

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

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

For the 4th quarter and financial year ended 30 April 2019 - unaudited

	Note	3 Months Ended		Financial Year Ended	
		30 Apr 2019	30 Apr 2018	30 Apr 2019	30 Apr 2018
<i>In thousands of RM</i>					
Revenue		56,564	56,307	235,344	238,322
Operating profit		2,619	1,939	11,789	9,325
Finance income		88	94	320	375
Finance costs		(964)	(999)	(3,992)	(4,036)
Profit before tax		1,743	1,034	8,117	5,664
Income tax expense	B6	(919)	(808)	(3,004)	(2,286)
Profit for the period/year	B5	824	226	5,113	3,378
Other comprehensive income, net of tax					
<i>Items that will not be reclassified</i>					
<i>subsequently to profit or loss</i>					
Share of capital reserve by					
a non-controlling interest of a subsidiary		-	-	81	97
<i>Items that may be reclassified</i>					
<i>subsequently to profit or loss</i>					
Foreign currency translation differences					
for foreign operations		159	(25)	1,359	(4,507)
Total comprehensive income for the period		983	201	6,553	(1,032)
Profit/(loss) attributable to:					
Owners of the Company		833	317	3,535	1,753
Non-controlling interests		(9)	(91)	1,578	1,625
Profit for the period/year		824	226	5,113	3,378
Total comprehensive income attributable to:					
Owners of the Company		962	297	4,390	(1,114)
Non-controlling interests		21	(96)	2,163	82
Total comprehensive income for the period		983	201	6,553	(1,032)
Earnings per ordinary share					
attributable to owners					
of the Company (sen):					
Basic/ Diluted	B11	0.76	0.29	3.25	1.61

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 30 April 2019 – unaudited

<i>In thousands of RM</i>	Note	As at 30 Apr 2019	As at 30 Apr 2018
ASSETS			
Non-current assets			
Property, plant and equipment		95,453	100,959
Prepaid lease payments		8,430	6,124
Investment property		9,945	10,119
Other investments		195	195
		<u>114,023</u>	<u>117,397</u>
Current assets			
Trade and other receivables		38,681	42,206
Inventories		17,348	21,167
Contract assets		984	-
Cash and bank balances		31,849	35,969
Current tax assets		-	224
		<u>88,862</u>	<u>99,566</u>
TOTAL ASSETS		<u>202,885</u>	<u>216,963</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		54,450	54,450
Reserves		57,131	51,009
		<u>111,581</u>	<u>105,459</u>
Non-controlling interests		6,908	12,963
Total equity		<u>118,489</u>	<u>118,422</u>
Non-current liabilities			
Loans and borrowings	B8	22,980	26,302
Trade and other payables		1,076	1,135
Deferred tax liabilities		3,781	3,884
		<u>27,837</u>	<u>31,321</u>
Current liabilities			
Loans and borrowings	B8	26,920	33,271
Trade and other payables		29,098	33,928
Current tax liabilities		541	21
		<u>56,559</u>	<u>67,220</u>
Total liabilities		<u>84,396</u>	<u>98,541</u>
TOTAL EQUITY AND LIABILITIES		<u>202,885</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 year ended 30 April 2019 – 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 year	-	-	3,535	3,535	1,578	5,113
Other comprehensive income for the year, net of tax	-	855	-	855	585	1,440
Total comprehensive income for the year, net of tax	-	855	3,535	4,390	2,163	6,553
Dividend paid	-	-	(1,089)	(1,089)	(830)	(1,919)
Acquisition of non-controlling interests	-	-	2,821	2,821	(7,388)	(4,567)
At 30 April 2019	<u>54,450</u>	<u>3,008</u>	<u>54,123</u>	<u>111,581</u>	<u>6,908</u>	<u>118,489</u>
At 1 May 2017	52,169	5,020	50,869	108,058	15,292	123,350
Profit for the year	-	-	1,753	1,753	1,625	3,378
Other comprehensive expense for the year, net of tax	-	(2,867)	-	(2,867)	(1,543)	(4,410)
Total comprehensive income for the year, net of tax	-	(2,867)	1,753	(1,114)	82	(1,032)
Bonus issue	2,281	-	(2,281)	-	-	-
Dividend paid	-	-	(1,485)	(1,485)	(2,411)	(3,896)
At 30 April 2018	<u>54,450</u>	<u>2,153</u>	<u>48,856</u>	<u>105,459</u>	<u>12,963</u>	<u>118,422</u>

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 year ended 30 April 2019 – unaudited

<i>In thousands of RM</i>	Financial Year Ended	
	30 Apr 2019	30 Apr 2018
Cash flows from operating activities		
Profit before tax	8,117	5,664
Adjustments for:		
Non-cash items	13,167	13,225
Non-operating items	3,672	3,661
Operating profit before changes in working capital	24,956	22,550
Changes in working capital:		
Inventories	1,445	3,987
Trade and other receivables	3,578	(2,971)
Contract assets	1,390	-
Trade and other payables	(5,036)	636
Cash generated from operations	26,333	24,202
Income tax paid	(2,368)	(2,911)
Net cash from operating activities	23,965	21,291
Cash flows from investing activities		
Acquisition of non-controlling interests	(4,567)	-
Acquisition of property, plant and equipment	(4,008)	(11,278)
Acquisition of prepaid lease payments	(2,307)	-
Proceeds from disposal of property, plant and equipment	226	191
Interest received	320	375
Increase in pledged deposits with licensed banks	(16)	(16)
Net cash used in investing activities	(10,352)	(10,728)
Cash flows from financing activities		
Proceeds from term loans	2,962	7,752
Repayment of term loans	(7,121)	(5,870)
(Repayment of)/Proceeds from other borrowings	(810)	2,069
Repayment of finance lease liabilities	(3,026)	(4,057)
Dividend paid	(1,919)	(3,896)
Interest paid	(3,907)	(3,948)
Net cash used in financing activities	(13,821)	(7,950)
Net (decrease)/increase in cash and cash equivalents	(208)	2,613
Exchange differences on translation of the financial statements of foreign operations	458	(1,326)
Cash and cash equivalents at beginning of financial year	27,915	26,628
Cash and cash equivalents at end of financial year	28,165	27,915
Cash and cash equivalents at end of financial year comprise:		
Cash and bank balances	22,614	27,031
Deposits with licensed banks	8,703	8,422
Bank overdraft	(3,152)	(7,538)
	28,165	27,915

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*
- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements - Definition of Material*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

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 initial application of this MFRS 16 is not expected to have material financial impacts to the Group.

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 year ended 30 April 2019.

A5. Material changes in estimates

There were no changes in estimates that have had material effect for the current quarter and financial year ended 30 April 2019.

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 year under review.

A7. Dividend Paid

No interim dividend was paid during the current quarter and financial year ended 30 April 2019 (2018: Nil).

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.

A8. Segmental information

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

Results for the financial year ended 30 April 2019

	<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	227,757	7,587	-	-	235,344
Inter-segment	10,523	537	-	(11,060)	-
Total revenue	238,280	8,124	-	(11,060)	235,344
Segment results	13,249	49	(642)	(867)	11,789
Finance income					320
Finance costs					(3,992)
Profit before tax					8,117
Income tax expense					(3,004)
Profit for the year					5,113

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 year ended 30 April 2019 save as disclosed below:

- 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%.
- The dormant subsidiary company of the Company, Zenne Appliances Sdn Bhd, has been fully dissolved in accordance with Section 459(5) of the Companies Act 2016 with effect from 23 April 2019.

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 30.4.2019 RM'000
Total approved and contracted for	<u>1,322</u>

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 30 April 2019.

	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	-	-	-	-	-	-	2,181	2,181	2,181	2,181
Secured term loans	-	-	-	-	-	-	28,714	28,714	28,714	28,714
Finance lease liabilities	-	-	-	-	-	-	2,686	2,686	2,686	2,686
	-	-	-	-	-	-	33,581	33,581	33,581	33,581

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 4th Quarter and financial year-to-date:

	4th Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2019</u>	<u>30 Apr 2018</u>		
Revenue	56,564	56,307	257	0.5%
Operating Profit	2,619	1,939	680	35%
Profit Before Tax ("PBT")	1,743	1,034	709	69%
Profit After Tax	824	226	598	265%
Profit Attributable to Owners of the Company	833	317	516	163%

	Financial Year Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2019</u>	<u>30 Apr 2018</u>		
Revenue	235,344	238,322	(2,978)	-1%
Operating Profit	11,789	9,325	2,464	26%
Profit Before Tax ("PBT")	8,117	5,664	2,453	43%
Profit After Tax	5,113	3,378	1,735	51%
Profit Attributable to Owners of the Company	3,535	1,753	1,782	102%

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the current 4th quarter are as follows:

	4th Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2019</u>	<u>30 Apr 2018</u>		
Malaysia Operation	34,892	36,829	(1,937)	-5%
Vietnam Operation	21,672	19,478	2,194	11%
Total Revenue	56,564	56,307	257	0.5%

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the financial year are as follows:

	Financial Year Ended		Changes	
	30 Apr 2019	30 Apr 2018		
<i>(In thousands of RM)</i>				
Malaysia Operation	140,540	152,023	(11,483)	-8%
Vietnam Operation	94,804	86,299	8,505	10%
Total Revenue	235,344	238,322	(2,978)	-1%

For the current 4th quarter and financial year ended 30 April 2019, Malaysia Operation registered lower revenue mainly due to the decrease in customer demand for parts used in TV and home appliances. Whereas Vietnam Operation achieved a growth of 10% in revenue following stronger customer demand for parts used in the assembly of printers.

The increase in the Group PBT for the current 4th quarter was mainly attributed to higher revenue, reduction in overhead and better inventory management following implementation of various manufacturing systems which resulted in higher productivity and improved efficiency.

The net foreign exchange gain/(loss) for the financial year is as analysed below:

	Financial Year Ended		Variance	
	30 Apr 2019	30 Apr 2018		
<i>(In thousands of RM)</i>				
Net foreign exchange gain/(loss)	1,055	(2,027)	3,082	152%

Despite the favourable variance arising from the net foreign exchange gain and reduction in overhead, the Group PBT for financial year ended 30 April 2019 increased by approximately RM 2.4 million only as it was impacted by lower revenue from Malaysia Operation and the initial setup costs incurred by the new factory located at Thai Nguyen, Vietnam (namely KHTV Factory Phase 1) which commenced operation in May 2018 and was still in gestation period.

In view of net profit and following the completion of the Proposed Acquisition, the equity attributable to Owners of the Group increased to RM111.6 million as at 30 April 2019 which translated into Net Assets per share of RM1.02 (As at 30.4.2018: RM0.97).

The Group's cash and bank balances decreased from approximately RM36 million as at 30 April 2018 to RM32 million as at 30 April 2019 mainly due to the cash consideration of USD1,100,000 (or equivalent to approximately RM 4.6 million) paid for the Proposed Acquisition during the financial year under review. 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 4th Quarter (compared with immediate preceding 3rd quarter of the current financial year):

	Quarter Ended		Changes	
(In thousands of RM)	30 Apr 2019	31 Jan 2019		
Revenue	56,564	56,946	(382)	-1%
Operating Profit	2,619	2,649	(30)	-1%
Profit Before Tax ("PBT")	1,743	1,766	(23)	-1%
Profit After Tax	824	965	(141)	-15%
Profit Attributable to Owners of the Company	833	609	224	37%

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

	Quarter Ended		Changes	
(In thousands of RM)	30 Apr 2019	31 Jan 2019		
Malaysia Operation	34,892	32,096	2,796	9%
Vietnam Operation	21,672	24,850	(3,178)	-13%
Total Revenue	56,564	56,946	(382)	-1%

The revenue from Malaysia Operation increased by approximately RM 2.8 million mainly attributed to higher tooling sales recognised during the current 4th quarter. However, the revenue from Vietnam Operation dropped by approximately RM 3.2 million mainly due to much lower demand by customers during the long holiday in February 2019 where Vietnamese celebrated New Year. Accordingly, the Group PBT was slightly lower in line with the net decrease in revenue.

B3. Prospects

According to the April 2019 World Economic Outlook ("WEO") issued by the International Monetary Fund, the global growth is now projected to slow from 3.6% in 2018 to 3.3% in 2019, before returning to 3.6% in 2020. While global growth could surprise favourably if trade differences are resolved quickly so that business confidence rebounds and investor sentiment strengthens further, the balance of risks to the outlook remains on the downside. An escalation of trade tensions beyond those already incorporated in the forecast and a greater-than-envisaged slowdown in China remain key risks to the world economic outlook.

In Malaysia, the constraint in labour supply and rising labour costs will remain the critical issues to the Group as they directly affect the manpower planning and production costs which in turn will affect the overall profitability of the Group. Whereas in Vietnam, the Group expects the growth in revenue should continue for the next financial year which will 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 should achieve a satisfactory result relative to those companies in the same industry for the financial year ending 30 April 2020.

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 ended 30 April 2020.

B5. Profit for the period/year

	3 Months Ended 30.4.2019 RM'000	Year Ended 30.4.2019 RM'000
Profit for the period/year is arrived at after charging/(crediting):-		
Depreciation and amortisation	3,109	13,132
Finance costs	964	3,992
Property, plant and equipment written off	14	23
Loss/(Gain) on disposal of property, plant and equipment	(75)	(77)
Net foreign exchange (gain)/loss	38	(1,055)
Finance income	(88)	(320)

B.6 Income tax expense

	3 Months Ended 30.4.2019 RM'000	Year Ended 30.4.2019 RM'000
Current tax expense		
- <i>Malaysian income tax</i>	489	1,571
- <i>Foreign income tax</i>	356	1,574
- <i>Over provision in prior year</i>	(53)	(42)
	<u>792</u>	<u>3,103</u>
Deferred tax expense	<u>127</u>	<u>(99)</u>
Total	<u><u>919</u></u>	<u><u>3,004</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 30 April 2019 (compared with that of the last financial year) were as follows:

	As at 30 April 2019					
	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	14,717	7,094	4,923	1,980	19,640	9,074
Finance lease liabilities	-	1,169	-	1,517	-	2,686
Bankers' acceptance	-	-	-	8,731	-	8,731
Bills payable	-	-	6,617	-	6,617	-
Bank overdrafts	-	-	-	3,152	-	3,152
Total	14,717	8,263	11,540	15,380	26,257	23,643
Grand Total		22,980		26,920		49,900

	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 RM11.6 million (as at 30 April 2018: RM12.8 million) and RM14.7 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 and changes in utilisation of trade facilities and bank overdrafts.

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 year ended 30 April 2019 (2018: NIL).

The Board of Directors proposes a first and final single tier dividend of 1.0 sen per share totalling RM1,089,000 in respect of the current financial year ended 30 April 2019 (2018: 1.0 sen per share, totalling RM1,089,000). The entitlement and payment dates will be announced at a date to be determined later by the Board of Directors.

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 4th quarter under review as follows:-

	3 Months Ended 30.4.2019 RM'000	3 Months Ended 30.4.2018 RM'000
Earnings		
Profit attributable to Owners of the Company	<u>833</u>	<u>317</u>
Weighted average number of ordinary shares in issue ('000)	<u>108,900</u>	<u>108,900</u>
Basic earnings per ordinary share (sen)	<u>0.76</u>	<u>0.29</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 28 June 2019.

By Order of the Board,

Yap Toon Choy
Group Managing Director
28 June 2019