of the Company		112	893	253	412
Non-controlling interests		36	(55)	61	(199)
		<u>148</u>	<u>838</u>	<u>314</u>	<u>213</u>
Earnings per share (sen)					
- Basic/Diluted <sup>(2)</sup>	B10	<u>0.03</u>	<u>0.21</u>	<u>0.06</u>	<u>0.10</u>

**Notes:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 30 April 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) Diluted earnings per share of the Company for the individual quarter 31 January 2019 and cumulative quarter 31 January 2019 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 JANUARY 2019 <sup>(1)</sup>**

	Note	UNAUDITED AT 31 JANUARY 2019 RM'000	AUDITED AT 30 APRIL 2018 RM'000
<b>ASSETS</b>			
<b>Non-current Asset</b>			
Property, plant and equipment		31,869	32,898
<b>Current Assets</b>			
Inventories		15,014	15,310
Trade receivables		6,425	6,716
Other receivables, deposits and prepayments		2,564	1,352
Amount owing by a related company		-	73
Current tax assets		2,504	1,740
Fixed deposits with licensed banks		3,722	5,872
Cash and bank balances		9,055	8,438
		<u>39,284</u>	<u>39,501</u>
<b>TOTAL ASSETS</b>		<u>71,153</u>	<u>72,399</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		53,299	53,299
Merger deficit		(29,580)	(29,580)
Retained profits		35,215	34,962
Equity attributable to owners of the Company		<u>58,934</u>	<u>58,681</u>
Non-controlling interests		128	67
<b>TOTAL EQUITY</b>		<u>59,062</u>	<u>58,748</u>
<b>Non-current Liabilities</b>			
Hire purchase payables	B7	516	725
Term loans	B7	5,580	5,926
Deferred tax liabilities		574	574
		<u>6,670</u>	<u>7,225</u>
<b>Current Liabilities</b>			
Trade payables		2,504	2,448
Other payables and accruals		1,634	2,051
Bankers' acceptance	B7	330	702
Hire purchase payables	B7	367	416
Term loans	B7	522	798
Current tax liabilities		64	11
		<u>5,421</u>	<u>6,426</u>
<b>TOTAL LIABILITIES</b>		12,091	13,651
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>71,153</u>	<u>72,399</u>
Net assets per share (RM)		<u>0.14</u>	<u>0.14</u>

**Note:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2018 and the accompanying explanatory notes attached to this interim financial report.



**LKL INTERNATIONAL BERHAD (1140005-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 JANUARY 2019 <sup>(1)</sup>**

	<----- Non-Distributable ----->			Distributable Retained Profits RM'000	Attributable to Owners of Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000				
<b>Balance at 1 May 2018</b>	53,299	-	(29,580)	34,962	58,681	67	58,748
PAT/Total comprehensive income for the financial period	-	-	-	253	253	61	314
<b>Balance at 31 January 2019</b>	<u>53,299</u>	<u>-</u>	<u>(29,580)</u>	<u>35,215</u>	<u>58,934</u>	<u>128</u>	<u>59,062</u>
<b>Balance at 1 May 2017</b>	42,880	10,419	(29,580)	36,060	59,779	(2)	59,777
PAT/Total comprehensive income for the financial period	-	-	-	412	412	(199)	213
Contributions by owners of the Company:							
- Issuance of shares in a subsidiary	-	-	-	-	-	300	300
<b>Balance at 31 January 2018</b>	<u>42,880</u>	<u>10,419</u>	<u>(29,580)</u>	<u>36,472</u>	<u>60,191</u>	<u>99</u>	<u>60,290</u>

**Note:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2018 and the accompanying explanatory notes attached to this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 JANUARY 2019 <sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT</b>	<b>PRECEDING YEAR</b>
	<b>YEAR-TO-DATE</b>	<b>CORRESPONDING</b>
	<b>31 JANUARY 2019</b>	<b>31 JANUARY 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	308	439
Adjustments for:		
Impairment losses on trade receivables	79	4
Bad debts written off	-	14
Depreciation of property, plant and equipment	1,318	1,281
Interest expense	304	327
Loss/(Gain) on disposal of property, plant and equipment	2	(19)
Interest income	(138)	(263)
Unrealised (gain)/loss on foreign exchange	(34)	112
Reversal of allowance for impairment losses on trade receivables	(16)	(36)
<b>Operating profit before working capital changes</b>	<b>1,823</b>	<b>1,859</b>
Decrease/(Increase) in inventories	296	(4,590)
(Increase)/Decrease in trade and other receivables	(998)	1,623
(Decrease)/Increase in trade and other payables	(353)	106
Decrease in amount owing by a related company	73	-
<b>CASH FOR OPERATIONS</b>	<b>841</b>	<b>(1,002)</b>
Income tax paid	(704)	(1,444)
Interest paid	(304)	(327)
Interest received	138	263
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(29)</b>	<b>(2,510)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Placement of fixed deposit pledged to a licensed bank	(21)	(20)
Purchase of property, plant and equipment	(234)	(5,879)
Proceeds from disposal of property, plant and equipment	1	19
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(254)</b>	<b>(5,880)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares by a subsidiary to non-controlling interest	-	300
Repayment of hire purchase obligations	(317)	(298)
(Repayment)/Drawdown of bankers' acceptances	(372)	694
Repayment of term loans	(622)	(597)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(1,311)</b>	<b>99</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,594)</b>	<b>(8,291)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>40</b>	<b>(112)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>13,609</b>	<b>23,015</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>12,055</b>	<b>14,612</b>
<b>Cash and cash equivalents at end of the financial period comprises the following:</b>		
Cash and bank balances	9,055	9,485
Fixed deposits with licensed banks	3,722	5,828
	12,777	15,313
Less: Fixed deposit pledged to a licensed bank	(722)	(701)
	12,055	14,612

**Note:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2018 and the accompanying explanatory notes attached to this interim financial report.



## LKL INTERNATIONAL BERHAD (1140005-V)

### NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

##### A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”), Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the FYE 30 April 2018. These explanatory notes attached to the interim financial report provide explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the FYE 30 April 2018.

##### A2. Changes in accounting policies

The Group has adopted those standards and interpretations (including the consequential amendments, if any) that have become effective on 1 January 2018 and such adoptions do not have material impact on the financial position and performance of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for this interim financial report:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the interim financial report of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

The initial application of MFRS 9 is not expected to have any material impact to the financial statements of the Group for the current financial year and prior periods as the Group will apply the standard retrospectively from 1 May 2018 with the practical expedients permitted under the standard, and that the comparatives (i.e. current period financial information) will not be restated.



## LKL INTERNATIONAL BERHAD (1140005-V)

### NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

#### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

##### A2. Changes in accounting policies (Cont’d)

Based on the assessments undertaken to date, the Group has determined the impact of its initial application of MFRS 9 as follows:-

##### Classification and Measurement

The Group does not expect a significant impact on its statements of financial position on applying the classification and measurement requirements of MFRS 9.

Loans and receivables financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9. Therefore, the Group does not expect the standard to affect the measurement of its debt financial assets.

In addition, the Group expects to continue measuring at fair value all financial assets currently held at fair value.

##### Impairment of Financial Assets

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (“ECL”) model. In view of strong creditworthiness of the Group’s receivables, the Group has concluded that the expected impacts of ECL on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

The analysis above are based on the assessments undertaken to-date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future.

- (b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of ‘distinct’ for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessments undertaken to-date, the Group has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for the sale of medical/healthcare beds, peripherals and accessories under the new standard are unlikely to be materially different from its current practice.

The analysis above is based on the assessments undertaken to-date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future.



**LKL INTERNATIONAL BERHAD (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

**A3. Auditors’ report on preceding audited financial statements**

The preceding year’s audited financial statements of the Group were not subject to any qualification.

**A4. Seasonal or cyclical factors**

The Group’s business operations were not materially affected by seasonal or cyclical factors during the current financial quarter under review.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

**A6. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current financial quarter under review.

**A7. Debts and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

**A8. Dividend paid**

There was no dividend paid during the current financial quarter under review.

**A9. Segmental information**

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	31 JAN 2019 RM’000	31 JAN 2018 RM’000	31 JAN 2019 RM’000	31 JAN 2018 RM’000
<b>Manufacturing:</b>				
Medical/healthcare beds	3,384	3,626	9,187	7,154
Medical peripherals and accessories	4,054	4,457	10,827	11,147
	<u>7,438</u>	<u>8,083</u>	<u>20,014</u>	<u>18,301</u>
<b>Trading:</b>				
Medical peripherals and accessories	2,023	1,588	4,514	2,824
Medical devices	1,625	575	3,808	1,112
	<u>3,648</u>	<u>2,163</u>	<u>8,322</u>	<u>3,936</u>
<b>Total revenue</b>	<b><u>11,086</u></b>	<b><u>10,246</u></b>	<b><u>28,336</u></b>	<b><u>22,237</u></b>



**LKL INTERNATIONAL BERHAD (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

**A9. Segmental information (Cont’d)**

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	31 JAN 2019		31 JAN 2018		31 JAN 2019		31 JAN 2018	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
<b>Local:</b>								
Malaysia	9,710	87.58	6,848	66.84	23,342	82.37	15,898	71.49
<b>Export:</b>								
Africa	4	0.04	21	0.21	23	0.08	151	0.68
Asia - other than Malaysia	1,016	9.16	2,742	26.76	3,967	14.00	4,868	21.89
Europe	75	0.68	233	2.27	76	0.27	908	4.08
Middle East	94	0.85	238	2.32	623	2.20	248	1.12
Central America	187	1.69	164	1.60	305	1.08	164	0.74
	1,376	12.42	3,398	33.16	4,994	17.63	6,339	28.51
<b>Total revenue</b>	<b>11,086</b>	<b>100.00</b>	<b>10,246</b>	<b>100.00</b>	<b>28,336</b>	<b>100.00</b>	<b>22,237</b>	<b>100.00</b>

**A10. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment for the current financial quarter under review.

**A11. Material events subsequent to the end of the current financial quarter**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

**A12. Changes in composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter under review.

**A13. Contingent assets or contingent liabilities**

The Group has no contingent assets and contingent liabilities as at the date of this report.

**A14. Capital commitments**

There were no material capital commitments in respect of property, plant and equipment as at the date of this report.

**A15. Related party transactions**

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.





## LKL INTERNATIONAL BERHAD (1140005-V)

### NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019

#### B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

##### B1. Review of performance

For the current financial quarter under review, the Group revenue increased 8.2% or RM0.840 million to RM11.086 million as compared to RM10.246 million reported in the preceding year corresponding quarter mainly driven by higher sales from the trading segment.

The stronger performance in the trading segment was mainly due to higher sales of medical peripherals and accessories as well as medical devices. Notably, sales of medical devices surged 182.6% to RM1.625 million from RM0.575 million in the preceding year corresponding quarter. The improvement in the trading segment mitigated the 8.0% dip in revenue in the manufacturing segment from RM8.083 million to RM7.438 million due to lower sales in medical/healthcare beds and medical peripherals and accessories.

Geographically, the Malaysia market contributed 87.6% of the Group's total revenue as compared to 66.8% in the preceding year corresponding quarter. Contributions from overseas markets dipped to 12.4% of total revenue from 33.2% in the preceding year corresponding quarter mainly due to decrease in exports to other Asia countries.

Despite registering higher revenue, gross profit for the current financial quarter under review declined 12.8% or RM0.533 million to RM3.627 million from RM4.160 million in the preceding year corresponding quarter due to lower gross profit margin resulted from the product mix sold in the current financial quarter, apart from the rising raw material costs. The Group's PBT decreased by 97.8% or RM1.041 million to RM0.023 million as compared to RM1.064 million in the preceding year corresponding quarter due to lower gross profit margin and increase in certain operating costs.

##### B2. Comparison with preceding quarter's results

	UNAUDITED CURRENT QUARTER 31 JAN 2019 RM'000	UNAUDITED PRECEDING QUARTER 31 OCT 2018 RM'000
Revenue	11,086	9,481
PBT	23	218

The Group's revenue for the current financial quarter under review rose by 16.9% or RM1.605 million to RM11.086 million as compared to RM9.481 million in the preceding financial quarter, due to increase contribution from both the manufacturing and trading segments. The growth in both segments was attributed to higher sales of medical/healthcare beds, peripherals and accessories, as well as medical devices.

The manufacturing segment contributed RM7.438 million to the Group's revenue for the current financial quarter, increasing by 10.1% or RM0.684 million from RM6.754 million in the preceding financial quarter. Meanwhile, the trading segment registered revenue of RM3.648 million, rising by 33.8% or RM0.921 million from RM2.727 million in the preceding financial quarter.

The Group posted a PBT of RM0.023 million for the current financial quarter as compared to RM0.218 million in the preceding financial quarter due to lower gross profit margin as a result of the product mix sold and intense market competition.



**LKL INTERNATIONAL BERHAD (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B3. Prospects**

As one of the leading suppliers of medical/healthcare beds, peripherals and accessories, and medical devices in Malaysia, the Group is committed to continuously strengthening its position through enhancing the comprehensiveness of our product portfolio.

To this end, we maintain a strategy of broadening our range of products, including medical peripherals and accessories, as well as medical devices, to bring more high quality and innovative solutions for the medical and healthcare sectors.

Notably, our medical devices segment set up in 2017 continues to record improving results. The Group continues to expand the medical devices segment's product portfolio by incorporating new medical devices toward becoming a significant contributor to the Group. In addition to the Nihon Kohden range, the Group has added dermaPACE® by Sanuwave Health Inc., an advanced medical device used for treating acute and chronic wounds, and ultrasound system by BenQ Medical Technology Corporation.

Overall, the Group remains positive of the significant opportunities in the healthcare sector in Malaysia as well as globally to market our medical/healthcare beds, peripherals and accessories, and medical devices. Medical related expenditure is expected to be on the uptrend moving forward, in order to support for the increasing medical requirements of growing populations, rising affluence especially in Asia and Africa, and prevailing trend of ageing populations around the world.

**B4. Income tax expense**

	UNAUDITED INDIVIDUAL QUARTER 31 JAN 2019 RM'000	UNAUDITED CUMULATIVE QUARTER 31 JAN 2019 RM'000
Current tax expense:		
- for the financial year	29	148
- overprovision in the previous financial year	(154)	(154)
	<u>(125)</u>	<u>(6)</u>
Effective tax rate (%)	-	-

The favourable tax expense for the individual quarter and cumulative quarter was mainly due to overprovision for taxation in the previous financial year, now written back.

**B5. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

**B6. Status of corporate proposals**

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



**LKL INTERNATIONAL BERHAD (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B7. Group's borrowings and debt securities**

The Group's borrowings as at 31 January 2019 are as follows:

	<b>UNAUDITED AT 31 JAN 2019 RM'000</b>	<b>AUDITED AT 30 APRIL 2018 RM'000</b>
<b>Current:</b>		
Bankers' acceptance	330	702
Hire purchase payables	367	416
Term loans	522	798
	<u>1,219</u>	<u>1,916</u>
<b>Non-current:</b>		
Hire purchase payables	516	725
Term loans	5,580	5,926
	<u>6,096</u>	<u>6,651</u>
<b>Total borrowings:</b>		
Bankers' acceptance	330	702
Hire purchase payables	883	1,141
Term loans	6,102	6,724
	<u><u>7,315</u></u>	<u><u>8,567</u></u>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B8. Material litigation**

Save as disclosed below, there is no litigation or arbitration which has a material effect on the financial position of the Group and the Board of Directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

The Company's subsidiary, LKL Advance Metaltech Sdn. Bhd., had on 21 January 2016 issued a notice of outstanding sum to Kluang Health Care Sdn. Bhd. ("KHC") and filed a notice of intention to appear as a supporting creditor in the winding-up petition by Lee Yong Beng (trading as Yong Seng Construction Work) against KHC for a principal sum of RM279,089 as at 24 February 2012 in respect of supply of products.

The case remains status quo, and our lawyer will continue to seek updates from the liquidator on regular basis.

**B9. Dividend proposed**

There was no dividend proposed for the current financial quarter under review.



**LKL INTERNATIONAL BERHAD (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2019**

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B10. Earnings per share ("EPS")**

The basic EPS for the current financial quarter and financial year-to-date are computed as follows:

	<b>UNAUDITED INDIVIDUAL QUARTER 31 JAN 2019</b>	<b>UNAUDITED CUMULATIVE QUARTER 31 JAN 2019</b>
Net profit attributable to ordinary equity holders of the Company (RM'000)	112	253
Weighted average number of ordinary shares in issue ('000)	428,800	428,800
Basic/Diluted EPS (sen) <sup>(1)</sup>	0.03	0.06

**Note:-**

*(1) Diluted EPS of the Company for the individual quarter 31 January 2019 and cumulative quarter 31 January 2019 is equivalent to the basic EPS as the Company does not have convertible options at the end of the reporting period.*

**B11. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

PBT is arrived at after charging/(crediting):

	<b>UNAUDITED INDIVIDUAL QUARTER 31 JAN 2019 RM'000</b>	<b>UNAUDITED CUMULATIVE QUARTER 31 JAN 2019 RM'000</b>
Depreciation of property, plant and equipment	314	1,318
Impairment losses on trade receivables	-	79
Interest expense	95	304
Interest income	(32)	(138)
Loss on disposal of property, plant and equipment	2	2
Realised gain on foreign exchange	(16)	(106)
Unrealised loss/(gain) on foreign exchange	19	(34)
Reversal of allowance for impairment losses on trade receivables	(2)	(16)

Other disclosure items pursuant to Appendix 9B Note 16 of the ACE Market Listing Requirements of Bursa Securities are not applicable.