



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2017 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2016 RM'000	CURRENT YEAR-TO-DATE 30 APRIL 2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2016 RM'000
Revenue	A9	6,091	9,311	33,893	37,149
Cost of sales		(3,388)	(6,309)	(17,003)	(21,960)
Gross profit		<u>2,703</u>	<u>3,002</u>	<u>16,890</u>	<u>15,189</u>
Other income		290	57	1,330	596
Administrative expenses		(1,835)	(1,336)	(8,208)	(6,299)
Selling and distribution expenses		(539)	(378)	(2,337)	(1,980)
Other expenses		(228)	(1,727)	(1,145)	(2,127)
Finance costs		(108)	(116)	(471)	(489)
Profit before taxation		<u>283</u>	<u>(498)</u>	<u>6,059</u>	<u>4,890</u>
Income tax expense	B4	(68)	(114)	(1,575)	(1,618)
Profit/(Loss) after taxation ("PAT")/("LAT")		<u>215</u>	<u>(612)</u>	<u>4,484</u>	<u>3,272</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/ (expense) for the financial year		<u><u>215</u></u>	<u><u>(612)</u></u>	<u><u>4,484</u></u>	<u><u>3,272</u></u>
PAT/(LAT)/Total comprehensive income/(expense) attributable to:-					
Owners of the Company		<u><u>215</u></u>	<u><u>(612)</u></u>	<u><u>4,484</u></u>	<u><u>3,272</u></u>
Earnings/(Loss) per share (sen)					
- Basic ⁽²⁾	B11	<u><u>0.05</u></u>	<u><u>(0.19)</u></u>	<u><u>1.05</u></u>	<u><u>1.04</u></u>
- Diluted ⁽³⁾	B11	<u><u>0.05</u></u>	<u><u>(0.19)</u></u>	<u><u>1.05</u></u>	<u><u>1.04</u></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 2016 and the accompanying explanatory notes attached to this interim financial report.

(2) Basic earnings per share for the individual quarter 30 April 2016 and cumulative quarter 30 April 2016 is calculated based on the combined share capital of 315,800,000 ordinary share in issue as at 30 April 2016.

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



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2017 ⁽¹⁾

	Note	UNAUDITED AT 30 APRIL 2017 RM'000	AUDITED AT 30 APRIL 2016 RM'000
ASSETS			
Non-current Asset			
Property, plant and equipment		28,153	22,193
Current Assets			
Inventories		10,559	10,181
Trade receivables		7,834	9,592
Other receivables, deposits and prepayments		1,601	1,307
Amount owing by a related company		7	-
Current tax assets		448	496
Fixed deposits with licensed banks		5,681	659
Cash and bank balances		18,015	7,805
		<u>44,145</u>	<u>30,040</u>
TOTAL ASSETS		<u>72,298</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		36,065	33,082
TOTAL EQUITY		<u>59,784</u>	<u>35,082</u>
Non-current Liabilities			
Hire purchase payables	B8	1,059	928
Term loans	B8	6,701	7,546
Deferred tax liabilities		535	535
		<u>8,295</u>	<u>9,009</u>
Current Liabilities			
Trade payables		1,453	3,379
Other payables and accruals		1,474	3,745
Bankers' acceptance	B8	76	-
Hire purchase payables	B8	386	276
Term loans	B8	830	742
		<u>4,219</u>	<u>8,142</u>
TOTAL LIABILITIES		12,514	17,151
TOTAL EQUITY AND LIABILITIES		<u>72,298</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.



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 APRIL 2017 ⁽¹⁾

	<----- Non-Distributable ----->			Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000		
Balance at 1 May 2016	31,580	-	(29,580)	33,082	35,082
PAT/Total comprehensive income for the financial year	-	-	-	4,484	4,484
Contributions by and distributions to owners of the Company:					
- Issuance of shares	11,300	11,300	-	-	22,600
- Share issuance expenses ⁽²⁾	-	(881)	-	-	(881)
- Dividends	-	-	-	(1,501)	(1,501)
Balance at 30 April 2017	42,880	10,419	(29,580)	36,065	59,784
Balance at 1 May 2015	^	-	-	29,810	29,810
Effect arising from merger	31,580	-	(29,580)	-	2,000
PAT/Total comprehensive income for the financial year	-	-	-	3,272	3,272
Balance at 30 April 2016	31,580	-	(29,580)	33,082	35,082

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.

^ - Represent RM10



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2017 ⁽¹⁾

	CUMULATIVE QUARTER CURRENT YEAR-TO-DATE 30 APRIL 2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,059	4,889
Adjustments for:		
Allowance for impairment losses on trade receivables	185	65
Allowance for slow moving inventories	152	226
Depreciation of property, plant and equipment	1,336	1,162
Interest expense	471	489
Listing expenses	223	1,486
Loss/(Gain) on disposal of property, plant and equipment	14	(130)
(Reversal of)/Allowance for annual leave	(158)	158
Interest income	(546)	(45)
Unrealised gain on foreign exchange	(511)	(254)
Writeback of allowance for impairment losses on trade receivables	(180)	(122)
Operating profit before working capital changes	7,045	7,924
Increase in inventories	(530)	(313)
Decrease/(Increase) in trade and other receivables	935	(1,762)
(Decrease)/Increase in trade and other payables	(3,469)	2,992
Increase in amount owing by related parties	(7)	-
CASH FROM OPERATIONS	3,974	8,841
Income tax paid	(1,527)	(1,800)
Interest paid	(471)	(489)
Interest received	546	45
NET CASH FROM OPERATING ACTIVITIES	2,522	6,597
CASH FLOWS FOR INVESTING ACTIVITIES		
Placement of fixed deposit pledged to a licensed bank	(22)	(40)
Purchase of property, plant and equipment	(6,888)	(927)
Proceeds from disposal of property, plant and equipment	155	164
Repayment from a director	-	58
NET CASH FOR INVESTING ACTIVITIES	(6,755)	(745)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(1,501)	-
Proceeds from issuance of shares	22,600	500
Drawdown of term loans	-	3,300
Payment of listing expenses	(1,150)	(1,419)
Repayment of hire purchase obligations	(336)	(252)
Repayment to a director	-	(3)
Drawdown/(Repayment) of bankers' acceptances	76	(638)
Repayment of term loans	(757)	(3,775)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	18,932	(2,287)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,699	3,565
EFFECT OF FOREIGN EXCHANGE TRANSLATION	511	254
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	7,805	3,986
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23,015	7,805
<u>Cash and cash equivalents at end of the financial year comprises the following:</u>		
Cash and bank balances	18,015	7,805
Fixed deposits with licensed banks	5,681	659
	23,696	8,464
Less: Fixed deposit pledged to a licensed bank	(681)	(659)
	23,015	7,805

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



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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**”) 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 2016. 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 2016.

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
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	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: Effective Date of MFRS 15	1 January 2018
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
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

* Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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

A2. Changes in accounting policies (Cont’d)

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:-

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. Therefore, it is expected that the Group’s investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

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



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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

A8. Dividend paid

The Board has declared first interim single-tier dividend of 0.35 sen per ordinary share amounting to RM1,500,800 in respect of the FYE 30 April 2017 on 20 March 2017 and paid on 28 April 2017.

A9. Segmental information

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	30 APRIL 2017 RM’000	30 APRIL 2016 RM’000	30 APRIL 2017 RM’000	30 APRIL 2016 RM’000
Manufacturing:				
Medical/healthcare beds	1,679	4,436	9,620	14,979
Medical peripherals and accessories	3,327	3,449	16,944	15,061
	<u>5,006</u>	<u>7,885</u>	<u>26,564</u>	<u>30,040</u>
Trading:				
Medical peripherals and accessories	1,085	1,426	7,329	7,109
Total revenue	<u>6,091</u>	<u>9,311</u>	<u>33,893</u>	<u>37,149</u>

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	30 APRIL 2017 RM’000	%	30 APRIL 2016 RM’000	%	30 APRIL 2017 RM’000	%	30 APRIL 2016 RM’000	%
Local:								
Malaysia	4,083	67.03	6,076	65.26	24,405	72.01	29,431	79.22
Export:								
Africa	85	1.40	1,198	12.87	213	0.63	1,406	3.79
Asia - other than Malaysia	1,415	23.23	1,887	20.27	5,273	15.56	5,453	14.68
Europe	186	3.05	1	-	1,937	5.71	3	0.01
Middle East	322	5.29	149	1.60	2,002	5.91	793	2.13
Central America	-	-	-	-	63	0.18	63	0.17
	<u>2,008</u>	<u>32.97</u>	<u>3,235</u>	<u>34.74</u>	<u>9,488</u>	<u>27.99</u>	<u>7,718</u>	<u>20.78</u>
Total revenue	<u>6,091</u>	<u>100.00</u>	<u>9,311</u>	<u>100.00</u>	<u>33,893</u>	<u>100.00</u>	<u>37,149</u>	<u>100.00</u>



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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

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

The capital commitments of the Group are as follows:

	UNAUDITED AT 30 APRIL 2017 RM'000	AUDITED AT 30 APRIL 2016 RM'000
<u>Authorised and contracted for</u>		
Purchase of property, plant and equipment	<u>3,142</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.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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

B1. Review of performance

The Group recorded revenue of RM6.091 million for the current financial quarter, a decrease of 34.58% or RM3.220 million compared to the preceding year corresponding quarter's results of RM9.311 million. The decrease was mainly attributed to the lower revenue generated from medical/healthcare beds segment due to economic slowdown generally. Local market continued to contribute a significant portion amounting to RM4.083 million or 67.03% of the Group's total revenue.

For the current financial quarter under review, the Group's gross profit decreased by RM0.299 million or 9.96% from RM3.002 million in the preceding year corresponding quarter to RM2.703 million in the current financial quarter. The decrease was in line with the lower revenue generated which was partly set off by the increase in gross profit margin due to the product mix sold in the current financial quarter. The Group registered a profit before taxation ("PBT") of RM0.283 million for the current financial quarter under review, representing a RM0.781 million or 156.83% increase compared to a loss before taxation of RM0.498 million recorded in the preceding year corresponding quarter.

B2. Comparison with preceding quarter's results

	UNAUDITED CURRENT QUARTER 30 APRIL 2017 RM'000	UNAUDITED PRECEDING QUARTER 31 JAN 2017 RM'000
Revenue	6,091	7,341
PBT	283	1,634

The Group's revenue for the current financial quarter ended 30 April 2017 decreased by RM1.250 million or 17.03% to RM6.091 million compared to RM7.341 million in the preceding financial quarter ended 31 January 2017. The decrease in revenue was mainly attributed to lower sales in medical/healthcare beds due to sluggish market activities.

The Group recorded a lower PBT by RM1.351 million or 82.68% to RM0.283 million for the current financial quarter compared to a PBT of RM1.634 million in the preceding financial quarter, which was in tandem with the decrease in revenue. The increase in operating costs have further contributed to the lower PBT.

B3. Prospects

The Group remains cautiously optimistic on its performance albeit the challenging business and operational environment. The Group will continue to seek for new growth opportunities in both local and export markets.

The fully automated Computer Numeric Control ("CNC") punching machine (TruPunch 2000) which was acquired and completely installed in the third quarter of the FYE 2017 is now fully operational, whereas the CNC laser tube machine (TruLaser Tube 5000 Fiber) is expected to be operational in the second quarter of the financial year ending 2018. These machines will increase the operations efficiency and process accuracy with less wastages, as well as reduce the dependency on manual labour.

The joint venture with T.M.I Solutions (Pvt) Ltd to distribute selected Nihon Kohden products has commenced its business in first quarter of the financial year ending 2018. It is expected to contribute positively to the Group's performance.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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

B4. Income tax expense

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2017 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2017 RM'000
Current tax expense:-		
- for the financial year	68	1,563
- underprovision in the previous financial year	-	12
	68	1,575
Effective tax rate (%)	24.03	25.99

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 non-deductible expenses for tax such as depreciation and listing expenses.

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.

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	2,257	-	3,743	Within 18 months
(b) Acquisition of factory and related renovation works	6,495	4,950	-	1,545	Within 18 months
(c) Working capital	7,605	7,450	155	-	-
(d) Estimated listing expenses	2,500	2,655	(155)*	-	-
Total	22,600	17,312	-	5,288	

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.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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 30 April 2017 are as follows:

	UNAUDITED AT 30 APRIL 2017 RM'000	AUDITED AT 30 APRIL 2016 RM'000
Current:		
Bankers' acceptance	76	-
Hire purchase payables	386	276
Term loans	830	742
	<u>1,292</u>	<u>1,018</u>
Non-current:		
Hire purchase payables	1,059	928
Term loans	6,701	7,546
	<u>7,760</u>	<u>8,474</u>
Total borrowings:		
Bankers' acceptance	76	-
Hire purchase payables	1,445	1,204
Term loans	7,531	8,288
	<u><u>9,052</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.

A private liquidator was appointed by the High Court on 1 March 2017 to replace the Official Receiver, Malaysia. The private liquidator will review the case, particularly in respect of recovery of any possible debts due to KHC and distribution to creditors. Our solicitor will seek updates from the private liquidator on regular intervals basis.

B10. 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 FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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 30 APRIL 2017	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	215	4,484
Weighted average number of ordinary shares in issue ('000)	428,800	425,395
Basic EPS (sen)	0.05	1.05
Diluted EPS (sen) ⁽¹⁾	0.05	1.05

Note:-

(1) Diluted EPS of the Company for the individual quarter 30 April 2017 and cumulative quarter 30 April 2017 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 30 APRIL 2017 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2017 RM'000
Allowance for impairment losses on trade receivables	47	185
Depreciation of property, plant and equipment	355	1,336
Interest expense	108	471
Listing expenses	-	223
Loss on disposal of property, plant and equipment	19	14
Interest income	(216)	(546)
Realised loss on foreign exchange	38	63
Unrealised loss/(gain) on foreign exchange	55	(511)
Writeback of allowance for impairment losses on trade receivables	(157)	(180)

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 FOURTH (4TH) QUARTER ENDED 30 APRIL 2017

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 profits or losses of the Group are analysed as follows:

	UNAUDITED AT 30 APRIL 2017 RM'000	AUDITED AT 30 APRIL 2016 RM'000
Retained profits of the Group		
- Realised	35,834	33,363
- Unrealised	231	(281)
	<u>36,065</u>	<u>33,082</u>