

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

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

For the 3<sup>rd</sup> quarter and financial period ended 31 January 2020 - unaudited

	Note	3 Months Ended		Financial Period Ended	
		31 Jan 2020	31 Jan 2019	31 Jan 2020	31 Jan 2019
<i>In thousands of RM</i>					
<b>Revenue</b>		<b>51,875</b>	<b>56,946</b>	<b>166,115</b>	<b>178,780</b>
Operating profit		1,441	2,649	6,807	9,170
Finance income		84	77	244	232
Finance costs		(843)	(960)	(2,596)	(3,028)
<b>Profit before tax</b>		<b>682</b>	<b>1,766</b>	<b>4,455</b>	<b>6,374</b>
Tax expense	B6	254	(801)	(885)	(2,085)
<b>Profit for the period</b>	B5	<b>936</b>	<b>965</b>	<b>3,570</b>	<b>4,289</b>
<b>Other comprehensive income, net of tax</b>					
<b><i>Items that will not be reclassified</i></b>					
<b><i>subsequently to profit or loss</i></b>					
Share of capital reserve by					
a non-controlling interest of a subsidiary					
		-	-	61	81
<b><i>Items that may be reclassified</i></b>					
<b><i>subsequently to profit or loss</i></b>					
Foreign currency translation differences					
for foreign operations					
		(530)	(245)	(245)	1,200
<b>Total comprehensive income for the period</b>		<b>406</b>	<b>720</b>	<b>3,386</b>	<b>5,570</b>
<b>Profit attributable to:</b>					
Owners of the Company		<b>733</b>	<b>609</b>	<b>2,715</b>	<b>2,702</b>
Non-controlling interests		203	356	855	1,587
Profit for the period		936	965	3,570	4,289
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>306</b>	<b>410</b>	<b>2,521</b>	<b>3,428</b>
Non-controlling interests		100	310	865	2,142
Total comprehensive income for the period		406	720	3,386	5,570
<b>Earnings per ordinary share</b>					
<b>attributable to owners</b>					
<b>of the Company (sen):</b>					
Basic / Diluted	B11	0.67	0.56	2.49	2.48

*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 2019 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 January 2020 – unaudited**

<i>In thousands of RM</i>	Note	As at 31 Jan 2020	As at 30 Apr 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		90,575	95,453
Prepaid lease payments		-	8,430
Right-of-use assets		9,328	-
Investment property		9,807	9,945
Other investments		194	195
		<u>109,904</u>	<u>114,023</u>
<b>Current assets</b>			
Trade and other receivables		31,515	38,681
Inventories		13,777	17,348
Contract assets		994	984
Cash and bank balances		42,054	31,849
		<u>88,340</u>	<u>88,862</u>
<b>TOTAL ASSETS</b>		<u><b>198,244</b></u>	<u><b>202,885</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		54,450	54,450
Reserves		58,563	57,131
		<u>113,013</u>	<u>111,581</u>
Non-controlling interests		7,363	6,908
<b>Total equity</b>		<u>120,376</u>	<u>118,489</u>
<b>Non-current liabilities</b>			
Loans and borrowings	B8	19,312	22,980
Trade and other payables		1,050	1,076
Lease liabilities		305	-
Deferred tax liabilities		3,713	3,781
		<u>24,380</u>	<u>27,837</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	26,753	26,920
Trade and other payables		26,431	29,098
Lease liabilities		832	-
Current tax liabilities		(528)	541
		<u>53,488</u>	<u>56,559</u>
<b>Total liabilities</b>		<u>77,868</u>	<u>84,396</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>198,244</b></u>	<u><b>202,885</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u><b>1.04</b></u>	<u><b>1.02</b></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 2019 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 January 2020 – 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>						
<b>At 1 May 2019</b>	54,450	3,008	54,123	111,581	6,908	118,489
Profit for the period	-	-	2,715	2,715	855	3,570
Other comprehensive income for the period, net of tax	-	(194)	-	(194)	10	(184)
Total comprehensive income for the period, net of tax	-	(194)	2,715	2,521	865	3,386
Dividend paid	-	-	(1,089)	(1,089)	(410)	(1,499)
<b>At 31 January 2020</b>	<b>54,450</b>	<b>2,814</b>	<b>55,749</b>	<b>113,013</b>	<b>7,363</b>	<b>120,376</b>
<b>At 1 May 2018</b>	54,450	2,153	48,856	105,459	12,963	118,422
Profit for the period	-	-	2,702	2,702	1,587	4,289
Other comprehensive income for the period, net of tax	-	726	-	726	555	1,281
Total comprehensive income for the period, net of tax	-	726	2,702	3,428	2,142	5,570
Dividend paid	-	-	(1,089)	(1,089)	(830)	(1,919)
Acquisition of non-controlling interests	-	-	2,821	2,821	(7,388)	(4,567)
<b>At 31 January 2019</b>	<b>54,450</b>	<b>2,879</b>	<b>53,290</b>	<b>110,619</b>	<b>6,887</b>	<b>117,506</b>

*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 2019 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 January 2020 – unaudited

<i>In thousands of RM</i>	Financial Period Ended	
	31 Jan 2020	31 Jan 2019
<b>Cash flows from operating activities</b>		
Profit before tax	4,455	6,374
Adjustments for:		
Non-cash items	9,832	10,030
Non-operating items	2,352	2,796
Operating profit before changes in working capital	16,639	19,200
Changes in working capital:		
Inventories	3,571	454
Contract assets	(10)	808
Trade and other receivables	7,167	6,758
Trade and other payables	(2,692)	(3,240)
Cash generated from operations	24,675	23,980
Tax paid	(2,011)	(1,809)
<b>Net cash from operating activities</b>	<b>22,664</b>	<b>22,171</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-controlling interest	-	(4,567)
Acquisition of property, plant and equipment	(2,438)	(2,977)
Acquisition of prepaid lease payments	-	(2,299)
Proceeds from disposal of property, plant and equipment	398	96
Interest received	244	232
<b>Net cash used in investing activities</b>	<b>(1,796)</b>	<b>(9,515)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	1,002	2,018
Repayment of term loans	(5,182)	(5,426)
Repayment of finance lease liabilities	(1,358)	(2,543)
Repayment of other borrowings	(1,883)	(2,800)
Payment of lease liabilities	(716)	-
Dividend paid	(1,499)	(1,919)
Interest paid	(2,461)	(2,963)
<b>Net cash used in financing activities</b>	<b>(12,097)</b>	<b>(13,633)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,771</b>	<b>(977)</b>
Exchange differences on translation of the financial statements of foreign operations	(172)	365
<b>Cash and cash equivalents at beginning of financial year</b>	<b>28,165</b>	<b>27,915</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>36,764</b>	<b>27,303</b>
<b>Cash and cash equivalents at end of financial period comprise:</b>		
Cash and bank balances	27,660	25,767
Deposits with licensed banks	13,862	8,609
Bank overdraft	(4,758)	(7,073)
	<b>36,764</b>	<b>27,303</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the year ended 30 April 2019 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 2019. 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 2019.

**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 2020***

- 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*
- *Interest Rate Benchmark Reform* (Amendments to MFRS9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures*)

***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.

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 3<sup>rd</sup> quarter and financial period ended 31 January 2020.

**A5. Material changes in estimates**

There were no changes in estimates that have had material effect for the current 3<sup>rd</sup> quarter and financial period ended 31 January 2020.

**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 3<sup>rd</sup> quarter and financial period under review.

**A7. Dividend Paid**

No interim dividend was paid during the current 3<sup>rd</sup> quarter and financial period ended 31 January 2020 (2019: Nil).

The Company has paid a 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 2019 (2018: 1.0 sen per share, totalling RM1,089,000) on 21 November 2019.

## A8. Segmental information

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

### **Results for the financial period ended 31 January 2020**

	Manufacturing	Trading	Investment Holding	Adjustment	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	160,354	5,761	-	-	166,115
Inter-segment	6,551	161	-	(6,712)	-
<b>Total revenue</b>	<b>166,905</b>	<b>5,922</b>	<b>-</b>	<b>(6,712)</b>	<b>166,115</b>
<b>Segment results</b>	<b>7,407</b>	<b>348</b>	<b>(398)</b>	<b>(550)</b>	<b>6,807</b>
Finance income					244
Finance costs					(2,596)
<b>Profit before tax</b>					<b>4,455</b>
Tax expense					(885)
<b>Profit for the period</b>					<b>3,570</b>

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

There were no material events subsequent to the end of the current 3<sup>rd</sup> quarter under review save as disclosed below.

On 22 February 2020, Kein Hing Industry Vietnam Co., Ltd ("KHIV"), a wholly-owned subsidiary of the Company, has entered into a Transfer of Assets attached to the Land Contract with Kein Hing Muramoto (Vietnam) Co., Ltd ("KHMV"), a 75%-owned subsidiary of the Company, for the proposed transfer of KHIV's land use rights and factory to KHMV for a total cash consideration of VND 112,888,000,000 (or equivalent to RM 20.0 million approximately) (hereinafter referred to as the "Proposed Transfer"). The Proposed Transfer does not have any effect on the issued and paid-up share capital of KHIB or the shareholdings of its major shareholders, and does not have any material effect on earnings per share, gearing and net assets per share of the Group. The Proposed Transfer is completed upon fulfillment of all the conditions precedent on 18 March 2020.

## A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current 3<sup>rd</sup> quarter and financial period ended 31 January 2020.

## 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

There were no 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.

### 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 January 2020.

	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		
<b>Financial liabilities</b>										
Amount due to a non- controlling interest of a subsidiary	-	-	-	-	-	-	2,181	2,181	2,181	2,181
Secured term loans	-	-	-	-	-	-	24,426	24,426	24,426	24,426
Finance lease liabilities	-	-	-	-	-	-	3,416	3,416	3,416	3,416
	-	-	-	-	-	-	30,466	30,466	30,466	30,466



**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 3<sup>rd</sup> Quarter and financial year-to-date (YTD):

	3rd Quarter Ended		Changes	
	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
<i>(In thousands of RM)</i>				
<b>Revenue</b>	<b>51,875</b>	<b>56,946</b>	<b>(5,071)</b>	<b>-9%</b>
Operating Profit	1,441	2,649	(1,208)	-46%
<b>Profit Before Tax ("PBT")</b>	<b>682</b>	<b>1,766</b>	<b>(1,084)</b>	<b>-61%</b>
Profit After Tax	936	965	(29)	-3%
<b>Profit Attributable to Owners of the Company</b>	<b>733</b>	<b>609</b>	<b>124</b>	<b>20%</b>

	Financial Period Ended		Changes	
	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
<i>(In thousands of RM)</i>				
<b>Revenue</b>	<b>166,115</b>	<b>178,780</b>	<b>(12,665)</b>	<b>-7%</b>
Operating Profit	6,807	9,170	(2,363)	-26%
<b>Profit Before Tax ("PBT")</b>	<b>4,455</b>	<b>6,374</b>	<b>(1,919)</b>	<b>-30%</b>
Profit After Tax	3,570	4,289	(719)	-17%
<b>Profit Attributable to Owners of the Company</b>	<b>2,715</b>	<b>2,702</b>	<b>13</b>	<b>0%</b>

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the current 3<sup>rd</sup> quarter and YTD (9 months) are as follows:

	3rd Quarter Ended		Changes	
	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
<i>(In thousands of RM)</i>				
Malaysia Operation	28,681	32,096	(3,415)	-11%
Vietnam Operation	23,194	24,850	(1,656)	-7%
<b>Total Revenue</b>	<b>51,875</b>	<b>56,946</b>	<b>(5,071)</b>	<b>-9%</b>

	Financial Period Ended		Changes	
(In thousands of RM)	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
Malaysia Operation	91,574	105,648	(14,074)	-13%
Vietnam Operation	74,541	73,132	1,409	2%
<b>Total Revenue</b>	<b>166,115</b>	<b>178,780</b>	<b>(12,665)</b>	<b>-7%</b>

For the current 3<sup>rd</sup> quarter and 9 months ended 31 January 2020, the revenue from Malaysia Operation declined mainly due to the drop in customer demand for parts used in TV and home appliances.

Whereas the decrease in revenue from Vietnam Operation for the current 3<sup>rd</sup> quarter under review was mainly due to Chinese New Year celebration and long holiday which fell in January 2020 as compared to February 2019 last year. For the YTD 9 months ended 31 January 2020, Vietnam Operation still achieved a revenue growth of 2% following stronger customer demand for parts used in the assembly of printers as compared to the previous year's corresponding period.

Despite the drop in revenue, the improvement in efficiency and cost reduction following implementation of various manufacturing systems and inventory management had mitigated the full negative impact to certain extent. The net decreases in the Group PBT for the current 3<sup>rd</sup> quarter and YTD were also due to the adverse variances arising from the net foreign exchange loss which are analysed as follows:

	3rd Quarter Ended		Variance	
(In thousands of RM)	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
Net foreign exchange gain/(loss)	(149)	187	(336)	-180%

  

	Financial Period Ended		Variance	
(In thousands of RM)	<u>31 Jan 2020</u>	<u>31 Jan 2019</u>		
Net foreign exchange gain/(loss)	(134)	1,093	(1,227)	-112%

Following the net profit (after dividend paid), the equity attributable to Owners of the Group increased to RM113.0 million as at 31 January 2020 which translated into Net Assets per share of RM1.04 (As at 30.4.2019: RM1.02).

The Group's cash and bank balances increased from approximately RM32 million as at 30 April 2019 to RM42 million as at 31 January 2020 as the cash used in investing activities was relatively low during the financial period 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 3<sup>rd</sup> Quarter (compared with immediate preceding 2<sup>nd</sup> quarter of the current financial year):

<i>(In thousands of RM)</i>	Quarter Ended		Changes	
	<u>31 Jan 2020</u>	<u>31 Oct 2019</u>		
Revenue	51,875	55,406	(3,531)	-6%
Operating Profit	1,441	2,386	(945)	-40%
Profit Before Tax ("PBT")	682	1,624	(942)	-58%
Profit After Tax	936	1,255	(319)	-25%
Profit Attributable to Owners of the Company	733	98	(253)	-26%

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

<i>(In thousands of RM)</i>	Quarter Ended		Changes	
	<u>31 Jan 2020</u>	<u>31 Oct 2019</u>		
Malaysia Operation	28,681	30,478	(1,797)	-6%
Vietnam Operation	23,194	24,928	(1,734)	-7%
<b>Total Revenue</b>	<b>51,875</b>	<b>55,406</b>	<b>(3,531)</b>	<b>-6%</b>

The revenue declined by 6% in view of lower sales orders during the Chinese New Year Celebration and long holiday in both Malaysia and Vietnam in the month of January 2020. Accordingly, the Group PBT decreased following the drop in revenue.

## B3. Prospects

According to the January 2020 World Economic Outlook ("WEO") Update issued by the International Monetary Fund ("IMF"), the global growth is projected to rise from an estimated 2.9% in 2019 to 3.3% in 2020 and 3.4% for 2021, a downward of 0.1% for 2020 and 0.2% for 2021 compared to those in the October 2019 WEO. In other words, the world economy was already weak when the outbreak of COVID-19 struck in China, and this had led to demand shortfalls and disruptions to supply. The disruptions to supply were especially acute as China played a critical role at the center of global value chains. The outbreak of COVID-19 which later spread to other parts of the world has "knock-on domino" effect and adverse impact on all industries.

In Malaysia, the decline in customer demand particularly for parts used in TV and home appliances will impact the Group performance. Whereas in Vietnam, the Group expects the disruption to global supply chains which affect some of our customers will lower the revenue for the 4<sup>th</sup> quarter. Against this operating environment, the Board of Directors foresees that the Group results for the financial year ending 30 April 2020 will be adversely affected.

**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 2020.

**B5. Profit for the period**

	<b>3 Months Ended 31.1.2020 RM'000</b>	<b>Period Ended 31.1.2020 RM'000</b>
Profit for the period is arrived at after charging/(crediting):-		
Depreciation and amortisation	3,186	9,669
Finance costs	843	2,596
Property, plant and equipment written off	2	32
Loss on disposal of property, plant and equipment	163	131
Net foreign exchange loss	149	134
Finance income	(84)	(244)

**B.6 Income tax expense**

	<b>3 Months Ended 31.1.2020 RM'000</b>	<b>Period Ended 31.1.2020 RM'000</b>
Current tax expense		
- <i>Malaysian income tax</i>	66	502
- <i>Foreign income tax</i>	305	1,097
- <i>Over provision in prior year</i>	(603)	(646)
	<u>(232)</u>	<u>953</u>
Deferred tax expense	<u>(22)</u>	<u>(68)</u>
<b>Total</b>	<u><u>(254)</u></u>	<u><u>885</u></u>

The effective tax rate of the Group for the financial period 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 January 2020 (compared with that of the last financial year) were as follows:

	As at 31 January 2020					
	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	11,978	5,463	4,857	2,128	16,835	7,591
Finance lease liabilities	-	1,871	-	1,545	-	3,416
Bankers' acceptance	-	-	-	4,463	-	4,463
Bills payable	-	-	9,002	-	9,002	-
Bank overdrafts	-	-	-	4,758	-	4,758
<b>Total</b>	<b>11,978</b>	<b>7,334</b>	<b>13,859</b>	<b>12,894</b>	<b>25,837</b>	<b>20,228</b>
<b>Grand Total</b>		<b>19,312</b>		<b>26,753</b>		<b>46,065</b>

	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
<b>Total</b>	<b>14,717</b>	<b>8,263</b>	<b>11,540</b>	<b>15,380</b>	<b>26,257</b>	<b>23,643</b>
<b>Grand Total</b>		<b>22,980</b>		<b>26,920</b>		<b>49,900</b>

The Group loans and borrowings are denominated in Ringgit Malaysia except for certain term loans and bills payable amounting to approximately RM13.6 million (as at 30 April 2019: RM11.6 million) and RM12.2 million (as at 30 April 2019: RM14.7 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 3<sup>rd</sup> quarter and financial period ended 31 January 2020 (2019: NIL).

**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 3<sup>rd</sup> quarter under review as follows:-

	<b>3 Months Ended 31.1.2020 RM'000</b>	<b>3 Months Ended 31.1.2019 RM'000</b>
Earnings		
Profit attributable to Owners of the Company	<u>733</u>	<u>609</u>
Weighted average number of ordinary shares in issue ('000)	<u>108,900</u>	<u>108,900</u>
<b>Basic earnings per ordinary share (sen)</b>	<u>0.67</u>	<u>0.56</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 2019 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 26 March 2020.

By Order of the Board,

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**Yap Toon Choy**  
Group Managing Director  
26 March 2020