



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2017 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JULY 2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 JULY 2016 RM'000	CURRENT YEAR-TO-DATE 31 JULY 2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 JULY 2016 RM'000
Revenue	A9	4,825	11,924	4,825	11,924
Cost of sales		(2,798)	(6,287)	(2,798)	(6,287)
Gross profit		<u>2,027</u>	<u>5,637</u>	<u>2,027</u>	<u>5,637</u>
Other income		105	187	105	187
Administrative expenses		(2,149)	(2,361)	(2,149)	(2,361)
Selling and distribution expenses		(549)	(729)	(549)	(729)
Other expenses		(235)	(386)	(235)	(386)
Finance costs		(111)	(134)	(111)	(134)
(Loss)/Profit before taxation		<u>(912)</u>	<u>2,214</u>	<u>(912)</u>	<u>2,214</u>
Income tax expense	B4	-	(587)	-	(587)
(Loss)/Profit after taxation ("LAT")/("PAT")		<u>(912)</u>	<u>1,627</u>	<u>(912)</u>	<u>1,627</u>
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/ income for the financial period		<u><u>(912)</u></u>	<u><u>1,627</u></u>	<u><u>(912)</u></u>	<u><u>1,627</u></u>
(LAT)/PAT/Total comprehensive (expense)/income attributable to:-					
Owners of the Company		(859)	1,627	(859)	1,627
Non-controlling interests		(53)	-	(53)	-
		<u><u>(912)</u></u>	<u><u>1,627</u></u>	<u><u>(912)</u></u>	<u><u>1,627</u></u>
(Loss)/Earnings per share (sen)					
- Basic	B11	<u>(0.20)</u>	<u>0.39</u>	<u>(0.20)</u>	<u>0.39</u>
- Diluted ⁽²⁾	B11	<u>(0.20)</u>	<u>0.39</u>	<u>(0.20)</u>	<u>0.39</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 2017 and the accompanying explanatory notes attached to this interim financial report.

(2) 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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 JULY 2017 ⁽¹⁾

	Note	UNAUDITED AT 31 JULY 2017 RM'000	AUDITED AT 30 APRIL 2017 RM'000
ASSETS			
Non-current Asset			
Property, plant and equipment		32,287	28,158
Current Assets			
Inventories		10,691	10,559
Trade receivables		6,678	7,834
Other receivables, deposits and prepayments		1,106	1,601
Current tax assets		912	454
Fixed deposits with licensed banks		5,681	5,681
Cash and bank balances		13,145	18,015
		<u>38,213</u>	<u>44,144</u>
TOTAL ASSETS		<u>70,500</u>	<u>72,302</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		42,880	42,880
Share premium		10,419	10,419
Merger deficit		(29,580)	(29,580)
Retained profits		35,201	36,060
Equity attributable to owners of the Company		<u>58,920</u>	<u>59,779</u>
Non-controlling interests		(55)	(2)
TOTAL EQUITY		<u>58,865</u>	<u>59,777</u>
Non-current Liabilities			
Hire purchase payables	B8	1,038	1,059
Term loans	B8	6,490	6,701
Deferred tax liabilities		535	535
		<u>8,063</u>	<u>8,295</u>
Current Liabilities			
Trade payables		1,000	1,453
Other payables and accruals		1,119	1,479
Bankers' acceptance	B8	200	76
Hire purchase payables	B8	409	386
Term loans	B8	844	830
Current tax liabilities		-	6
		<u>3,572</u>	<u>4,230</u>
TOTAL LIABILITIES		11,635	12,525
TOTAL EQUITY AND LIABILITIES		<u>70,500</u>	<u>72,302</u>
Net assets per share (RM)		<u>0.14</u>	<u>0.14</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 2017 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 FIRST QUARTER ENDED 31 JULY 2017 ⁽¹⁾

	<----- Non-Distributable ----->			Distributable Retained Profits RM'000	Attributable to Owners of Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000				
Balance at 1 May 2017	42,880	10,419	(29,580)	36,060	59,779	(2)	59,777
LAT/Total comprehensive expense for the financial period	-	-	-	(859)	(859)	(53)	(912)
Balance at 31 July 2017	<u>42,880</u>	<u>10,419</u>	<u>(29,580)</u>	<u>35,201</u>	<u>58,920</u>	<u>(55)</u>	<u>58,865</u>
Balance at 1 May 2016	31,580	-	(29,580)	33,082	35,082	-	35,082
PAT/Total comprehensive income for the financial year	-	-	-	1,627	1,627	-	1,627
Contributions by owners of the Company:							
- Issuance of shares	11,300	11300	-	-	22,600	-	22,600
- Share issuance expenses ⁽²⁾	-	(881)	-	-	(881)	-	(881)
Balance at 31 July 2016	<u>42,880</u>	<u>10,419</u>	<u>(29,580)</u>	<u>34,709</u>	<u>58,428</u>	<u>-</u>	<u>58,428</u>

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 2017 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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2017 ⁽¹⁾

	CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR
	YEAR-TO-DATE	CORRESPONDING
	31 JULY 2017	PERIOD
	RM'000	31 JULY 2016
		RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(912)	2,214
Adjustments for:		
Allowance for impairment losses on trade receivables	-	8
Depreciation of property, plant and equipment	339	309
Interest expense	111	134
Listing expenses	-	223
Gain on disposal of property, plant and equipment	(19)	-
Interest income	(59)	(116)
Unrealised loss/(gain) on foreign exchange	53	(39)
Writeback of allowance for impairment losses on trade receivables	(9)	-
Operating (loss)/profit before working capital changes	(496)	2,733
(Increase)/Decrease in inventories	(132)	1,559
Decrease/(Increase) in trade and other receivables	1,660	(222)
Decrease in trade and other payables	(813)	(2,480)
CASH FROM OPERATIONS	219	1,590
Income tax paid	(464)	(450)
Interest paid	(111)	(134)
Interest received	59	116
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(297)	1,122
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,370)	(148)
Proceeds from disposal of property, plant and equipment	19	-
NET CASH FOR INVESTING ACTIVITIES	(4,351)	(148)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	22,600
Payment of listing expenses	-	(1,150)
Repayment of hire purchase obligations	(96)	(70)
Drawdown of bankers' acceptances	124	911
Repayment of term loans	(197)	(186)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(169)	22,105
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,817)	23,079
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(53)	39
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	23,015	7,805
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	18,145	30,923
Cash and cash equivalents at end of the financial period comprises the following:		
Cash and bank balances	13,145	20,923
Fixed deposits with licensed banks	5,681	10,659
	18,826	31,582
Less: Fixed deposit pledged to a licensed bank	(681)	(659)
	18,145	30,923

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 2017 and the accompanying explanatory notes attached to this interim financial report.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 JULY 2017

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

A1. Basis of preparation

The interim financial report 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 2017. 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 2017.

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 2017 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 140 – Transfers of Investment Property	1 January 2018
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.*



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 JULY 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 FIRST (1ST) QUARTER ENDED 31 JULY 2017

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

A8. Dividend paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	31 JULY 2017 RM’000	31 JULY 2016 RM’000	31 JULY 2017 RM’000	31 JULY 2016 RM’000
Manufacturing:				
Medical/healthcare beds	1,511	3,280	1,511	3,280
Medical peripherals and accessories	2,783	5,969	2,783	5,969
	<u>4,294</u>	<u>9,249</u>	<u>4,294</u>	<u>9,249</u>
Trading:				
Medical peripherals and accessories	420	2,675	420	2,675
Medical devices	111	-	111	-
	<u>531</u>	<u>2,675</u>	<u>531</u>	<u>2,675</u>
Total revenue	<u>4,825</u>	<u>11,924</u>	<u>4,825</u>	<u>11,924</u>

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	31 JULY 2017		31 JULY 2016		31 JULY 2017		31 JULY 2016	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Local:								
Malaysia	3,609	74.80	9,191	77.08	3,609	74.80	9,191	77.08
Export:								
Africa	2	0.04	57	0.48	2	0.04	57	0.48
Asia - other than Malaysia	1,214	25.16	693	5.81	1,214	25.16	693	5.81
Europe	-	-	1,584	13.28	-	-	1,584	13.28
Middle East	-	-	399	3.35	-	-	399	3.35
	<u>1,216</u>	<u>25.20</u>	<u>2,733</u>	<u>22.92</u>	<u>1,216</u>	<u>25.20</u>	<u>2,733</u>	<u>22.92</u>
Total revenue	<u>4,825</u>	<u>100.00</u>	<u>11,924</u>	<u>100.00</u>	<u>4,825</u>	<u>100.00</u>	<u>11,924</u>	<u>100.00</u>



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 JULY 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

There were no material capital commitments in respect of property, plant and equipment as at the date of this report.

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 FIRST (1ST) QUARTER ENDED 31 JULY 2017

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 RM4.825 million, a decrease of 59.5% or RM7.099 million compared to RM11.924 million registered in the preceding year corresponding quarter. The decrease in revenue was mainly attributed to lower contribution from the Group's operating segments comprising manufacturing and trading activities due to weak market sentiments, as well as having recognised a few large orders secured from a local customer in the preceding year corresponding quarter. Revenue contribution from the local market contributed 74.8% of the Group's total revenue compared to 77.1% in the preceding year corresponding quarter, while contribution from overseas market rose to 25.2% from 22.9% in the preceding year corresponding quarter due to higher exports to other Asia countries.

Gross profit for the current financial quarter under review decreased 64.0% to RM2.027 million compared to RM5.637 million in the preceding year corresponding quarter. The decrease was in line with the drop in revenue coupled with lower gross profit margin due to the product mix sold in the current financial quarter. While operating expenses were largely maintained, the Group registered a loss before taxation ("LBT") of RM0.912 million in the current financial quarter against a profit before taxation ("PBT") of RM2.214 million in the preceding year corresponding quarter.

B2. Comparison with preceding quarter's results

	UNAUDITED CURRENT QUARTER 31 JULY 2017 RM'000	UNAUDITED PRECEDING QUARTER 30 APRIL 2017 RM'000
Revenue	4,825	6,091
(LBT)/PBT	(912)	283

The Group's revenue for the current financial quarter ended 31 July 2017 decreased by RM1.266 million or 20.8% to RM4.825 million compared to RM6.091 million in the preceding financial quarter ended 30 April 2017. The decrease in revenue was mainly attributed to lower sales in medical peripherals and accessories due to intense market competition with weak demand.

The Group recorded a LBT of RM0.912 million for the current financial quarter compared to a PBT of RM0.283 million in the preceding financial quarter, which was in tandem with the decrease in revenue. The operating costs incurred by the newly formed joint venture company, TMI Medik Group Sdn. Bhd., have further contributed to the LBT.

B3. Prospects

The performance of the Group is associated with the overall capital expenditure in the healthcare sector both in Malaysia and globally. The Group is mindful of the challenges in the current financial year, as lower investments in the healthcare sector and increase in raw material costs may affect demand in the short term.

That said, the Group's venture into distribution of medical devices in the current financial year represents its strategic efforts to diversify its revenue stream within the healthcare sector to cater for evolving market requirements, and offer higher value products to enhance its product portfolios.

Overall, the Group remains optimistic of its future performance, in view of the increasing size of ageing population, low hospital bed-to-population ratio, and necessary investment into healthcare infrastructure and services in tandem with technological advancements.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 JULY 2017

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

B4. Income tax expense

There was no provision of tax liability for the current financial quarter under review.

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	5,516	484 [^]	-	-
(b) Acquisition of factory and related renovation works	6,495	5,100	-	1,395	Within 18 months
(c) Working capital	7,605	7,934	(329)	-	-
(d) Estimated listing expenses	2,500	2,655	(155) [*]	-	-
Total	22,600	21,205	-	1,395	

Notes:-

[^] *In view that the capital expenditure was lower than estimated, the excess has been utilised for working capital purposes.*

^{*} *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 FIRST (1ST) QUARTER ENDED 31 JULY 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 31 July 2017 are as follows:

	UNAUDITED AT 31 JULY 2017 RM'000	AUDITED AT 30 APRIL 2017 RM'000
Current:		
Bankers' acceptance	200	76
Hire purchase payables	409	386
Term loans	844	830
	<u>1,453</u>	<u>1,292</u>
Non-current:		
Hire purchase payables	1,038	1,059
Term loans	6,490	6,701
	<u>7,528</u>	<u>7,760</u>
Total borrowings:		
Bankers' acceptance	200	76
Hire purchase payables	1,447	1,445
Term loans	7,334	7,531
	<u><u>8,981</u></u>	<u><u>9,052</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.

The private liquidator is currently attending to the recovery process. A creditors' meeting will be arranged by the private liquidator to brief the creditors on the development and options going forward.

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 FIRST (1ST) QUARTER ENDED 31 JULY 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 31 JULY 2017	UNAUDITED CUMULATIVE QUARTER 31 JULY 2017
Net loss attributable to ordinary equity holders of the Company (RM'000)	(859)	(859)
Weighted average number of ordinary shares in issue ('000)	428,800	428,800
Basic EPS (sen)	(0.20)	(0.20)
Diluted EPS (sen) ⁽¹⁾	(0.20)	(0.20)

Note:-

(1) Diluted EPS of the Company for the individual quarter 31 July 2017 and cumulative quarter 31 July 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 31 JULY 2017 RM'000	UNAUDITED CUMULATIVE QUARTER 31 JULY 2017 RM'000
Depreciation of property, plant and equipment	339	339
Interest expense	111	111
Gain on disposal of property, plant and equipment	(19)	(19)
Interest income	(59)	(59)
Realised loss on foreign exchange	23	23
Unrealised loss on foreign exchange	53	53
Writeback of allowance for impairment losses on trade receivables	(9)	(9)

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 JULY 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 31 JULY 2017 RM'000	AUDITED AT 30 APRIL 2017 RM'000
Retained profits of the Group		
- Realised	35,023	35,829
- Unrealised	178	231
	<u>35,201</u>	<u>36,060</u>