

# JF Technology Berhad

(Company No. 747681-H)  
(Incorporated in Malaysia)



## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the 2nd financial quarter ended 31 December 2013

|  | INDIVIDUAL QUARTER                               |   | CUMULATIVE QUARTER                               |  |
|--|--|---|--|--|
|  | Current year<br>quarter<br>31 Dec 2013<br>RM'000 | Preceding year<br>corresponding<br>quarter<br>31 Dec 2012<br>RM'000 | Current year<br>to date<br>31 Dec 2013<br>RM'000 | Preceding year<br>corresponding<br>period<br>31 Dec 2012<br>RM'000 |
| Revenue  | 2,411  | 1,856   | 4,689  | 4,042  |
| Cost of sales                                    | (590)  | (521)   | (1,190)  | (1,028)  |
| Gross profit                                     | 1,821  | 1,335   | 3,499  | 3,014  |
| Other operating income                           | 452  | 40  | 531  | 174  |
| Other operating expenses                         | (1,746)  | (1,449)   | (3,398)  | (2,916)  |
| Finance cost                                     | (72)   | (71)  | (148)  | (141)  |
| Profit/ (Loss) before taxation                   | 455  | (145)   | 484  | 131  |
| Tax Expense                                      | (1)  | (3)   | (5)  | (6)  |
| Profit/ (Loss) for the period                    | 454  | (148)   | 479  | 125  |
| Other comprehensive income                       | -  | -   | -  | -  |
| Total comprehensive profit/(loss) for the period | 454  | (148)   | 479  | 125  |
| Attributable to:                                 |  |   |  |  |
| Owners of the company                            | 454  | (148)   | 479  | 125  |
| Minority interests                               | -  | -   | -  | -  |
|  | 454  | (148)   | 479  | 125  |
| Basic Earnings/(Loss) Per Share (sen)            | 0.36   | (0.12)  | 0.38   | 0.10   |

### Notes:

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial statements.

# JF Technology Berhad

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## Unaudited Condensed Consolidated Statement of Financial Position As at 31 December 2013

|   | (Unaudited)<br>As at<br>31 Dec 2013<br>RM'000 | (Audited)<br>As at<br>30 June 2013<br>RM'000 |
|---|---|--|
| <b>ASSETS</b>                                       |   |  |
| <b>Non-current assets</b>                           |   |  |
| Property, plant and equipment                       | 19,073  | 19,473                                       |
| Intangible assets                                   | 276   | 337  |
|   | <u>19,349</u>                                 | <u>19,810</u>                                |
| <b>Current assets</b>                               |   |  |
| Inventories   | 1,121   | 1,012  |
| Trade receivables                                   | 2,005   | 2,199  |
| Other receivables, deposits and prepayments         | 409   | 134  |
| Cash and cash equivalents                           | 6,671   | 6,198  |
| Current tax assets                                  | 62  | 52   |
|   | <u>10,268</u>                                 | <u>9,595</u>                                 |
| <b>TOTAL ASSETS</b>                                 | <b><u>29,617</u></b>                          | <b><u>29,405</u></b>                         |
| <b>EQUITY AND LIABILITIES</b>                       |   |  |
| <b>Equity attributable to owners of the company</b> |   |  |
| Share capital                                       | 12,600  | 12,600                                       |
| Share premium                                       | 8,743   | 8,743  |
| Retained Earnings                                   | 663   | 184  |
| <b>Total equity</b>                                 | <u>22,006</u>                                 | <u>21,527</u>                                |
| <b>Non-current liabilities</b>                      |   |  |
| Borrowings  | 5,065   | 5,451  |
| Deferred tax liabilities                            | 823   | 823  |
|   | <u>5,888</u>                                  | <u>6,274</u>                                 |
| <b>Current liabilities</b>                          |   |  |
| Trade payables                                      | 93  | 70   |
| Other payables and accruals                         | 852   | 697  |
| Current tax liabilities                             | -   | 42   |
| Borrowings  | 778   | 795  |
| <b>Total current liabilities</b>                    | <u>1,723</u>                                  | <u>1,604</u>                                 |
| <b>Total liabilities</b>                            | <u>7,611</u>                                  | <u>7,878</u>                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b><u>29,617</u></b>                          | <b><u>29,405</u></b>                         |
| <b>Net assets per share (sen)</b>                   | <u>17.47</u>                                  | <u>17.08</u>                                 |

### Notes:

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements .

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the 2nd financial quarter ended 31 December 2013

|  | Share<br>Capital<br>RM'000 | Non<br>Distributable<br>Share<br>Premium<br>RM'000 | Distributable<br>Retained<br>Earnings<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|----------------------------|--|---|---------------------------|
| Balance as at 01 July 2012                     | 12,600                     | 8,743  | 1,255   | 22,598                    |
| Profit after taxation for the financial period | -                          | -  | 125   | 125                       |
| Other comprehensive income, net of tax         | -                          | -  | -   | -                         |
| Balance as at 31 December 2012                 | <b>12,600</b>              | <b>8,743</b>                                       | <b>1,380</b>                                    | <b>22,723</b>             |
| Balance as at 01 July 2013                     | 12,600                     | 8,743  | 184   | 21,527                    |
| Profit after taxation for the financial period | -                          | -  | 479   | 479                       |
| Balance as at 31 December 2013                 | <b>12,600</b>              | <b>8,743</b>                                       | <b>663</b>                                      | <b>22,006</b>             |

### Notes:

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to this interim financial statements.

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## Unaudited Condensed Consolidated Statement of Cash Flows For the 2nd financial quarter ended 31 December 2013

|   | (Unaudited)<br>As at<br>31 Dec 2013<br>RM'000 | (Audited)<br>As at<br>30 June 2013<br>RM'000 |
|---|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |   |  |
| Profit/ (Loss) before tax                                 | 484   | (929)  |
| Adjustments for :   |   |  |
| Amortisation of product development cost                  | 60  | 144  |
| Depreciation of property, plant and equipment             | 514   | 1,183  |
| Gain on disposal of non-current asset held for sale       | -   | (52)   |
| Gain on disposal of property, plant and equipment         | (20)  | -  |
| Impairment loss on :                                      |   |  |
| - plant and machinery                                     | -   | 353  |
| - tools and equipment                                     | -   | 78   |
| - trade receivables                                       | -   | 118  |
| Deposit of machine written off                            | -   | 62   |
| Reversal of deposit of machine written off                | (34)  | -  |
| Inventories written down                                  | 23  | 26   |
| Interest expense  | 148   | 268  |
| Interest income from short term funds                     | (72)  | (139)  |
| Patent expenses written off                               | -   | 72   |
| Reversal of impairment loss on trade receivables          | (111)   | (14)   |
| Unrealised loss on foreign exchange                       | -   | 10   |
| Unrealised gain on foreign exchange                       | (18)  | (24)   |
| Operating profit before working capital changes           | 974   | 1,156  |
| Changes in working capital:                               |   |  |
| Decrease/(Increase) in inventories                        | (132)   | (145)  |
| Decrease/(Increase) in receivables                        | 29  | (241)  |
| (Decrease) / Increase in payables                         | 179   | (157)  |
| Cash generated from/(used in) operating activities        | 1,050   | 613  |
| Income tax refund/(paid)                                  | (22)  | (134)  |
| Net cash generated from/ (used in) operating activities   | 1,028   | 479  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |   |  |
| Interest received   | 72  | 139  |
| Purchase of property, plant and equipment                 | (93)  | (368)  |
| Proceeds from disposal of non-current asset held for sale | -   | 300  |
| Net cash (used in)/ from investing activities             | (21)  | 71   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |   |  |
| Interest paid   | (148)   | (268)  |
| Repayment of hire-purchase payables                       | (58)  | (201)  |
| Repayment of term loan                                    | (346)   | (716)  |
| Net cash (used in)/ from financing activities             | (552)   | (1,185)                                      |
| Net (decrease)/ increase in cash and cash equivalents     | 455   | (635)  |
| Cash and cash equivalents at beginning of period          | 6,198   | 6,842  |
| Effects of exchange rate changes                          | 18  | (9)  |
| Cash and cash equivalents at end of period                | 6,671   | 6,198  |
| <u>Cash and cash equivalents consist of:</u>              |   |  |
| Money market unit trust fund                              | 5,266   | 5,213  |
| Cash and bank balances                                    | 1,405   | 985  |
|   | 6,671   | 6,198  |

**Notes:**

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Statement for the year ended 30 June 2013 and the explanatory notes attached to the interim financial statements.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") : INTERIM FINANCIAL REPORTING

#### A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2013.

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 30 June 2013.

#### A2 Adoption of New and Revised Accounting Policies

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company :-

|  |   | <u>Effective Date</u> |
|--|---|-----------------------|
| MFRS 10                                    | Consolidated Financial Statement  | 1 January 2013        |
| MFRS 11                                    | Joint Arrangement   | 1 January 2013        |
| MFRS 12                                    | Disclosure of Interests in Other Entities   | 1 January 2013        |
| MFRS 13                                    | Fair Value Measurement  | 1 January 2013        |
| MFRS 119                                   | Employee Benefits ( revised )   | 1 January 2013        |
| MFRS 127                                   | Separate Financial Statements   | 1 January 2013        |
| MFRS 128                                   | Investments in Associates and Joint Ventures  | 1 January 2013        |
| Amendments to MFRS 7                       | Disclosure - Offsetting Financial Assets and Financial Liabilities  | 1 January 2013        |
| Amendments to MFRS                         | Annual Improvements 2009-2012 Cycle   | 1 January 2013        |
| Amendments to MFRS 10, MFRS 11 and MFRS 12 | Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance | 1 January 2013        |
| IC Interpretation 20                       | Stripping Costs in the Production Phase of a Surface Mine   | 1 January 2013        |

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period :-

|                               |   |                |
|-------------------------------|---|----------------|
| Amendments to MFRS 132        | Offsetting Financial Assets and Financial Liabilities         | 1 January 2014 |
| Amendments to MFRS 136        | Recoverable Amount Disclosure for Non-Financial Assets        | 1 January 2014 |
| Amendments to MFRS 139        | Novation of Derivatives and Continuation of Hedge Accounting  | 1 January 2014 |
|                               | IC Interpretation 21 Levies                                   | 1 January 2014 |
| Amendments to MFRS 9 & MFRS 7 | Mandatory Effective Date of MFRS 9 and Transition Disclosures | 1 January 2015 |
| MFRS 9                        | Financial Instruments   | 1 January 2015 |

The above new MFRSs, IC Interpretations and Amendments to MFRSs do not have significant impact on the financial reporting of the Group.

### **A3 Auditors' report on preceding annual financial statements**

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

### **A4 Seasonal or cyclical factors**

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

### **A5 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.

### **A6 Material changes in estimates**

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

### **A7 Debt and equity securities**

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

### **A8 Dividend declared or paid**

There were no dividends declared or paid by the company during the current quarter under review.

### **A9 Segmental information**

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting system.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

The Group does not have any non-current assets that are located in countries other than Malaysia. The chief operating decision maker reviews the business performance of the Group as a whole and management monitor the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.

### Geographical information

For the purpose of disclosing geographical information, revenue is based on the geographical location of the customers.

| Revenue from external customers | Current year | Current year |
|---------------------------------|--------------|--------------|
|                                 | quarter      | to date      |
|                                 | 30 Sept 2013 | 30 Sept 2013 |
|                                 | RM'000       | RM'000       |
| Malaysia                        | 1,806        | 3,292        |
| Outside Malaysia                | 605          | 1,397        |
|                                 | <b>2,411</b> | <b>4,689</b> |

### A10 Valuation of property, plant and equipment

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

### A11 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.

### A12 Changes in the composition of the Group

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

### A13 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.

### A14 Capital commitments

| Capital expenditure approved and contracted for : | RM'000 |
|---|--------|
| - purchase of property, plant and equipment       | 380    |

### A15 Significant related party transactions

The Group has no related party transactions which would have a significant impact on the financial position and business of the Group during the current financial quarter under review and current financial year-to-date.



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

### **B1 Review of performance**

For the current quarter ended 31 December 2013, the Group recorded a turnover of RM2.41 million and profit before tax ("PBT") of RM0.46 million as compared with the preceding year corresponding quarter turnover of RM1.86 million and loss before tax ("LBT") of RM0.15 million. The increase in revenue was attributed to higher sales and the increase of PBT was due to increase in sales, reversal of impairment loss of receivables, reversal of deposit of machine written off and reimbursement of research & development expenditure from Government Grant. .

For the current year to date as at 31 December 2013, the Group achieved a turnover of RM4.69 million and PBT of RM0.48 million as compared to RM4.04 million turnover and PBT of RM0.13 million in the preceding year, representing an increase of 16% in turnover and 269% in PBT respectively. The increase in the year-to-date PBT was mainly from increase in sales in the current quarter, reversal of impairment loss of receivables, reversal of deposit of machine written off and reimbursement of research & development expenditure from Government Grant.

### **B2 Variation of results against immediate preceding quarter**

|         | <b>Current<br/>Quarter<br/>31 Dec 2013<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30 Sept 2013<br/>RM'000</b> |
|---------|---|--|
| Revenue | <u>2,411</u>  | <u>2,277</u>   |
| PBT     | <u>455</u>  | <u>30</u>  |

When compared to the preceding quarter, the Group's revenue increased by 8% from RM2.23 million to RM2.41 million and increase of PBT from RM0.03 million to RM0.46 million. The increase in PBT was mainly due to increase in sales and the above reasons stated in B1.

### **B3 Prospects for the financial year ending 30 June 2014.**

The Board is of the view that the Group's performance will improve for the current financial year in line with the expected improvement in the semiconductor industry.

The Board will take all the necessary actions such as continuous product development and intensive sales and marketing efforts to boost revenue.

### **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 document or announcement.

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

### B5 Notes to the statement of comprehensive income

PBT is arrived at after charging/(crediting) :

|   | Current<br>quarter<br>31 Dec 2013<br>RM'000 | Cumulative<br>quarter<br>31 Dec 2013<br>RM'000 |
|---|---|--|
| Other income - Government Grant                   | (225)                                       | (225)  |
| Amortisation of product development cost          | 30  | 60   |
| Depreciation of property, plant and equipment     | 255   | 514  |
| Gain on disposal of property, plant and equipment | (20)  | (20)   |
| Reversal for deposit of machine written off       | (34)  | (34)   |
| Inventories written down                          | 0   | 23   |
| Interest expense                                  | 73  | 148  |
| Interest income from short term funds             | (37)  | (72)   |
| Reversal of impairment loss on trade receivables  | (111)                                       | (111)  |
| Net gain on unrealised foreign exchange           | (12)  | (18)   |
| Net gain on realised foreign exchange             | (6)   | (36)   |

### B6 Taxation

|                           | Current<br>quarter<br>31 Dec 2013<br>RM'000 | Cumulative<br>quarter<br>31 Dec 2013<br>RM'000 |
|---------------------------|---|--|
| Current tax               | (1)   | (5)  |
| Deferred tax              | -   | -  |
| In respect of prior years | -   | -  |
|                           | <u>(1)</u>                                  | <u>(5)</u>                                     |

Current tax is provided for profitable subsidiary as there is no claiming of the tax group relief over the loss making companies within the Group

### B7 The Group's borrowings as at 31 December 2013 all of which are secured are as follows.

|                      | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|----------------------|-------------------|---------------------|-----------------|
| Short term borrowing | 778               | -                   | 778             |
| Long term borrowing  | 5,065             | -                   | 5,065           |
|                      | <u>5,843</u>      | <u>-</u>            | <u>5,843</u>    |

The Group does not have any foreign currency borrowings.

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

### **B8 Dividends**

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

### **B9 Earnings per share**

|   | <b>Current year<br/>quarter<br/>31 Dec 2013</b> | <b>Current year<br/>to date<br/>31 Dec 2013</b> |
|---|---|---|
| Profit after taxation (RM'000)                    | 454   | 479   |
| Weighted average number of shares in issue ('000) | 126,000   | 126,000   |
| Basic Earnings per share (sen)                    | <u>0.36</u>                                     | <u>0.38</u>                                     |

Diluted (loss)/earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 2013

### **B10 Realised and Unrealised Profit/Losses**

|   | <b>Current<br/>Quarter<br/>31 Dec 2013<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30 Sept 2013<br/>RM'000</b> |
|---|---|--|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries : |   |  |
| - Realised  | 1,486   | 1,032  |
| - Unrealised  | (823)   | (823)  |
| Total group retained profits / (accumulated losses) as per consolidated accounts  | <u>663</u>  | <u>209</u>   |

### **B11 Status of Corporate Proposals Announced**

There are no corporate proposals announced but not completed as at 21 February 2014.

### **B12 Authorisation for issue**

The interim financial report has been authorised for issue by the Board of Directors ("Board") in accordance with a resolution of the Board on 21 February 2014.

On Behalf of the Board

**Foong Wei Kuong**

Managing Director

Date: 26 February 2014