

JF Technology Berhad

(Company No. 747681-H)

(Incorporated in Malaysia)



Quarterly report on results for the 3rd Quarter ended 31 March 2010 CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Mar 2010 RM'000	Preceding year corresponding quarter 31 Mar 2009 RM'000	Current year to date 31 Mar 2010 RM'000	Preceding year corresponding period 31 Mar 2009 RM'000
Revenue	2,393	265	5,697	3,107
Direct costs	(726)	(429)	(1,919)	(1,502)
Gross profit/(loss)	1,667	(164)	3,778	1,605
Other operating income	39	79	129	350
Other operating expenses	(1,016)	(904)	(2,872)	(2,296)
Finance cost	(104)	(67)	(333)	(213)
Profit/(Loss) before taxation	586	(1,056)	702	(554)
Tax (expense)/income	(18)	38	3	(4)
Net profit/(loss) after taxation	568	(1,018)	705	(558)
Basic Earnings/(Loss) Per Share (sen)	0.45	(0.81)	0.56	(0.44)

Notes:

This unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2009.

The accompanying notes are an integral part of this quarterly report.

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CONDENSED CONSOLIDATED BALANCE SHEET

(The figures have not been audited)

	As at 31 Mar 2010 RM'000	As at 30 June 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,957	17,359
Prepaid land lease payments	4,487	4,522
Development cost	1,383	1,157
	<u>22,827</u>	<u>23,038</u>
Current assets		
Inventories	875	965
Trade receivables	2,327	1,433
Other receivables, deposits and prepayments	526	562
Current tax assets	31	30
Deposits, cash and bank balances	7,329	8,120
	<u>11,088</u>	<u>11,110</u>
Non-current assets held for sales	-	830
TOTAL ASSETS	<u>33,915</u>	<u>34,978</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	12,600	12,600
Share premium	8,742	8,742
Retained Profits	3,162	2,457
Total equity	<u>24,504</u>	<u>23,799</u>
Non-current liabilities		
Borrowings	5,924	6,488
Deferred taxation	83	83
	<u>6,007</u>	<u>6,571</u>
Current liabilities		
Trade payables	232	99
Other payables and accruals	2,260	3,217
Borrowings	912	1,261
Total current liabilities	<u>3,404</u>	<u>4,577</u>
Liabilities attributable to non-current assets held for sales	-	31
Total liabilities	<u>9,411</u>	<u>11,179</u>
TOTAL EQUITY AND LIABILITIES	<u>33,915</u>	<u>34,978</u>
Net assets per share (sen)	<u>19.45</u>	<u>18.89</u>

Notes:

Net assets per share for the current quarter is arrived at based on the Group's net assets of RM24,504 million over the number of ordinary shares of 126,000,000 shares of RM0.10 each.

This unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2009.

The accompanying notes are an integral part of this quarterly report.

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Quarterly report on results for the 3rd Quarter ended 31 March 2010 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Non Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Balance as at 01 July 2008	12,600	8,742	4,410	25,752
Net loss for the financial period	-	-	(558)	(558)
Dividend paid during the financial period	-	-	(1,260)	(1,260)
Balance as at 31 March 2009	<u>12,600</u>	<u>8,742</u>	<u>2,592</u>	<u>23,934</u>
Balance as at 01 July 2009	12,600	8,742	2,457	23,799
Profit after taxation for the financial period	-	-	705	705
Balance as at 31 March 2010	<u>12,600</u>	<u>8,742</u>	<u>3,162</u>	<u>24,504</u>

Notes:

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2009

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Quarterly report on results for the 3rd Quarter ended 31 March 2010 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Quarter ended 31 Mar 2010 RM'000	Quarter ended 31 Mar 2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	702	(554)
Adjustments for :		
Amortisation of development expenditure	62	8
Amortisation of prepaid land lease payments	35	34
Depreciation of property, plant and equipment	686	481
Interest expense	333	214
Interest income	(105)	(316)
Loss on disposal of property, plant and equipment	5	-
Property, plant and equipment written off	19	226
Operating profit before working capital changes	<u>1,737</u>	<u>93</u>
Changes in working capital:		
Increase in inventories and receivables	(1,117)	(2,464)
Decrease in payables	<u>(824)</u>	<u>(976)</u>
Cash used in operating activities	<u>(204)</u>	<u>(3,347)</u>
Income tax paid	<u>(29)</u>	<u>(42)</u>
Net cash used in operating activities	<u>(233)</u>	<u>(3,389)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	105	316
Purchase of property, plant and equipment	(303)	(1,697)
Payment of capitalised development expenditure	(288)	(337)
Proceed from disposal of property, plant and equipment	1,173	-
Net cash generated from/(used in) investing activities	<u>687</u>	<u>(1,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(1,260)
Interest paid	(333)	(214)
Repayment of hire-purchase payables	(409)	(442)
Repayment of term loans	<u>(503)</u>	<u>(381)</u>
Net cash used in financing activities	<u>(1,245)</u>	<u>(2,297)</u>
Net decrease in cash and cash equivalents	(791)	(7,404)
Cash and cash equivalents at beginning of period	8,120	17,462
Cash and cash equivalents at end of period	<u><u>7,329</u></u>	<u><u>10,058</u></u>
Cash and cash equivalents consist of:		
Money market unit trust fund	6,877	8,786
Cash and bank balances	452	1,272
	<u><u>7,329</u></u>	<u><u>10,058</u></u>

Notes:

This unaudited Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2009.

The accompanying notes are an integral part of this quarterly report.

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Quarterly report on results for the 3rd Quarter ended 31 March 2010

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation of Interim Financial Report

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("FRS") No. 134: Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2009.

The accounting policies and methods of computation adopted by JF Tech and its subsidiaries in the preparation of this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 June 2009.

A2 Auditors' report on preceding annual financial statements

The preceding year annual audited financial statements were not subject to any qualification.

A3 Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors.

A4 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 current quarter to date.

A5 Material changes in estimates

There were no changes in estimates of amounts reported that have a material effect in the current quarter under review.

A6 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current quarter under review.

A7 Dividend declared or paid

There were no dividends declared or paid by the Company during the current quarter.

A8 Segmental information

The Group is primarily engaged in only one business segment which is the design, development, manufacture and sales of test probes and test sockets for use in the semiconductor industry. The Group's operations are currently conducted predominantly in Malaysia.

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

A11 Changes in the composition of the Group

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

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Quarterly report on results for the 3rd Quarter ended 31 March 2010

A NOTES TO THE INTERIM FINANCIAL REPORT

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A13 Capital commitments

As at 31 March 2010, the Group has no material capital commitments in respect of property, plant and equipment save for the following:-

RM'000

Approved and contracted for

472

A14 Significant related party transactions

During the current quarter, the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

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Quarterly report on results for the 3rd Quarter ended 31 March 2010

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of performance

For the current quarter ended 31 March 2010, JFT Group recorded a turnover of RM2.39 million and profit before tax ("PBT") of RM0.59 million as compared to the same quarter last year of RM0.27 million and loss before tax ("LBT") of RM1.06 million respectively. The higher revenue and PBT were mainly attributed to the recovery of the semiconductor industry and stronger demand for G2 Kelvin test probes.

For the cumulative period to date, the Group's revenue increased by 83% to RM5.70 million from RM3.11 million and PBT increased by 227% from deficit of RM0.55 million to surplus of RM0.70 million as compared to the preceding year corresponding period. The higher revenue were mainly attributed to the reasons as explained above. The higher PBT margins are due to economies of scale as revenue increases.

B2 Variation of results against immediate preceding quarter

	Current Quarter 31 Mar 2010 RM'000	Preceding Quarter 31 Dec 2009 RM'000
Revenue	<u>2,393</u>	<u>1,725</u>
PBT	<u>586</u>	<u>100</u>

For the current quarter ended 31 March 2010, JFT Group revenue increased by 39% and PBT increase by 486% as compared to the preceding quarter of RM1.73 million and RM0.10 million respectively. The increase in revenue and profit margin were mainly due to the reasons as mentioned in note B1.

B3 Prospects for the financial year ending 30 June 2010

Barring any unforeseen circumstances, the Board is of the view that the outlook of the Group's performance will remain positive to the end of the financial year.

B4 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee or internal targets in any publicly available documents or announcements.

B5 Taxation

	Current quarter 31 Mar 2010 RM'000	Cumulative quarter 31 Mar 2010 RM'000
Current tax	18	28
Deferred tax	-	(31)
	<u>18</u>	<u>(3)</u>

The effective tax rate of the Group remained low due to the 100% tax exemption granted to a subsidiary company, JF Microtechnology Sdn Bhd, under its pioneer status for high technology company for a period of 5 years commencing 1 April 2006.

B6 Unquoted investments and properties

There were no changes in the unquoted investments and properties of the Group for the current quarter under review.

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B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter under review.

B8 Group's borrowings and debt securities

The Group's borrowings as at 31 March 2010 all of which are secured are as follows:

	Secured RM'000
Short term borrowings: -	
Hire Purchases	75
Term loans	837
	<u>912</u>
Long term borrowings: -	
Hire Purchases	607
Term loans	5,317
	<u>5,924</u>
Total	<u>6,836</u>

The Group does not have any foreign currency borrowings.

B9 Off balance sheet financial instruments

As at reporting date, the Group does not have any off balance sheet financial instruments.

B10 Material litigation

The Group does not have any material litigation as at the date of this quarterly report.

B11 Dividends

There was no dividend declared or recommended for the current quarter.

B12 Earnings per share

	Current Quarter 31 Mar 2010	Current Year To Date 31 Mar 2010
Profit after taxation (RM'000)	568	705
Weighted average number of shares in issue ('000)	126,000	126,000
Basic earnings per share (sen)	0.45	0.56

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2010

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Quarterly report on results for the 3rd Quarter ended 31 March 2010

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B13 Utilisation of IPO Proceeds

JFT raised gross proceeds of RM13.92 million from the public issue, which was completed on 16 April 2008. Details of the utilisation of proceeds as at 31 March 2010 are as follows:

Purpose	Proposed utilisation RM'000	Utilisation to date RM'000	Balance to be utilised RM'000	%	Timeframe for utilisation	Explanation
Part finance the acquisition of land and/or construction of factory	3,528	3,528	-	-	-	Fully utilised
Purchase of research & development equipment	2,055	124	1,931	94	By 15 April 2011	Deposit for machine
Purchase of manufacturing equipment	2,650	1,691	959	36	By 15 April 2011	Deposit for machine
Working capital*	4,234	3,993	241	6	-	Fully utilised
Listing expenses*	1,450	1,691	(241)	(17)	-	Fully utilised
	<u>13,917</u>	<u>11,027</u>	<u>2,890</u>			

Note:

* The proceeds to be used for working capital will be adjusted accordingly in the event of any variation in the actual listing expenses from the estimated amount.

It was announced on 15 April 2010 that the Board of Directors resolved and approved an extension of time of one (1) year until 15 April 2011 for the utilisation of the remaining proceeds.

B14 Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not yet completed as at the date of this announcement.

On 4 September 2009, JFT announced that they had submitted to the Securities Commission and Ministry of International Trade and Industry ("MITI") that they propose to meet the Bumiputera equity condition through an offer for sale of 12.50% equity interest by one of the substantial shareholders of JFT to Bumiputera investors to be identified and approved by MITI ("Offer For Sale"). On 26 October 2009, it was announced that MITI acknowledged and has no objection to the Offer for Sale. To date, none of the Offer for Sale shares have been allocated by MITI. On 21 January 2010, it was announced that the Securities Commission approved the Offer for Sales with conditions.

B15 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 May 2010.

On Behalf of the Board

Foong Wei Kuong
Managing Director

Date: 20 May 2010