

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the 2nd quarter and financial period ended 31 October 2018 - unaudited

	Note	3 Months Ended		Financial Period Ended	
		31 Oct 2018	31 Oct 2017	31 Oct 2018	31 Oct 2017
<i>In thousands of RM</i>					
Revenue		61,939	62,445	121,834	122,170
Operating profit		2,694	2,582	6,521	5,827
Finance income		75	87	155	180
Finance costs		(1,027)	(998)	(2,068)	(2,009)
Profit before tax		1,742	1,671	4,608	3,998
Income tax expense	B6	(620)	(702)	(1,284)	(949)
Profit for the period	B5	1,122	969	3,324	3,049
Other comprehensive income, net of tax					
Items that will not be reclassified					
subsequently to profit or loss					
Share of capital reserve by					
a non-controlling interest of a subsidiary					
		-	-	81	97
Items that may be reclassified					
subsequently to profit or loss					
Foreign currency translation differences					
for foreign operations					
		779	(1,020)	1,445	(1,496)
Total comprehensive income for the period		1,901	(51)	4,850	1,650
Profit attributable to:					
Owners of the Company		811	612	2,093	2,092
Non-controlling interests		311	357	1,231	957
Profit for the period		1,122	969	3,324	3,049
Total comprehensive income attributable to:					
Owners of the Company		1,306	(30)	3,018	1,149
Non-controlling interests		595	(21)	1,832	501
Total comprehensive income for the period		1,901	(51)	4,850	1,650
Earnings per ordinary share					
attributable to owners					
of the Company (sen):					
Basic/ Diluted	B11	0.74	0.62	1.92	2.11

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2018 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 October 2018 – unaudited

<i>In thousands of RM</i>	Note	As at 31 Oct 2018	As at 30 Apr 2018
ASSETS			
Non-current assets			
Property, plant and equipment		99,834	100,959
Prepaid lease payments		8,481	6,124
Investment property		10,032	10,119
Other investments		195	195
		<u>118,542</u>	<u>117,397</u>
Current assets			
Trade and other receivables		36,352	42,206
Inventories		18,224	21,167
Contract assets		1,877	-
Cash and bank balances		36,255	35,969
Current tax assets		186	224
		<u>92,894</u>	<u>99,566</u>
TOTAL ASSETS		<u>211,436</u>	<u>216,963</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		54,450	54,450
Reserves		56,848	51,009
		<u>111,298</u>	<u>105,459</u>
Non-controlling interests		7,407	12,963
Total equity		<u>118,705</u>	<u>118,422</u>
Non-current liabilities			
Loans and borrowings	B8	25,135	26,302
Trade and other payables		1,338	1,135
Deferred tax liabilities		3,731	3,884
		<u>30,204</u>	<u>31,321</u>
Current liabilities			
Loans and borrowings	B8	29,989	33,271
Trade and other payables		32,387	33,928
Current tax liabilities		151	21
		<u>62,527</u>	<u>67,220</u>
Total liabilities		<u>92,731</u>	<u>98,541</u>
TOTAL EQUITY AND LIABILITIES		<u>211,436</u>	<u>216,963</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.02</u>	<u>0.97</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2018 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the financial period ended 31 October 2018 – unaudited

	Attributable to Owners of the Company				Non-controlling interests	Total equity
	Non-distributable		Distributable			
	Share capital	Translation reserve	Retained earnings	Total		
<i>In thousands of RM</i>						
At 1 May 2018	54,450	2,153	48,856	105,459	12,963	118,422
Profit for the period	-	-	2,093	2,093	1,231	3,324
Other comprehensive income for the period, net of tax	-	925	-	925	601	1,526
Total comprehensive income for the period, net of tax	-	925	2,093	3,018	1,832	4,850
Acquisition of non-controlling interests	-	-	2,821	2,821	(7,388)	(4,567)
At 31 October 2018	54,450	3,078	53,770	111,298	7,407	118,705
At 1 May 2017	52,169	5,020	50,869	108,058	15,292	123,350
Profit for the period	-	-	2,092	2,092	957	3,049
Other comprehensive income for the period, net of tax	-	(943)	-	(943)	(456)	(1,399)
Total comprehensive income for the period, net of tax	-	(943)	2,092	1,149	501	1,650
Dividend paid to non-controlling interests	-	-	(1,647)	(1,647)	-	(1,647)
At 31 October 2017	52,169	4,077	51,314	107,560	15,793	123,353

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2018 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

KEIN HING INTERNATIONAL BERHAD
(Company No. 616056-T)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the financial period ended 31 October 2018 – unaudited

<i>In thousands of RM</i>	Financial Period Ended	
	31 Oct 2018	31 Oct 2017
Cash flows from operating activities		
Profit before tax	4,608	3,998
Adjustments for:		
Non-cash items	6,795	6,807
Non-operating items	1,913	1,829
Operating profit before changes in working capital	13,316	12,634
Changes in working capital:		
Inventories	569	1,587
Trade and other receivables	5,854	376
Contract assets	497	-
Trade and other payables	(1,301)	3,635
Cash generated from operations	18,935	18,232
Income tax paid	(1,275)	(1,268)
Net cash from operating activities	17,660	16,964
Cash flows from investing activities		
Acquisition of non-controlling interests	(4,567)	-
Acquisition of property, plant and equipment	(2,314)	(8,050)
Acquisition of prepaid lease payments	(2,232)	-
Proceeds from disposal of property, plant and equipment	96	36
Interest received	155	181
Net cash used in investing activities	(8,862)	(7,833)
Cash flows from financing activities		
Proceeds from term loans	1,189	2,999
Repayment of term loans	(3,506)	(3,022)
(Repayment of)/Proceeds from other borrowings	(1,936)	742
Repayment of finance lease liabilities	(1,729)	(2,175)
Dividend paid to non-controlling interests	-	(1,647)
Interest paid	(2,024)	(1,965)
Net cash used in financing activities	(8,006)	(5,068)
Net increase in cash and cash equivalents	792	4,063
Exchange differences on translation of the financial statements of foreign operations	499	(409)
Cash and cash equivalents at beginning of financial year	27,915	26,628
Cash and cash equivalents at end of financial period	29,206	30,282
Cash and cash equivalents at end of financial period comprise:		
Cash and bank balances	27,194	29,248
Deposits with licensed banks	8,545	8,275
Bank overdraft	(6,533)	(7,241)
	29,206	30,282

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2018 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.

PART A: NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The condensed consolidated interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities’ Listing Requirements”).

The condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 April 2018. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last financial year ended 30 April 2018.

A2. Changes in accounting policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any material impact on the financial statements of the Group:

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowings Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2, *Share-Based Payment*

- Amendment to MFRS 3, *Business Combinations*
- Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
- Amendment to MFRS 14, *Regulatory Deferred Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendment to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*
- Amendment to MFRS 138, *Intangible Assets*
- Amendment to IC Interpretation 12, *Service Concession Agreements*
- Amendment to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendment to IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendment to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendment to IC Interpretation 132, *Intangible Assets – Web Site Costs*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial applications of these MFRSs, Amendments and Interpretations, if applicable, are not expected to have material financial impacts to the current and prior periods' consolidated financial statements of the Group upon their first adoption. A brief discussion on the significant MFRSs namely MFRS 16 is summarised below:

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

The MFRSs, Amendments and Interpretations which were issued but not yet effective have not been early adopted by the Group.

A3. Seasonal and cyclical factors

The Group's business operation results were not materially affected by any major seasonal and/or cyclical factors.

A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 31 October 2018.

A5. Material changes in estimates

There were no changes in estimates that have had material effect for the current quarter and financial period ended 31 October 2018.

A6. Issuances and repayment of debt and equity securities

There were no issuance, repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter and financial period under review.

A7. Dividend Paid

No interim dividend was paid during the current quarter and financial period ended 31 October 2018 (2018: Nil).

A8. Segmental information

Segmental information is presented in respect of the Group's business segments as follows:-

Results for the financial period ended 31 October 2018

	<u>Manufacturing</u>	<u>Trading</u>	<u>Investment</u> <u>Holding</u>	<u>Adjustment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	117,639	4,195	-	-	121,834
Inter-segment	6,449	115	-	(6,564)	-
Total revenue	124,088	4,310	-	(6,564)	121,834
Segment results	7,041	111	(335)	(296)	6,521
Finance income					155
Finance costs					(2,068)
Profit before tax					4,608
Income tax expense					(1,284)
Profit for the period					3,324

A9. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter under review.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period ended 31 October 2018.

The Company had completed the Proposed Acquisition on 9 October 2018, thus the Company's equity interest in Kein Hing Muramoto (Vietnam) Co., Ltd has increased from 51% to 75%.

A11. Changes in contingent liabilities

There were no changes in contingent liabilities or contingent assets of a material nature since the last annual reporting period.

A12. Capital commitments

Capital commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at end of the reporting period were as follows:-

	As at
	31.10.2018
	RM'000
Total approved and contracted for	538

A13. Fair Value Information

The Group uses the following hierarchy for determining the fair value of financial instruments carried at fair value and amortised cost, the different levels have been identified as follows:

Level 1 – Fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the financial assets and liabilities.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the Statement of Financial Position as at 31 October 2018.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Financial liabilities										
Amount due to a non- controlling interest of a subsidiary	-	-	-	-	-	-	2,139	2,139	2,139	2,139
Secured term loans	-	-	-	-	-	-	30,624	30,624	30,624	30,624
Finance lease liabilities	-	-	-	-	-	-	3,744	3,744	3,744	3,744
	-	-	-	-	-	-	36,507	36,507	36,507	36,507

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

Financial Review for the Current 2nd Quarter and financial year-to-date:

	2nd Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Revenue	61,939	62,445	(506)	-0.8%
Operating Profit	2,694	2,582	112	4%
Profit Before Tax ("PBT")	1,742	1,671	71	4%
Profit After Tax	1,122	969	153	16%
Profit Attributable to Owners of the Company	811	612	199	33%

	6 Months Period Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Revenue	121,834	122,170	(336)	-0.3%
Operating Profit	6,521	5,827	694	12%
Profit Before Tax ("PBT")	4,608	3,998	610	15%
Profit After Tax	3,324	3,049	275	9%
Profit Attributable to Owners of the Company	2,093	2,092	1	0.05%

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the current 2nd quarter and financial year-to-date are as follows:

	2nd Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Malaysia Operation	37,437	39,511	(2,074)	-5%
Vietnam Operation	24,502	22,934	1,568	7%
Total Revenue	<u>61,939</u>	<u>62,445</u>	(506)	-0.8%

	6 Months Period Ended		Changes	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Malaysia Operation	73,552	78,563	(5,011)	-6%
Vietnam Operation	48,282	43,607	4,675	11%
Total Revenue	<u>121,834</u>	<u>122,170</u>	(336)	-0.3%

For the current 2nd quarter and financial period ended 31 October 2018, Malaysia Operation registered lower revenue mainly due to the decrease in demand for parts used in automotive industry and camera, and the tooling sales also dropped. Whereas Vietnam Operation reported a growth in revenue following stronger customer demand for parts used in the assembly of printers.

The Group PBT was mainly affected by foreign exchange gain/(loss) as analysed below:

	2nd Quarter Ended		Variance	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Net foreign exchange gain/(loss)	464	(373)	837	224%

	6 Months Period Ended		Variance	
<i>(In thousands of RM)</i>	<u>31 Oct 2018</u>	<u>31 Oct 2017</u>		
Net foreign exchange gain/(loss)	906	(650)	1,556	239%

Despite favourable variances arising from the net foreign exchange gain, the Group PBT for the current 2nd quarter and financial period ended 31 October 2018 were impacted by lower sales and the initial costs incurred by the new factory located at Thai Nguyen namely KHTV Factory Phase 1 which has just commenced operation in May 2018.

In view of net profit and following the completion of the Proposed Acquisition, the equity attributable to Owners of the Group increased to RM111 million as at 31 October 2018 which translated into a Net Assets per share of RM1.02.

The Group's cash and bank balances increased slightly only from approximately RM36.0 million as at 30 April 2018 to RM36.3 million as at 31 October 2018 mainly due to the cash consideration of USD1,100,000 (or equivalent to approximately RM 4.6 million) paid for the Proposed Acquisition. The Group prudent management always maintains sufficient cash and available funds through an adequate amount of committed credit facilities and cash reserves.

B2. Variation of results against preceding quarter

Financial Review for Current 2nd Quarter (compared with immediate preceding 1st quarter of the current financial year):

	Quarter Ended		Changes	
	31 Oct 2018	31 Jul 2018		
<i>(In thousands of RM)</i>				
Revenue	61,939	59,895	2,044	3%
Operating Profit	2,694	3,827	(1,133)	-30%
Profit Before Tax ("PBT")	1,742	2,866	(1,124)	-39%
Profit After Tax	1,122	2,202	(1,080)	-49%
Profit Attributable to Owners of the Company	811	1,282	(471)	-37%

The revenue contributed by Malaysia operation and Vietnam operation respectively were as follows:

	Quarter Ended		Changes	
	31 Oct 2018	31 Jul 2018		
<i>(In thousands of RM)</i>				
Malaysia Operation	37,437	36,115	1,322	4%
Vietnam Operation	24,502	23,780	722	3%
Total Revenue	61,939	59,895	2,044	3%

The net increase in revenue was mainly attributed to stronger customer demand for gas cooker products and parts used in the assembly of printers in Vietnam. However, the Group PBT was impacted by a one-off drop in processing sales from a customer in Vietnam, lower profit margin due to adjustment of selling prices by certain customers and the initial loss incurred for tooling sales to a customer in Vietnam in order to secure long term sales orders for parts.

B3. Prospects

According to the October 2018 World Economic Outlook ("WEO") issued by the International Monetary Fund, the global growth is projected at 3.7% for 2018 and 2019, 0.2% lower for both years than forecast in April 2018. China and a number of Asian economies are also projected to experience somewhat weaker growth in 2019 in the aftermath of the recently announced trade measures. Downside risks to global growth have risen in the past 6 months and the potential for upside surprises has receded.

In Malaysia, the constraint in labour supply and rising labour costs will continue to be the critical issues as they directly affect the manpower planning and production costs which in turn will affect the overall profitability of the Group business operation in Malaysia. Whereas in Vietnam, the Group expects the growth in revenue will continue for the current financial year which should strengthen the profitability and cash flow position of the Group.

Against the above operating environment, the Group performance is expected to encounter some fluctuation as a result of the less predictable customers' demand and rising costs in manufacturing. Nevertheless, the Board of Directors expects that the Group will achieve a satisfactory result relative to those companies in the same industry for the financial year ending 30 April 2019.

B4. Variance of actual and forecast profit

The Group did not provide any financial estimate, forecast or projection, or profit guarantee for the financial year ending 30 April 2019.

B5. Profit for the period

	3 Months Ended 31.10.2018 RM'000	Period Ended 31.10.2018 RM'000
Profit for the period is arrived at after charging/(crediting):-		
Depreciation and amortisation	3,452	6,790
Finance costs	1,027	2,068
Property, plant and equipment written off	1	8
Loss/(Gain) on disposal of property, plant and equipment	2	(2)
Net foreign exchange (gain)/loss	(464)	(906)
Finance income	(75)	(155)

B.6 Income tax expense

	3 Months Ended 31.10.2018 RM'000	Period Ended 31.10.2018 RM'000
Current tax expense		
- <i>Malaysian income tax</i>	432	744
- <i>Foreign income tax</i>	274	714
- <i>Under provision in prior year</i>	-	(21)
	<u>706</u>	<u>1,437</u>
Deferred tax expense	<u>(86)</u>	<u>(153)</u>
Total	<u><u>620</u></u>	<u><u>1,284</u></u>

The effective tax rate of the Group for the financial year was higher than the statutory income tax rate of 24% mainly due to non-deductible expenses and losses incurred by certain subsidiaries.

B7. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

B8. Group loans and borrowings (secured)

The Group loans and borrowings as at 31 October 2018 (compared with that of the last financial year) were as follows:

	As at 31 Oct 2018					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	15,737	8,063	4,887	1,937	20,624	10,000
Finance lease liabilities	-	1,335	-	2,409	-	3,744
Bankers' acceptance	-	-	-	6,298	-	6,298
Bills payable	-	-	7,925	-	7,925	-
Bank overdrafts	-	-	-	6,533	-	6,533
Total	15,737	9,398	12,812	17,177	28,549	26,575
Grand Total		25,135		29,989		55,124

	As at 30 April 2018					
	Long Term (Secured)		Short Term (Secured)		Total Borrowings (Secured)	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans	16,352	8,763	4,736	2,113	21,088	10,876
Finance lease liabilities	-	1,187	-	2,725	-	3,912
Bankers' acceptance	-	-	-	8,811	-	8,811
Bills payable	-	-	7,348	-	7,348	-
Bank overdrafts	-	-	-	7,538	-	7,538
Total	16,352	9,950	12,084	21,187	28,436	31,137
Grand Total		26,302		33,271		59,573

The Group loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to approximately RM12.5 million (as at 30 April 2018: RM12.8 million) and RM16.0 million (as at 30 April 2018: RM15.6 million) which are denominated in US Dollar and Vietnam Dong respectively. The repayment of these foreign denomination loans and borrowings will be funded by the net cash generated from operating activities in their own foreign denomination respectively.

The decrease in the Group loans and borrowings was mainly due to repayment of borrowings, changes in utilisation of trade facilities and lower bank overdrafts as a result of positive cash flow.

B9. Changes in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B10. Dividend payable

No interim dividend was declared during the current quarter and financial period ended 31 October 2018 (2018: NIL).

Subsequent to the current 2nd quarter, the Company had on 21 November 2018 paid the first and final single tier dividend of 1.0 sen per share totalling RM1,089,000 in respect of the last financial year ended 30 April 2018.

B11. Basic earnings per ordinary share

The basic earnings per ordinary share are calculated by dividing profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the current 2nd quarter under review as follows:-

	3 Months Ended 31.10.2018 RM'000	3 Months Ended 31.10.2017 RM'000
Earnings		
Profit attributable to Owners of the Company	<u>811</u>	<u>612</u>
Weighted average number of ordinary shares in issue ('000)	<u>108,900</u>	<u>99,000</u>
Basic earnings per ordinary share (sen)	<u>0.74</u>	<u>0.62</u>

B12. Auditors' report on preceding annual financial statements

The independent auditors' report on the audited annual financial statements of the Group and of the Company for the last financial year ended 30 April 2018 was unmodified.

B13. Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 13 December 2018.

By Order of the Board,

Yap Toon Choy
Group Managing Director
13 December 2018