

# JF Technology Berhad

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



## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the 3rd financial quarter ended 31 March 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Mar 2014 RM'000	Preceding year corresponding quarter 31 Mar 2013 RM'000	Current year to date 31 Mar 2014 RM'000	Preceding year corresponding period 31 Mar 2013 RM'000
Revenue	2,922	1,776	7,610	5,818
Cost of sales	(772)	(536)	(1,962)	(1,564)
Gross profit	2,150	1,240	5,648	4,254
Other operating income	62	36	593	210
Other operating expenses	(1,812)	(1,762)	(5,210)	(4,678)
Finance cost	(65)	(66)	(212)	(207)
Profit/ (Loss) before taxation	335	(552)	819	(421)
Tax Expense	-	(24)	(5)	(30)
Profit/ (Loss) for the period	335	(576)	814	(451)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	335	(576)	814	(451)
Attributable to:				
Owners of the company	335	(576)	814	(451)
Minority interests	-	-	-	-
	335	(576)	814	(451)
Basic Earnings/(Loss) Per Share (sen)	0.27	(0.46)	0.65	(0.36)

### 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

(Company No. 747681-H)  
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## Unaudited Condensed Consolidated Statement of Financial Position As at 31 March 2014

	(Unaudited) As at 31 Mar 2014 RM'000	(Audited) As at 30 June 2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,856	19,473
Intangible assets	246	337
	<u>19,102</u>	<u>19,810</u>
<b>Current assets</b>		
Inventories	1,188	1,012
Trade receivables	2,571	2,199
Other receivables, deposits and prepayments	371	134
Cash and cash equivalents	6,372	6,198
Current tax assets	52	52
	<u>10,554</u>	<u>9,595</u>
<b>TOTAL ASSETS</b>	<b><u>29,656</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	998	184
<b>Total equity</b>	<u>22,341</u>	<u>21,527</u>
<b>Non-current liabilities</b>		
Borrowings	4,856	5,451
Deferred tax liabilities	823	823
	<u>5,679</u>	<u>6,274</u>
<b>Current liabilities</b>		
Trade payables	125	70
Other payables and accruals	726	697
Current tax liabilities	13	42
Borrowings	772	795
<b>Total current liabilities</b>	<u>1,636</u>	<u>1,604</u>
<b>Total liabilities</b>	<u>7,315</u>	<u>7,878</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>29,656</u></b>	<b><u>29,405</u></b>
	-	-
<b>Net assets per share (sen)</b>	<u>17.73</u>	<u>17.08</u>

### Notes:

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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 3rd financial quarter ended 31 March 2014

	Share Capital RM'000	Non Distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Balance as at 01 July 2012	12,600	8,743	1,255	22,598
Profit after taxation for the financial period	-	-	(451)	(451)
Other comprehensive income, net of tax	-	-	-	-
Balance as at 31 March 2013	<b>12,600</b>	<b>8,743</b>	<b>804</b>	<b>22,147</b>
Balance as at 01 July 2013	12,600	8,743	184	21,527
Profit after taxation for the financial period	-	-	814	814
Balance as at 31 March 2014	<b>12,600</b>	<b>8,743</b>	<b>998</b>	<b>22,341</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 3rd financial quarter ended 31 March 2014

	(Unaudited) As at 31 Mar 2014 RM'000	(Audited) As at 30 June 2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	819	(929)
Adjustments for :		
Amortisation of product development cost	90	144
Depreciation of property, plant and equipment	758	1,183
Gain on disposal of non-current asset held for sale		(52)
Gain on disposal of property, plant and equipment	(23)	
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	213	268
Interest income from short term funds	(106)	(139)
Patent expenses written off	-	72
Reversal of impairment loss on trade receivables	(118)	(14)
Unrealised loss on foreign exchange	-	10
Unrealised gain on foreign exchange	(24)	(24)
Operating profit before working capital changes	1,598	1,156
Changes in working capital:		
Decrease/(Increase) in inventories	(199)	(145)
Decrease/(Increase) in receivables	(499)	(241)
(Decrease) / Increase in payables	84	(157)
Cash generated from/(used in) operating activities	984	613
Income tax refund/(paid)	8	(134)
Net cash generated from/ (used in) operating activities	992	479
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	106	139
Purchase of property, plant and equipment	(117)	(368)
Proceeds from disposal of non-current asset held for sale	-	300
Net cash from/ (used in) investing activities	(11)	71
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(212)	(268)
Repayment of hire-purchase payables	(87)	(201)
Repayment of term loan	(532)	(716)
Net cash (used in)/ from financing activities	(831)	(1,185)
Net (decrease)/ increase in cash and cash equivalents	150	(635)
Cash and cash equivalents at beginning of period	6,198	6,842
Effects of exchange rate changes	24	(9)
Cash and cash equivalents at end of period	6,372	6,198
<u>Cash and cash equivalents consist of:</u>		
Money market unit trust fund	5,266	5,213
Cash and bank balances	1,106	985
	6,372	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 MARCH 2014

### 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 MARCH 2014

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 MARCH 2014

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 quarter	Current year to date
	31 March 2014 RM'000	31 March 2014 RM'000
Malaysia	1,583	4,875
Outside Malaysia	1,339	2,735
	<b>2,922</b>	<b>7,610</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 March 2014, the Group recorded a turnover of RM2.92 million and profit before tax ("PBT") of RM0.34 million as compared with the preceding year corresponding quarter turnover of RM1.78 million and loss before tax ("LBT") of RM0.55 million. The increase in revenue and PBT was due to increase in sales

For the current year to date as at 31 March 2014, the Group achieved a turnover of RM7.61 million and PBT of RM0.82 million as compared to RM5.82 million turnover and LBT of RM0.42 million in the preceding year, representing an increase of 31% in turnover and 295% in PBT respectively. The increase in the year-to-date PBT was mainly from 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.

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

	<b>Current Quarter 31 Mar 2014 RM'000</b>	<b>Preceding Quarter 31 Dec 2013 RM'000</b>
Revenue	<u>2,922</u>	<u>2,411</u>
PBT	<u>335</u>	<u>455</u>

When compared to the preceding quarter, the Group's revenue increased by 21% from RM2.41 million to RM2.92 million and decrease of PBT from RM0.46 million to RM0.34 million. The decrease in PBT was mainly due to reversal of impairment loss of receivables, reversal of deposit of machine written off and reimbursement of research & development expenditure from Government Grant in the previous quarter.

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

The Board anticipates that the various product development and intensive sales and marketing efforts would help the Group to improve its performance and maintain the profitable performance for the current 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 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 quarter 31 Mar 2014 RM'000	Cumulative quarter 31 Mar 2014 RM'000
Other income - Government Grant	0	(225)
Amortisation of product development cost	30	90
Depreciation of property, plant and equipment	244	758
Gain on disposal of property, plant and equipment	(3)	(23)
Reversal for deposit of machine written off	0	(34)
Inventories written down	0	23
Interest expense	65	213
Interest income from short term funds	(34)	(106)
Reversal of impairment loss on trade receivables	0	(118)
Net gain on unrealised foreign exchange	(6)	(24)
Net gain on realised foreign exchange	(4)	(40)

### B6 Taxation

	Current quarter 31 Mar 2014 RM'000	Cumulative quarter 31 Mar 2014 RM'000
Current tax	-	(5)
Deferred tax	-	-
In respect of prior years	-	-
	<u>-</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 March 2014 all of which are secured are as follows.

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowing	772	-	772
Long term borrowing	4,856	-	4,856
	<u>5,628</u>	<u>-</u>	<u>5,628</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 quarter 31 Mar 2014</b>	<b>Current year to date 31 Mar 2014</b>
Profit after taxation (RM'000)	335	814
Weighted average number of shares in issue ('000)	126,000	126,000
Basic Earnings per share (sen)	<u>0.27</u>	<u>0.65</u>

Diluted (loss)/earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2014

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

	<b>Current Quarter 31 Mar 2014 RM'000</b>	<b>Preceding Quarter 31 Dec 2013 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	1,821	1,486
- Unrealised	(823)	(823)
Total group retained profits / (accumulated losses) as per consolidated accounts	<u>998</u>	<u>663</u>

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

There are no corporate proposals announced but not completed as at 23 May 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 23 May 2014.

On Behalf of the Board

**Foong Wei Kuong**

Managing Director

Date: 26 May 2014