



LKL INTERNATIONAL BERHAD (1140005-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2018 RM'000	CURRENT YEAR-TO-DATE 30 APRIL 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2018 RM'000
Revenue	A9	8,844	7,479	37,180	29,716
Cost of sales		(8,140)	(5,814)	(26,590)	(18,781)
Gross profit		704	1,665	10,590	10,935
Other income		69	67	479	460
Administrative expenses		(2,749)	(2,326)	(9,819)	(9,001)
Selling and distribution expenses		(613)	(454)	(2,479)	(1,807)
Other expenses		(126)	(489)	(874)	(1,358)
Finance costs		(83)	(104)	(387)	(431)
Net impairment losses on financial assets		(398)	-	(398)	-
Loss before taxation ("LBT")		(3,196)	(1,641)	(2,888)	(1,202)
Income tax expense	B4	22	99	28	(127)
Loss after taxation ("LAT")		(3,174)	(1,542)	(2,860)	(1,329)
Other comprehensive income		-	-	-	-
Total comprehensive expenses for the financial year		<u>(3,174)</u>	<u>(1,542)</u>	<u>(2,860)</u>	<u>(1,329)</u>
LAT/Total comprehensive expenses attributable to:-					
Owners of the Company		(2,753)	(1,510)	(2,500)	(1,098)
Non-controlling interests		(421)	(32)	(360)	(231)
		<u>(3,174)</u>	<u>(1,542)</u>	<u>(2,860)</u>	<u>(1,329)</u>
Loss per share (sen)					
- Basic/Diluted ⁽²⁾	B10	<u>(0.64)</u>	<u>(0.35)</u>	<u>(0.58)</u>	<u>(0.26)</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 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) Diluted loss per share of the Company for the individual quarter 30 April 2019 and cumulative quarter 30 April 2019 is equivalent to the basic loss 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 30 APRIL 2019 ⁽¹⁾

	Note	UNAUDITED AT 30 APRIL 2019 RM'000	AUDITED AT 30 APRIL 2018 RM'000
ASSETS			
Non-current Asset			
Investment in a joint venture		250	-
Property, plant and equipment		31,483	32,898
Current Assets			
Inventories		12,781	15,310
Trade receivables		8,854	6,716
Other receivables, deposits and prepayments		2,379	1,352
Amount owing by a related company		184	73
Current tax assets		2,543	1,740
Fixed deposits with licensed banks		3,749	5,872
Cash and bank balances		8,633	8,438
		<u>39,123</u>	<u>39,501</u>
TOTAL ASSETS		<u>70,856</u>	<u>72,399</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		53,299	53,299
Merger deficit		(29,580)	(29,580)
Retained profits		32,462	34,962
Equity attributable to owners of the Company		<u>56,181</u>	<u>58,681</u>
Non-controlling interests		(293)	67
TOTAL EQUITY		<u>55,888</u>	<u>58,748</u>
Non-current Liabilities			
Hire purchase payables	B7	432	725
Term loans	B7	5,463	5,926
Deferred tax liabilities		574	574
		<u>6,469</u>	<u>7,225</u>
Current Liabilities			
Trade payables		2,345	2,448
Other payables and accruals		4,899	2,051
Amount owing to a related party		1	-
Amount owing to a joint venture		250	-
Bankers' acceptance	B7	-	702
Hire purchase payables	B7	346	416
Term loans	B7	532	798
Current tax liabilities		126	11
		<u>8,499</u>	<u>6,426</u>
TOTAL LIABILITIES		14,968	13,651
TOTAL EQUITY AND LIABILITIES		<u>70,856</u>	<u>72,399</u>
Net assets per share (RM)		<u>0.13</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 2018 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 FOURTH QUARTER ENDED 30 APRIL 2019 ⁽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 2018	53,299	-	(29,580)	34,962	58,681	67	58,748
LAT/Total comprehensive expenses for the financial year	-	-	-	(2,500)	(2,500)	(360)	(2,860)
Balance at 30 April 2019	<u>53,299</u>	<u>-</u>	<u>(29,580)</u>	<u>32,462</u>	<u>56,181</u>	<u>(293)</u>	<u>55,888</u>
Balance at 1 May 2017	42,880	10,419	(29,580)	36,060	59,779	(2)	59,777
Transfer to share capital upon implementation of Companies Act 2016	10,419	(10,419)	-	-	-	-	-
LAT/Total comprehensive expenses for the financial year	-	-	-	(1,098)	(1,098)	(231)	(1,329)
Contributions by owners of the Company: - Issuance of shares in a subsidiary	-	-	-	-	-	300	300
Balance at 30 April 2018	<u>53,299</u>	<u>-</u>	<u>(29,580)</u>	<u>34,962</u>	<u>58,681</u>	<u>67</u>	<u>58,748</u>

Note:-

(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 2018 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾

	CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR
	YEAR-TO-DATE	CORRESPONDING
	30 APRIL 2019	PERIOD
	RM'000	30 APRIL 2018
		RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Loss before taxation	(2,888)	(1,202)
Adjustments for:		
Impairment losses on trade receivables	422	86
Depreciation of property, plant and equipment	1,981	1,783
Interest expense	387	431
Loss/(Gain) on disposal of property, plant and equipment	9	(24)
Interest income	(186)	(319)
Inventories written down	1,542	-
Unrealised loss on foreign exchange	50	242
Reversal of allowance for impairment losses on trade receivables	(25)	(37)
Reversal of inventories previously written down	-	(105)
Operating profit before working capital changes	1,292	855
Decrease/(Increase) in inventories	988	(4,646)
(Increase)/Decrease in trade and other receivables	(3,581)	1,319
Increase in trade and other payables	2,754	1,567
Increase in amount owing by a related company	(109)	(73)
Increase in amount owing to a joint venture	250	-
CASH FROM/(FOR) OPERATIONS	1,594	(978)
Income tax paid	(660)	(1,371)
Interest paid	(387)	(431)
Interest received	186	319
NET CASH FROM/(FOR) OPERATING ACTIVITIES	733	(2,461)
CASH FLOWS FOR INVESTING ACTIVITIES		
Investment in a joint venture	(250)	-
Placement of fixed deposit pledged to a licensed bank	(21)	(20)
Purchase of property, plant and equipment	(528)	(6,425)
Proceeds from disposal of property, plant and equipment	11	24
NET CASH FOR INVESTING ACTIVITIES	(788)	(6,421)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares by a subsidiary to non-controlling interest	-	300
Repayment of hire purchase obligations	(422)	(401)
(Repayment)/Drawdown of bankers' acceptances	(702)	626
Repayment of term loans	(729)	(807)
NET CASH FOR FINANCING ACTIVITIES	(1,853)	(282)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,908)	(9,164)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(41)	(242)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	13,609	23,015
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	11,660	13,609
<u>Cash and cash equivalents at end of the financial year comprises the following:</u>		
Cash and bank balances	8,633	8,438
Fixed deposits with licensed banks	3,749	5,872
	12,382	14,310
Less: Fixed deposit pledged to a licensed bank	(722)	(701)
	11,660	13,609

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 2018 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 QUARTER ENDED 30 APRIL 2019

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

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 2018. 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 2018.

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 2018 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 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

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:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

The initial application of MFRS 9 is not expected to have any material impact to the financial statements of the Group for the current financial year and prior periods as the Group will apply the standard retrospectively from 1 May 2018 with the practical expedients permitted under the standard, and that the comparatives (i.e. current period financial information) will not be restated.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

A2. Changes in accounting policies (Cont’d)

Based on the assessments undertaken to date, the Group has determined the impact of its initial application of MFRS 9 as follows:-

Classification and Measurement

The Group does not expect a significant impact on its statements of financial position on applying the classification and measurement requirements of MFRS 9.

Loans and receivables financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9. Therefore, the Group does not expect the standard to affect the measurement of its debt financial assets.

In addition, the Group expects to continue measuring at fair value all financial assets currently held at fair value.

Impairment of Financial Assets

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (“ECL”) model. In view of strong creditworthiness of the Group’s receivables, the Group has concluded that the expected impacts of ECL on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

The analysis above are based on the assessments undertaken to-date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future.

- (b) 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 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessments undertaken to-date, the Group has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for the sale of medical/healthcare beds, peripherals and accessories under the new standard are unlikely to be materially different from its current practice.

The analysis above is based on the assessments undertaken to-date and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

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.

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	
	30 APRIL 2019 RM’000	30 APRIL 2018 RM’000	30 APRIL 2019 RM’000	30 APRIL 2018 RM’000
Manufacturing:				
Medical/healthcare beds	2,250	2,590	11,437	9,744
Medical peripherals and accessories	4,158	3,508	14,985	14,655
	<u>6,408</u>	<u>6,098</u>	<u>26,422</u>	<u>24,399</u>
Trading:				
Medical peripherals and accessories	1,697	851	6,211	3,675
Medical devices	739	530	4,547	1,642
	<u>2,436</u>	<u>1,381</u>	<u>10,758</u>	<u>5,317</u>
Total revenue	<u>8,844</u>	<u>7,479</u>	<u>37,180</u>	<u>29,716</u>



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

A9. Segmental information (Cont’d)

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	30 APRIL 2019		30 APRIL 2018		30 APRIL 2019		30 APRIL 2018	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Local:								
Malaysia	7,246	81.93	4,460	59.63	30,588	82.27	20,358	68.51
Export:								
Africa	99	1.12	326	4.36	122	0.33	477	1.61
Asia - other than Malaysia	1,084	12.26	2,113	28.25	5,051	13.59	6,981	23.49
Europe	36	0.41	332	4.44	112	0.30	1,240	4.17
Middle East	379	4.28	248	3.32	1,002	2.69	496	1.67
Central America	-	-	-	-	305	0.82	164	0.55
	<u>1,598</u>	<u>18.07</u>	<u>3,019</u>	<u>40.37</u>	<u>6,592</u>	<u>17.73</u>	<u>9,358</u>	<u>31.49</u>
Total revenue	8,844	100.00	7,479	100.00	37,180	100.00	29,716	100.00

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment for 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 April 2019, the Company’s wholly owned subsidiary, Medik Gen Sdn. Bhd., had entered into a Shareholders’ Agreement with Agrow Corporation Sdn. Bhd. (“**Agrow**”) to form and incorporate a joint venture company solely to carry out the business of promoting, marketing, distributing and sales of selected branded medical devices within Malaysia.

The parties had on 15 April 2019 incorporated a joint venture company namely LKL Agrow Healthtech Sdn. Bhd. (“**LKL Agrow**”) to carry out the intended principal activity. Both parties subscribed equally in the joint venture company.

A13. Contingent assets or contingent liabilities

The Group has no contingent assets and contingent liabilities as at the date of this report.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING (CONT'D)

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.



LKL INTERNATIONAL BERHAD (1140005-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

B1. Review of performance

For the current financial quarter under review, the Group revenue increased 18.3% or RM1.365 million to RM8.844 million as compared to RM7.479 million reported in the preceding year corresponding quarter, boosted by higher sales in the trading segment.

While revenue in the manufacturing segment rose 5.1% or RM0.310 million to RM6.408 million compared to RM6.098 million as reported in the preceding year corresponding quarter, the trading segment reported 76.4% or RM1.055 million higher revenue to RM2.436 million from RM1.381 million previously. The trading segment noted improved sales year-on-year in both segments of medical devices, and medical peripherals and accessories.

Geographically, the Malaysia market contributed 81.9% of the Group’s total revenue compared to 59.6% in the preceding year corresponding quarter. Encouragingly, local sales grew 62.5% to RM7.246 million from RM4.460 million as reported in the preceding year corresponding quarter.

Export sales reduced its contribution to 18.1% of total revenue from 40.4% in the preceding year corresponding quarter. The challenging global outlook resulted in revenue from overseas markets to reduce to RM1.598 million from RM3.019 million as reported in the preceding year corresponding quarter.

Despite recording higher revenue, gross profit for the current financial quarter under review declined by 57.7% or RM0.961 million to RM0.704 million from RM1.665 million in the preceding year corresponding quarter due to lower gross profit margin resulted from inventories written down in the current financial quarter. The Group recorded a loss before taxation (“LBT”) of RM3.196 million, a further loss of 94.8% or RM1.555 million as compared to a LBT of RM1.641 million in the preceding year corresponding quarter due to lower gross profit margin and increase in certain operating expenses.

B2. Comparison with preceding quarter’s results

	UNAUDITED CURRENT QUARTER 30 APRIL 2019 RM'000	UNAUDITED PRECEDING QUARTER 31 JAN 2019 RM'000
Revenue	8,844	11,086
(LBT)/PBT	(3,196)	23

The Group’s revenue for the current financial quarter under review reduced by 20.2% or RM2.242 million to RM8.844 million as compared to RM11.086 million in the preceding financial quarter, due to lower sales in both the manufacturing and trading segments.

The manufacturing segment contributed RM6.408 million to the Group’s revenue in the current financial quarter, decreasing by 13.8% or RM1.030 million from RM7.438 million in the preceding financial quarter. Meanwhile, the trading segment registered revenue of RM2.436 million, reducing by 33.2% or RM1.212 million compared to RM3.648 million in the preceding financial quarter.

The Group’s gross profit dipped by 80.6% or RM2.923 million to RM0.704 million from RM3.627 million in the preceding financial quarter due to lower revenue as well as product mix sold. Lower gross profit margin and larger administrative expenses base resulted in the Group reporting a LBT of RM3.196 million as compared to a profit before taxation (“PBT”) of RM0.023 million in the preceding financial quarter.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

B3. Prospects

The Group being one of the leading suppliers of medical/healthcare beds, peripherals and accessories, and medical devices in Malaysia, is committed to continuously strengthening its position through enhancing the comprehensiveness of our product portfolio.

We maintain a strategy of broadening our range of products thus far, including medical peripherals and accessories, as well as medical devices, to bring more high quality and innovative solutions for the medical and healthcare sectors.

Our medical devices segment continues to record improving results. The Group will continue to expand the medical devices segment's product portfolio by incorporating more new medical devices toward becoming a significant contributor to the Group. On 15 April 2019, the Group together with Agrow had incorporated LKL Agrow to promote, market, distribute and sales of selected branded medical devices within Malaysia.

Overall, the Group remains positive of the significant opportunities in the healthcare sector both in Malaysia as well as globally to market our medical/healthcare beds, peripherals and accessories, and medical devices. Medical related expenditure is expected to continue to be on the uptrend moving forward, in order to support for the increasing medical requirements of growing populations, rising affluence and prevailing trend of ageing populations around the world.

B4. Income tax expense

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2019 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2019 RM'000
Current tax expense:		
- for the financial year	(22)	126
- overprovision in the previous financial year	-	(154)
	<u>(22)</u>	<u>(28)</u>
Effective tax rate (%)	-	-

The favourable tax expense for the individual quarter and cumulative quarter was mainly due to overprovision for taxation in the respective periods, now written back.

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2019

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

B7. Group's borrowings and debt securities

The Group's borrowings as at 30 April 2019 are as follows:

	UNAUDITED AT 30 APRIL 2019 RM'000	AUDITED AT 30 APRIL 2018 RM'000
Current:		
Bankers' acceptance	-	702
Hire purchase payables	346	416
Term loans	532	798
	<u>878</u>	<u>1,916</u>
Non-current:		
Hire purchase payables	432	725
Term loans	5,463	5,926
	<u>5,895</u>	<u>6,651</u>
Total borrowings:		
Bankers' acceptance	-	702
Hire purchase payables	778	1,141
Term loans	5,995	6,724
	<u>6,773</u>	<u>8,567</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B8. 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, LKL Advance Metaltech Sdn. Bhd., 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 case remains status quo, and our lawyer will continue to seek updates from the liquidator on regular basis.

B9. 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 QUARTER ENDED 30 APRIL 2019

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

B10. Loss per share ("LPS")

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

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2019	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2019
Net loss attributable to ordinary equity holders of the Company (RM'000)	(2,753)	(2,500)
Weighted average number of ordinary shares in issue ('000)	428,800	428,800
Basic/Diluted LPS (sen) ⁽¹⁾	(0.64)	(0.58)

Note:-

(1) Diluted LPS of the Company for the individual quarter 30 April 2019 and cumulative quarter 30 April 2019 is equivalent to the basic LPS as the Company does not have convertible options at the end of the reporting period.

B11. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

LBT is arrived at after charging/(crediting):

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2019 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2019 RM'000
Depreciation of property, plant and equipment	663	1,981
Impairment losses on trade receivables	344	423
Interest expense	83	387
Interest income	(48)	(186)
Inventories written down	1,542	1,542
Loss on disposal of property, plant and equipment	7	9
Realised gain on foreign exchange	(2)	(108)
Unrealised loss on foreign exchange	84	50
Reversal of allowance for impairment losses on trade receivables	(9)	(25)

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