



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCTOBER 2016 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 OCTOBER 2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 OCTOBER 2015 ⁽²⁾ RM'000	CURRENT YEAR-TO-DATE 31 OCTOBER 2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 OCTOBER 2015 ⁽²⁾ RM'000
Revenue	A9	8,537	N/A	20,461	N/A
Cost of sales		(4,116)	N/A	(10,403)	N/A
Gross profit		4,421	N/A	10,058	N/A
Other income		392	N/A	579	N/A
Administrative expenses		(2,047)	N/A	(4,408)	N/A
Selling and distribution expenses		(531)	N/A	(1,260)	N/A
Other expenses		(193)	N/A	(579)	N/A
Finance costs		(114)	N/A	(248)	N/A
Profit before taxation		1,928	N/A	4,142	N/A
Income tax expense	B4	(498)	N/A	(1,085)	N/A
Profit after taxation ("PAT")		1,430	N/A	3,057	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period		1,430	N/A	3,057	N/A
PAT/Total comprehensive income attributable to:-					
Owners of the Company		1,430	N/A	3,057	N/A
Earnings per share (sen)					
- Basic	B11	0.33	N/A	0.72	N/A
- Diluted ⁽³⁾	B11	0.33	N/A	0.72	N/A

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 2016 and the accompanying explanatory notes attached to this interim financial report.

(2) This is the first interim financial report for the second quarter ended 31 October announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures available for the preceding year's quarter as no interim financial report was prepared for the comparative financial period concerned.

(3) Diluted earnings per share of the Company for the individual quarter 31 October 2016 and cumulative quarter 31 October 2016 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A - Not applicable.



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 OCTOBER 2016 ⁽¹⁾

	Note	UNAUDITED AT 31 OCTOBER 2016 RM'000	AUDITED AT 30 APRIL 2016 RM'000
ASSETS			
Non-current Asset			
Property, plant and equipment		22,042	22,193
Current Assets			
Inventories		8,534	10,181
Trade receivables		9,510	9,592
Other receivables, deposits and prepayments		1,398	1,307
Current tax assets		317	496
Fixed deposits with licensed banks		10,747	659
Cash and bank balances		20,497	7,805
		<u>51,003</u>	<u>30,040</u>
TOTAL ASSETS		<u>73,045</u>	<u>52,233</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		42,880	31,580
Share premium		10,419	-
Merger deficit		(29,580)	(29,580)
Retained profits		36,139	33,082
TOTAL EQUITY		<u>59,858</u>	<u>35,082</u>
Non-current Liabilities			
Hire purchase payables	B8	962	928
Term loans	B8	7,142	7,546
Deferred tax liabilities		535	535
		<u>8,639</u>	<u>9,009</u>
Current Liabilities			
Trade payables		1,645	3,379
Other payables and accruals		1,814	3,745
Hire purchase payables	B8	317	276
Term loans	B8	772	742
		<u>4,548</u>	<u>8,142</u>
TOTAL LIABILITIES		13,187	17,151
TOTAL EQUITY AND LIABILITIES		<u>73,045</u>	<u>52,233</u>
Net assets per share (RM)		<u>0.14</u>	<u>0.11</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 2016 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 OCTOBER 2016 ⁽¹⁾

	<----- Non-Distributable ----->			Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Retained Profits RM'000	
Balance at 1 May 2016	31,580	-	(29,580)	33,082	35,082
PAT/Total comprehensive income for the financial period	-	-	-	3,057	3,057
Contributions by owners of the Company:					
- Issuance of shares	11,300	11,300	-	-	22,600
- Share issuance expenses ⁽²⁾	-	(881)	-	-	(881)
Balance at 31 October 2016 ⁽³⁾	42,880	10,419	(29,580)	36,139	59,858

Notes:-

(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 2016 and the accompanying explanatory notes attached to this interim financial report.

(2) Share issuance expenses of approximately RM0.881 million for the issuance of new LKL International Berhad shares were written-off against the share premium account under Section 60 of the Companies Act, 1965.

(3) This is the first interim financial report for the second quarter ended 31 October announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures available for the preceding year's quarter as no interim financial report was prepared for the comparative financial period concerned.



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2016 ⁽¹⁾

	CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR
	YEAR-TO-DATE	CORRESPONDING
	31 OCTOBER 2016	PERIOD
	RM'000	31 OCTOBER 2015 ⁽²⁾
		RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,142	N/A
Adjustments for:		
Allowance for impairment losses on trade receivables	17	N/A
Depreciation of property, plant and equipment	629	N/A
Interest expense	248	N/A
Interest income	(271)	N/A
Listing expenses	223	N/A
Unrealised gain on foreign exchange	(230)	N/A
Writeback of allowance for impairment losses on trade receivables	(7)	N/A
Operating profit before working capital changes	4,751	N/A
Decrease in inventories	1,647	N/A
Increase in trade and other receivables	(543)	N/A
Decrease in trade and other payables	(3,095)	N/A
CASH FROM OPERATIONS	2,760	N/A
Interest paid	(248)	N/A
Income tax paid	(906)	N/A
Interest received	271	N/A
NET CASH FROM OPERATING ACTIVITIES	1,877	N/A
NET CASH FOR INVESTING ACTIVITY		
Purchase of property, plant and equipment	(254)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	22,600	N/A
Payment of listing expenses	(1,150)	N/A
Repayment of hire purchase obligations	(149)	N/A
Repayment of term loans	(374)	N/A
NET CASH FROM FINANCING ACTIVITIES	20,927	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,550	N/A
EFFECT OF FOREIGN EXCHANGE TRANSLATION	230	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,805	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	30,585	N/A
<u>Cash and cash equivalents at end of the financial period comprises the following:</u>		
Cash and bank balances	20,497	N/A
Fixed deposits with licensed banks	10,747	N/A
	31,244	N/A
Less: Fixed deposit pledged to a licensed bank	(659)	N/A
	30,585	N/A

Notes:-

(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 2016 and the accompanying explanatory notes attached to this interim financial report.

(2) This is the first interim financial report for the second quarter ended 31 October announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures available for the preceding year's quarter as no interim financial report was prepared for the comparative financial period concerned.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

A1. Basis of preparation

The interim financial report of LKL International Berhad (“**LKL International**” or “**the Company**”) and its subsidiaries, LKL Advance Metaltech Sdn. Bhd. (“**LKLAM**”) and Medik Gen Sdn. Bhd. (“**Medik Gen**”) (collectively “**the Group**”) are unaudited and have 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 Listing Requirements of Bursa Securities.

This is the first interim financial report on the consolidated results for the second quarter ended 31 October announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the audited financial statements for the FYE 30 April 2016 and the accompanying explanatory notes attached to this interim financial report.

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 2016 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking ‘expected loss’ impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

A2. Changes in accounting policies (Cont’d)

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. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

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 were 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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

A9. Segmental information

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	31 OCT 2016	31 OCT 2015 ⁽¹⁾	31 OCT 2016	31 OCT 2015 ⁽¹⁾
	RM’000	RM’000	RM’000	RM’000
Manufacturing:				
Medical/healthcare beds	2,380	N/A	5,660	N/A
Medical peripherals and accessories	4,270	N/A	10,239	N/A
	<u>6,650</u>	<u>N/A</u>	<u>15,899</u>	<u>N/A</u>
Trading:				
Medical peripherals and accessories	1,887	N/A	4,562	N/A
Total revenue	<u>8,537</u>	<u>N/A</u>	<u>20,461</u>	<u>N/A</u>

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	31 OCT 2016		31 OCT 2015 ⁽¹⁾		31 OCT 2016		31 OCT 2015 ⁽¹⁾	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Local:								
Malaysia	6,120	71.69	N/A	N/A	15,311	74.83	N/A	N/A
Export:								
Africa	29	0.34	N/A	N/A	86	0.42	N/A	N/A
Asia - other than Malaysia	1,134	13.28	N/A	N/A	1,827	8.93	N/A	N/A
Europe	167	1.96	N/A	N/A	1,751	8.56	N/A	N/A
Middle East	1,024	11.99	N/A	N/A	1,423	6.95	N/A	N/A
Central America	63	0.74	N/A	N/A	63	0.31	N/A	N/A
	<u>2,417</u>	<u>28.31</u>	<u>N/A</u>	<u>N/A</u>	<u>5,150</u>	<u>25.17</u>	<u>N/A</u>	<u>N/A</u>
Total revenue	<u>8,537</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>	<u>20,461</u>	<u>100.00</u>	<u>N/A</u>	<u>N/A</u>

Notes:-

(1) This is the first interim financial report for the second quarter ended 31 October announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures available for the preceding year’s quarter as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

A10. Valuation of property, plant and equipment

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

Save as disclosed below, there were no material changes in the composition of the Group for the current financial quarter under review:

- (i) On 10 October 2016, LKL International had completed the acquisition of the entire issued and paid up share capital of Medik Gen for a total cash consideration of RM100.

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

The capital commitments of the Group are as follows:

	UNAUDITED AT 31 OCT 2016 RM'000	AUDITED AT 30 APRIL 2016 RM'000
<u>Authorised and contracted for</u>		
Purchase of property, plant and equipment	<u>5,606</u>	<u>-</u>

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

B1. Review of performance

For the current financial quarter under review, the Group recorded revenue of RM8.537 million. The Group’s revenue was derived from manufacturing of medical/healthcare beds and manufacturing of medical peripherals and accessories sales amounting to RM2.38 million and RM4.27 million respectively. Local market continued to contribute a significant portion amounting to RM6.12 million or 71.69% of the Group’s total revenue.

The Group registered a profit before taxation of RM1.928 million for the current financial quarter under review.

There are no comparative figures for the preceding year corresponding quarter’s results as this is the first interim financial report for the second quarter ended 31 October announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B2. Comparison with preceding quarter’s results

	UNAUDITED CURRENT QUARTER 31 OCT 2016 RM'000	UNAUDITED PRECEDING QUARTER 31 JULY 2016 RM'000
Revenue	8,537	11,924
Profit before taxation (“PBT”)	1,928	2,214

The Group’s revenue for the current financial quarter ended 31 October 2016 decreased by RM3.387 million or 28.40% to RM8.537 million as compared to RM11.924 million in the preceding financial quarter ended 31 July 2016. The decrease in revenue was mainly attributable to lower sales in medical beds and medical peripherals due to sluggish economic conditions.

Based on the above, the Group recorded a lower PBT by RM0.286 million or 12.92% to RM1.928 million for the current financial quarter as compared to a PBT of RM2.214 million in the preceding financial quarter. The reduction in PBT was due to the decrease in revenue during the financial quarter under review.

B3. Prospects

Considering the present economic outlook and subdued market sentiments, it will be a challenging business environment for the Group ahead. The Group will continue to seek for new growth opportunities in both local and export markets.

The Group had recently announced 2 proposals, i.e. acquisition of a new fully automated Computer Numeric Control (“CNC”) punching machine (TruPunch 2000); and acquisition of a piece of freehold land together with a one and a half storey semi-detached factory (“Property”). The CNC punching machine, is expected to be operational in the third quarter of the financial year ending 2017, will facilitate automation of the Group’s manufacturing processes, making it more efficient and accurate with less wastages.

The Property is located adjacent to our current manufacturing plant and is in line with our Group’s plans to expand the manufacturing plant to cater for greater automation and increase in storage area. The acquisition of the Property is expected to be completed in the fourth quarter of the financial year ending 2017.

With the above expansion plans, this would allow the Group to expand more aggressively and take up more job orders which is expected to contribute positively to the performance of the Group.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

B4. Income tax expense

	UNAUDITED INDIVIDUAL QUARTER 31 OCT 2016 RM'000	UNAUDITED CUMULATIVE QUARTER 31 OCT 2016 RM'000
Current tax expense:-		
- for the financial period	486	1,073
- underprovision in the previous financial year	12	12
	498	1,085
Effective tax rate (%)	25.83	26.20

The effective tax rate for both individual and cumulative quarters is higher than the statutory tax rate due to underprovision of taxation in the prior year and listing expenses which is non-deductible expenses for tax.

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

On 20 October 2016, the Company had announced the acquisition of the Property, which is expected to be completed in the fourth quarter of the financial year ending 2017. There were no other corporate proposals announced but not completed as at the date of this report.

B7. Utilisation of proceeds from the Initial Public Offering ("IPO")

The gross proceeds arising from the IPO amounting to RM22.6 million and the status of the utilisation of the proceeds as at the date of this report is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for utilisation
(a) Capital expenditure	6,000	1,476	-	4,524	Within 18 months
(b) Acquisition of factory and related renovation works	6,495	495	-	6,000	Within 18 months
(c) Working capital	7,605	7,450	155	-	-
(d) Estimated listing expenses	2,500	2,655	(155)*	-	-
Total	22,600	12,076	-	10,524	

Note:-

* In view that the actual listing expenses were higher than estimated, the deficit has been funded out of the portion allocated for working capital.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

B8. Group's borrowings and debt securities

The Group's borrowings as at 31 October 2016 are as follows:

	UNAUDITED AT 31 OCT 2016 RM'000	AUDITED AT 30 APRIL 2016 RM'000
Current:		
Hire purchase payables	317	276
Term loans	772	742
	<u>1,089</u>	<u>1,018</u>
Non-current:		
Hire purchase payables	962	928
Term loans	7,142	7,546
	<u>8,104</u>	<u>8,474</u>
Total borrowings:		
Hire purchase payables	1,279	1,204
Term loans	7,914	8,288
	<u><u>9,193</u></u>	<u><u>9,492</u></u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. 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, LKLAM, 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.

Following the case hearing on 11 October 2016, a Winding-Up Order was made against KHC by the High Court, Kuala Lumpur. On the same day the Official Receiver, Malaysia ("OR"), was appointed as the Provisional Liquidator of the company. A Notice to Creditors of First Meeting was issued on the 8 November 2016 by the OR. The first creditors' meeting was held on 30 November 2016. During the meeting, due to not all the creditors have filed their proof of debt form, the OR has adjourned the meeting to a later date so that more Creditors can be involved in the decision making. OR will inform on the date of next creditors' meeting via notice.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

B11. Earnings per share ("EPS")

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

	UNAUDITED INDIVIDUAL QUARTER 31 OCT 2016	UNAUDITED CUMULATIVE QUARTER 31 OCT 2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	1,430	3,057
Weighted average number of ordinary shares in issue ('000)	428,800	422,045
Basic EPS (sen)	0.33	0.72
Diluted EPS (sen) ⁽¹⁾	0.33	0.72

Note:-

(1) Diluted EPS of the Company for the individual quarter 31 October 2016 and cumulative quarter 31 October 2016 is equivalent to the basic EPS as the Company does not have convertible options at the end of the reporting period.

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

PBT is arrived at after charging/(crediting):

	UNAUDITED INDIVIDUAL QUARTER 31 OCT 2016 RM'000	UNAUDITED CUMULATIVE QUARTER 31 OCT 2016 RM'000
Allowance for impairment losses on trade receivables	9	17
Depreciation of property, plant and equipment	320	629
Interest expense	114	248
Listing expenses	-	223
Interest income	(155)	(271)
Realised gain on foreign exchange	(6)	(28)
Unrealised gain on foreign exchange	(191)	(230)
Writeback of allowance for impairment losses on trade receivables	(7)	(7)

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



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 OCTOBER 2016

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

B13. Disclosure of realised and unrealised profits or losses

The realised and unrealised retained profits of the Group are analysed as follows:

	UNAUDITED AT 31 OCT 2016 RM'000	AUDITED AT 30 APRIL 2016 RM'000
Retained profits of the Group		
- Realised	36,190	33,363
- Unrealised	(51)	(281)
	<u>36,139</u>	<u>33,082</u>