

**KEIN HING INTERNATIONAL BERHAD**  
[Company No. 200301013636 (616056-T)]

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

For the 4<sup>th</sup> quarter and financial year ended 30 April 2020 - unaudited

	Note	3 Months Ended		Financial Year Ended	
		30 Apr 2020	30 Apr 2019	30 Apr 2020	30 Apr 2019
<i>In thousands of RM</i>					
<b>Revenue</b>		<b>36,173</b>	<b>56,564</b>	<b>202,288</b>	<b>235,344</b>
Operating profit		426	2,619	7,233	11,789
Finance income		231	88	475	320
Finance costs		(786)	(964)	(3,382)	(3,992)
<b>Profit/(Loss) before tax</b>		<b>(129)</b>	<b>1,743</b>	<b>4,326</b>	<b>8,117</b>
Tax expense	B6	27	(919)	(858)	(3,004)
<b>Profit/(Loss) for the period/year</b>	B5	<b>(102)</b>	<b>824</b>	<b>3,468</b>	<b>5,113</b>
<b>Other comprehensive income, net of tax</b>					
<b><i>Items that will not be reclassified 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 subsequently to profit or loss</i></b>					
Foreign currency translation differences					
for foreign operations		1,895	159	1,650	1,359
<b>Total comprehensive income for the period</b>		<b>1,793</b>	<b>983</b>	<b>5,179</b>	<b>6,553</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		<b>(108)</b>	<b>833</b>	<b>2,607</b>	<b>3,535</b>
Non-controlling interests		6	(9)	861	1,578
Profit/(Loss) for the period/year		<b>(102)</b>	<b>824</b>	<b>3,468</b>	<b>5,113</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>1,444</b>	<b>962</b>	<b>3,965</b>	<b>4,390</b>
Non-controlling interests		349	21	1,214	2,163
Total comprehensive income for the period		<b>1,793</b>	<b>983</b>	<b>5,179</b>	<b>6,553</b>
<b>Earnings/(Loss) per ordinary share</b>					
<b>attributable to owners</b>					
<b>of the Company (sen):</b>					
Basic / Diluted	B11	<b>(0.10)</b>	<b>0.76</b>	<b>2.39</b>	<b>3.25</b>

*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. 200301013636 (616056-T)]**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 30 April 2020 – unaudited**

<i>In thousands of RM</i>	Note	As at 30 Apr 2020	As at 30 Apr 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		78,609	95,453
Prepaid lease payments		-	8,430
Right-of-use assets		23,320	-
Investment property		9,771	9,945
Other investments		194	195
		<u>111,894</u>	<u>114,023</u>
<b>Current assets</b>			
Trade and other receivables		24,820	38,681
Inventories		15,925	17,348
Contract assets		1,350	984
Current tax assets		604	-
Cash and bank balances		41,658	31,849
		<u>84,357</u>	<u>88,862</u>
<b>TOTAL ASSETS</b>		<u><b>196,251</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		60,007	57,131
		<u>114,457</u>	<u>111,581</u>
Non-controlling interests		7,712	6,908
<b>Total equity</b>		<u>122,169</u>	<u>118,489</u>
<b>Non-current liabilities</b>			
Loans and borrowings	B8	12,055	22,980
Lease liabilities		2,468	-
Trade and other payables		925	1,076
Deferred tax liabilities		3,558	3,781
		<u>19,006</u>	<u>27,837</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	30,623	26,920
Lease liabilities		2,223	-
Trade and other payables		21,925	29,098
Current tax liabilities		305	541
		<u>55,076</u>	<u>56,559</u>
<b>Total liabilities</b>		<u>74,082</u>	<u>84,396</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>196,251</b></u>	<u><b>202,885</b></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u><b>1.05</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. 200301013636 (616056-T)]

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the financial year ended 30 April 2020 – unaudited

	Attributable to Owners of the Company					Non-controlling interests	Total equity
	Non-distributable		Distributable		Total		
	Share capital	Translation reserve	Retained earnings				
<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 year	-	-	2,607	2,607		861	3,468
Other comprehensive income for the year, net of tax	-	1,358	-	1,358		353	1,711
Total comprehensive income for the year, net of tax	-	1,358	2,607	3,965		1,214	5,179
Dividend paid	-	-	(1,089)	(1,089)		(410)	(1,499)
<b>At 30 April 2020</b>	<u>54,450</u>	<u>4,366</u>	<u>55,641</u>	<u>114,457</u>		<u>7,712</u>	<u>122,169</u>
<b>At 1 May 2018</b>	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)
<b>At 30 April 2019</b>	<u>54,450</u>	<u>3,008</u>	<u>54,123</u>	<u>111,581</u>		<u>6,908</u>	<u>118,489</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 2019 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements.*

**KEIN HING INTERNATIONAL BERHAD**  
**[Company No. 200301013636 (616056-T)]**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the financial year ended 30 April 2020 – unaudited**

<i>In thousands of RM</i>	Financial Year Ended	
	30 Apr 2020	30 Apr 2019
<b>Cash flows from operating activities</b>		
Profit before tax	4,326	8,117
Adjustments for:		
Non-cash items	12,857	13,167
Non-operating items	2,907	3,672
Operating profit before changes in working capital	20,090	24,956
Changes in working capital:		
Inventories	1,423	3,819
Contract assets	(366)	(984)
Trade and other receivables	14,212	3,578
Trade and other payables	(7,774)	(5,036)
Cash generated from operations	27,585	26,333
Tax paid	(1,951)	(2,368)
<b>Net cash from operating activities</b>	<b>25,634</b>	<b>23,965</b>
<b>Cash flows from investing activities</b>		
Acquisition of non-controlling interest	-	(4,567)
Acquisition of property, plant and equipment	(4,897)	(4,008)
Acquisition of prepaid lease payments	-	(2,307)
Proceeds from disposal of property, plant and equipment	400	226
Interest received	475	320
Increase in pledged deposits with licensed banks	(17)	(16)
<b>Net cash used in investing activities</b>	<b>(4,039)</b>	<b>(10,352)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loans	1,308	2,962
Repayment of term loans	(7,178)	(7,121)
Repayment of finance lease liabilities	(1,842)	(3,026)
Repayment of other borrowings	(2,632)	(810)
Payment of lease liabilities	(901)	-
Dividend paid	(1,499)	(1,919)
Interest paid	(3,214)	(3,907)
<b>Net cash used in financing activities</b>	<b>(15,958)</b>	<b>(13,821)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,637</b>	<b>(208)</b>
Exchange differences on translation of the financial statements of foreign operations	969	458
<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 year</b>	<b>34,771</b>	<b>28,165</b>
<b>Cash and cash equivalents at end of financial year comprise:</b>		
Cash and bank balances	26,098	22,614
Deposits with licensed banks	15,011	8,703
Bank overdraft	(6,338)	(3,152)
	<b>34,771</b>	<b>28,165</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 June 2020***

- Amendments to MFRS 16, *Leases – Covid-19 Related Rent Concessions*

***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 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

***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 4<sup>th</sup> quarter and financial year ended 30 April 2020.

**A5. Material changes in estimates**

There were no changes in estimates that have had material effect for the current 4<sup>th</sup> quarter and financial year ended 30 April 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 4<sup>th</sup> quarter and financial year under review.

#### A7. Dividend Paid

No interim dividend was paid during the current 4<sup>th</sup> quarter and financial year ended 30 April 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 year ended 30 April 2020**

	<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	195,602	6,686	-	-	202,288
Inter-segment	9,721	191	-	(9,912)	-
<b>Total revenue</b>	<b>205,323</b>	<b>6,877</b>	<b>-</b>	<b>(9,912)</b>	<b>202,288</b>
<b>Segment results</b>	<b>7,407</b>	<b>182</b>	<b>(143)</b>	<b>(213)</b>	<b>7,233</b>
Finance income					475
Finance costs					(3,382)
<b>Profit before tax</b>					<b>4,326</b>
Tax expense					(858)
<b>Profit for the year</b>					<b>3,468</b>

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

There were no material events subsequent to the end of the current 4<sup>th</sup> quarter under review.

#### A10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current 4<sup>th</sup> quarter and financial year ended 30 April 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 30 April 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	-	-	-	-	-	-	2,215	2,215	2,215	2,215
Secured term loans	-	-	-	-	-	-	23,625	23,625	23,625	23,625
Lease liabilities	-	-	-	-	-	-	2,931	2,931	2,931	2,931
	-	-	-	-	-	-	28,771	28,771	28,771	28,771



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

	4th Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2020</u>	<u>30 Apr 2019</u>		
<b>Revenue</b>	<b>36,173</b>	<b>56,564</b>	<b>(20,391)</b>	<b>-36%</b>
Operating Profit	426	2,619	(2,193)	-84%
<b>Profit/(Loss) Before Tax ("PBT/LBT")</b>	<b>(129)</b>	<b>1,743</b>	<b>(1,872)</b>	<b>-107%</b>
Profit/(Loss) After Tax	(102)	824	(926)	-112%
<b>Profit/(Loss) Attributable to Owners of the Company</b>	<b>(108)</b>	<b>833</b>	<b>(941)</b>	<b>-113%</b>

	Financial Year Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2020</u>	<u>30 Apr 2019</u>		
<b>Revenue</b>	<b>202,288</b>	<b>235,344</b>	<b>(33,056)</b>	<b>-14%</b>
Operating Profit	7,233	11,789	(4,556)	-39%
<b>Profit Before Tax ("PBT")</b>	<b>4,326</b>	<b>8,117</b>	<b>(3,791)</b>	<b>-47%</b>
Profit After Tax	3,468	5,113	(1,645)	-32%
<b>Profit Attributable to Owners of the Company</b>	<b>2,607</b>	<b>3,535</b>	<b>(928)</b>	<b>-26%</b>

The changes in revenue contributed by Malaysia operation and Vietnam operation respectively for the current 4<sup>th</sup> quarter and financial year ended 30 April 2020 are as follows:

	4th Quarter Ended		Changes	
<i>(In thousands of RM)</i>	<u>30 Apr 2020</u>	<u>30 Apr 2019</u>		
Malaysia Operation	16,332	34,892	(18,560)	-53%
Vietnam Operation	19,841	21,672	(1,831)	-8%
<b>Total Revenue</b>	<b>36,173</b>	<b>56,564</b>	<b>(20,391)</b>	<b>-36%</b>

	Financial Year Ended		Changes	
	30 Apr 2020	30 Apr 2019		
<i>(In thousands of RM)</i>				
Malaysia Operation	107,911	140,540	(32,629)	-23%
Vietnam Operation	94,377	94,804	(427)	-0.5%
<b>Total Revenue</b>	<b>202,288</b>	<b>235,344</b>	<b>(33,056)</b>	<b>-14%</b>

For the current 4<sup>th</sup> quarter and year ended 30 April 2020, the revenue from Malaysia Operation declined mainly due to the disruption to businesses globally as a consequence of lockdowns and the Movement Control Order implemented in Malaysia in order to curb the spread of COVID-19 virus, and the drop in customer demand during the financial year particularly for parts used in TV and home appliances.

The revenue from Vietnam Operation for the current 4<sup>th</sup> quarter was also severely affected by the disruption to supply chains resulting from COVID-19 pandemic, thus reducing by RM 1.8 million or -8%. Nevertheless, the revenue from Vietnam Operation for the financial year ended 30 April 2020 only dropped by -0.5% mainly attributed to stronger customer demand and higher sales achieved in previous quarters.

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 decrease in the Group LBT/PBT for the current 4<sup>th</sup> quarter and YTD were also affected by the favourable/(adverse) variances arising from the net foreign exchange gain/(loss) respectively as analysed below:

	4th Quarter Ended		Variance	
	30 Apr 2020	30 Apr 2019		
<i>(In thousands of RM)</i>				
Net foreign exchange gain/(loss)	955	(38)	993	2613%

  

	Financial Year Ended		Variance	
	30 Apr 2020	30 Apr 2019		
<i>(In thousands of RM)</i>				
Net foreign exchange gain/(loss)	821	1,055	(234)	-22%

Following the net profit (after dividend paid), the equity attributable to Owners of the Group increased to RM14.5 million as at 30 April 2020 which translated into Net Assets per share of RM1.05 (As at 30.4.2019: RM1.02).

The Group's cash and bank balances increased from approximately RM31.8 million as at 30 April 2019 to RM41.6 million as at 30 April 2020 mainly attributed to lower net cash used in investing activities 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 4<sup>th</sup> Quarter (compared with immediate preceding 3<sup>rd</sup> quarter of the current financial year):

	Quarter Ended		Changes	
	30 Apr 2020	31 Jan 2020		
<i>(In thousands of RM)</i>				
<b>Revenue</b>	<b>36,173</b>	<b>51,875</b>	<b>(15,702)</b>	<b>-30%</b>
Operating Profit	426	1,441	(1,015)	-70%
<b>Profit/(Loss) Before Tax ("PBT/LBT")</b>	<b>(129)</b>	<b>682</b>	<b>(811)</b>	<b>-119%</b>
Profit/(Loss) After Tax	(102)	936	(1,038)	-111%
<b>Profit/(Loss) Attributable to Owners of the Company</b>	<b>(108)</b>	<b>733</b>	<b>(841)</b>	<b>-115%</b>

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

	Quarter Ended		Changes	
	30 Apr 2020	31 Jan 2020		
<i>(In thousands of RM)</i>				
Malaysia Operation	16,332	28,686	(12,354)	-43%
Vietnam Operation	19,841	23,189	(3,348)	-14%
<b>Total Revenue</b>	<b>36,173</b>	<b>51,875</b>	<b>(15,702)</b>	<b>-30%</b>

The revenue declined by 30% mainly due to COVID-19 pandemic which led to implementation of various containment measures, lockdowns and isolation that caused severe disruption to supply chains and drastic drop in customer demand globally. Despite the drop in revenue, the Group managed to lower the loss or LBT through various cost reduction measures and a favourable foreign exchange gain recognised during the current 4<sup>th</sup> quarter under review.

## B3. Prospects

According to the April 2020 World Economic Outlook ("WEO") issued by the International Monetary Fund ("IMF"), the global growth is projected to contract sharply by -3.0% in 2020 as a result of the COVID-19 pandemic, much worse than during the 2008-2009 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the 2<sup>nd</sup> half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support. Subsequently, IMF further revised the global growth to -4.9% in 2020 and 5.4% in 2021 in their June 2020 WEO Update. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate.

For Malaysia Operation, the decline in customer demand and the extreme uncertainty resulting from the pandemic will impact its financial performance. Whereas for Vietnam Operation, the Group expects the disruption to global supply chains will lower the revenue for at least the first (1<sup>st</sup>) half of the financial year. Against this severe operating environment, the Board of Directors foresees that overall, the Group results for the financial year ending 30 April 2021 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 2021.

**B5. Profit/(Loss) for the period/year**

	<b>3 Months Ended 30.4.2020 RM'000</b>	<b>Year Ended 30.4.2020 RM'000</b>
Profit/(Loss) for the period/year is arrived at after charging/(crediting):-		
Depreciation and amortisation	3,172	12,841
Finance costs	786	3,382
Property, plant and equipment written off	2	34
Loss on disposal of property, plant and equipment	1	132
Net foreign exchange (gain)/loss	(955)	(821)
Finance income	(231)	(475)

**B.6 Income tax expense**

	<b>3 Months Ended 30.4.2020 RM'000</b>	<b>Year Ended 30.4.2020 RM'000</b>
Current tax expense		
- <i>Malaysian income tax</i>	(270)	232
- <i>Foreign income tax</i>	232	1,329
- <i>Under/(Over) provision in prior year</i>	166	(480)
	<u>128</u>	<u>1,081</u>
Deferred tax expense	<u>(155)</u>	<u>(223)</u>
<b>Total</b>	<u><u>(27)</u></u>	<u><u>858</u></u>

The effective tax rate of the Group for the financial year was lower than the statutory income tax rate of 24% mainly due to the net effect of 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 2020 (compared with that of the last financial year) were as follows:

	As at 30 April 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	7,193	4,862	9,360	2,210	16,553	7,072
Bankers' acceptance	-	-	-	2,860	-	2,860
Bills payable	-	-	9,855	-	9,855	-
Bank overdrafts	-	-	-	6,338	-	6,338
Total	7,193	4,862	19,215	11,408	26,408	16,270
<b>Grand Total</b>		<b>12,055</b>		<b>30,623</b>		<b>42,678</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
Total	14,717	8,263	11,540	15,380	26,257	23,643
<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 RM14.0 million (as at 30 April 2019: RM11.6 million) and RM12.4 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 by RM 7.2 million was mainly due to reclassification of finance lease liabilities of RM 2.9 million as at 30 April 2020 to Lease Liabilities, 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 4<sup>th</sup> quarter and financial year ended 30 April 2020 (2019: NIL).

The Board of Directors did not propose any final dividend for the financial year ended 30 April 2020 (2019: 1.0 sen per share, totalling RM1,089,000).

**B11. Basic earnings/(loss) per ordinary share**

The basic earnings/(loss) per ordinary share are calculated by dividing profit/(loss) attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the current 4<sup>th</sup> quarter under review as follows:-

	<b>3 Months Ended 30.4.2020 RM'000</b>	<b>3 Months Ended 30.4.2019 RM'000</b>
Earnings/(Loss)		
Profit/(Loss) attributable to Owners of the Company	<u>(108)</u>	<u>833</u>
Weighted average number of ordinary shares in issue ('000)	<u>108,900</u>	<u>108,900</u>
<b>Basic earnings/(loss) per ordinary share (sen)</b>	<u>(0.10)</u>	<u>0.76</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 29 June 2020.

By Order of the Board,

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**Yap Toon Choy**  
Group Managing Director  
29 June 2020