


**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2020 <sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2019 RM'000	CURRENT YEAR-TO-DATE 30 APRIL 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2019 RM'000
Revenue	A9	21,454	8,844	54,951	37,180
Cost of sales		(14,415)	(8,140)	(35,435)	(26,590)
Gross profit		7,039	704	19,516	10,590
Other income		454	69	870	472
Administrative expenses		(2,960)	(2,749)	(11,323)	(9,821)
Selling and distribution expenses		(502)	(613)	(2,162)	(2,481)
Other expenses		(326)	(126)	(1,089)	(861)
Finance costs		(67)	(83)	(345)	(387)
Net impairment (losses)/gain on financial assets		(12)	(398)	188	(397)
Share of loss of a joint venture		-	-	(36)	-
Profit/(Loss) before taxation ("PBT"/"LBT")		3,626	(3,196)	5,619	(2,885)
Income tax expense	B4	(182)	22	(1,020)	28
Profit/(Loss) after taxation ("PAT"/"LAT")		3,444	(3,174)	4,599	(2,857)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expenses) for the financial year		3,444	(3,174)	4,599	(2,857)
PAT/(LAT)/Total comprehensive income/(expenses) attributable to:-					
Owners of the Company		3,179	(2,753)	4,348	(2,497)
Non-controlling interests		265	(421)	251	(360)
		3,444	(3,174)	4,599	(2,857)
Earnings/(Loss) per share (sen)					
- Basic/Diluted <sup>(2)</sup>	B10	0.74	(0.64)	1.01	(0.58)

**Notes:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 30 April 2019 and the accompanying explanatory notes attached to this interim financial report.

(2) Diluted earnings per share of the Company for the individual quarter 30 April 2020 and cumulative quarter 30 April 2020 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.


**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2020 <sup>(1)</sup>**

		<b>UNAUDITED AT 30 APRIL 2020 RM'000</b>	<b>AUDITED AT 30 APRIL 2019 RM'000</b>
	<b>Note</b>		
<b>ASSETS</b>			
<b>Non-current Asset</b>			
Investment in a joint venture		-	250
Property, plant and equipment		30,286	31,483
Right-of-use assets		1,945	-
		<u>32,231</u>	<u>31,733</u>
<b>Current Assets</b>			
Inventories		13,256	12,781
Trade receivables		17,403	8,127
Other receivables, deposits and prepayments		6,589	2,572
Current tax assets		1,078	2,417
Fixed deposits with licensed banks		1,000	3,749
Cash and bank balances		5,180	8,633
		<u>44,506</u>	<u>38,279</u>
<b>TOTAL ASSETS</b>		<u><b>76,737</b></u>	<u><b>70,012</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		53,299	53,299
Merger deficit		(29,580)	(29,580)
Retained profits		36,812	32,464
Equity attributable to owners of the Company		<u>60,531</u>	<u>56,183</u>
Non-controlling interests		(42)	(293)
<b>TOTAL EQUITY</b>		<u><b>60,489</b></u>	<u><b>55,890</b></u>
<b>Non-current Liabilities</b>			
Lease liabilities	B7	665	432
Term loans	B7	3,261	5,463
Deferred tax liabilities		574	574
		<u>4,500</u>	<u>6,469</u>
<b>Current Liabilities</b>			
Trade payables		3,019	2,338
Other payables and accruals		2,174	4,186
Amount owing to a related party		-	1
Amount owing to a joint venture		-	250
Bankers' acceptance	B7	224	-
Lease liabilities	B7	716	346
Term loans	B7	2,312	532
Bank overdrafts	B7	3,301	-
Current tax liabilities		2	-
		<u>11,748</u>	<u>7,653</u>
<b>TOTAL LIABILITIES</b>		<u><b>16,248</b></u>	<u><b>14,122</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>76,737</b></u>	<u><b>70,012</b></u>
Net assets per share (RM)		<u><b>0.14</b></u>	<u><b>0.13</b></u>

**Note:-**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2019 and the accompanying explanatory notes attached to this interim financial report.



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 APRIL 2020 <sup>(1)</sup>**

	<----- Non-Distributable ----->		Distributable	Attributable to	Non-controlling	Total Equity
	Share Capital	Merger Deficit	Retained Profits	Owners of Company	Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance at 1 May 2019</b>	53,299	(29,580)	32,464	56,183	(293)	55,890
PAT/Total comprehensive income for the financial year	-	-	4,348	4,348	251	4,599
<b>Balance at 30 April 2020</b>	53,299	(29,580)	36,812	60,531	(42)	60,489
<b>Balance at 1 May 2018</b>	53,299	(29,580)	34,961	58,680	67	58,747
LAT/Total comprehensive expenses for the financial year	-	-	(2,497)	(2,497)	(360)	(2,857)
<b>Balance at 30 April 2019</b>	53,299	(29,580)	32,464	56,183	(293)	55,890

**Note:-**

*(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2019 and the accompanying explanatory notes attached to this interim financial report.*



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2020 <sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT</b>	<b>PRECEDING YEAR</b>
	<b>YEAR-TO-DATE</b>	<b>CORRESPONDING</b>
	<b>30 APRIL 2020</b>	<b>30 APRIL 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,619	(2,885)
Adjustments for:		
Bad debts written off	-	16
Depreciation of property, plant and equipment	1,561	1,981
Depreciation of right-of-use asset	899	-
Impairment losses on trade receivables	84	422
Interest expense	316	387
Interest expense on lease liabilities	42	-
Inventories written down	299	1,542
Property, plant and equipment written off	-	6
Share of loss of a joint venture	36	-
(Gain)/Loss on disposal of property, plant and equipment	(77)	3
Interest income	(172)	(186)
Reversal of allowance for impairment losses on trade receivables	(272)	(25)
Reversal of inventories previously written down	(412)	(33)
Unrealised gain on foreign exchange	(71)	(50)
<b>Operating profit before working capital changes</b>	<b>7,852</b>	<b>1,178</b>
(Increase)/Decrease in inventories	(362)	1,033
Increase in trade and other receivables	(13,107)	(2,965)
(Decrease)/Increase in trade and other payables	(1,326)	2,027
(Decrease)/Increase in amount owing to a related party	(1)	1
(Decrease)/Increase in amount owing to a joint venture	(250)	250
<b>CASH (FOR)/FROM OPERATIONS</b>	<b>(7,194)</b>	<b>1,524</b>
Income tax paid	(1,180)	(1,133)
Income tax refunded	1,500	474
Interest paid	(358)	(387)
Interest received	172	186
<b>NET CASH FOR/(FROM) OPERATING ACTIVITIES</b>	<b>(7,060)</b>	<b>664</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Additions of right-of-use assets	(186)	-
Decrease/(Increase) in pledged fixed deposit with a licensed bank	722	(21)
Investment in a joint venture	-	(250)
Proceeds from disposal of a joint venture	214	-
Proceeds from disposal of property, plant and equipment	144	11
Purchase of property, plant and equipment	(1,585)	(541)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(691)</b>	<b>(801)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(900)	(422)
Drawdown/(Repayment) of bankers' acceptances	224	(702)
Repayment of term loans	(422)	(729)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(1,098)</b>	<b>(1,853)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,849)</b>	<b>(1,990)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>68</b>	<b>41</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>11,660</b>	<b>13,609</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>2,879</b>	<b>11,660</b>



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2020 <sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT</b>	<b>PRECEDING YEAR</b>
	<b>YEAR-TO-DATE</b>	<b>CORRESPONDING</b>
	<b>30 APRIL 2020</b>	<b>30 APRIL 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Cash and cash equivalents at end of the financial year comprises the following:</u></b>		
Cash and bank balances	5,180	8,633
Fixed deposit with a licensed bank	1,000	3,749
Bank overdrafts	(3,301)	-
	<u>2,879</u>	<u>12,382</u>
Less: Fixed deposit pledged to a licensed bank	-	(722)
	<u><u>2,879</u></u>	<u><u>11,660</u></u>

**Note:-**

*(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statements for the FYE 30 April 2019 and the accompanying explanatory notes attached to this interim financial report.*



# **LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

### **A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

#### **A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("**MASB**"), Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The interim financial report should be read in conjunction with the audited financial statements for the FYE 30 April 2019. These explanatory notes attached to the interim financial report provide explanation of events and transactions that are significant for the understanding of the changes in the financial position and performance of the Group since the FYE 30 April 2019.

#### **A2. Changes in accounting policies**

The Group has adopted those standards and interpretations (including the consequential amendments, if any) that have become effective on 1 January 2019 and such adoptions do not have material impact on the financial position and performance of the Group except as follows:-

MFRS 16 sets out the principles for recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

The Group has adopted MFRS 16 using the modified retrospective approach and did not restate comparative amount for the period prior to initial application. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are as follows:-

	<b>AS PREVIOUSLY REPORTED RM'000</b>	<b>IMPACT OF MFRS 16 ADOPTION RM'000</b>	<b>AS RESTATED RM'000</b>
<b>1 MAY 2019</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	31,483	(1,174)	30,309
Right-of-use assets	-	1,704	1,704
	<u>31,483</u>	<u>530</u>	<u>32,013</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	-	(144)	(144)
<b>CURRENT LIABILITIES</b>			
Lease liabilities	-	(386)	(386)

**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)****NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020****A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING (CONT'D)****A2. Changes in accounting policies (Cont'd)**

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for this interim financial report:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the interim financial report of the Group upon its initial application.

**A3. Auditors' report on preceding audited financial statements**

The preceding year's audited financial statements of the Group were not subject to any qualification.

**A4. Seasonal or cyclical factors**

The Group's business operations were not materially affected by seasonal or cyclical factors during the current financial quarter under review.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

**A6. Material changes in estimates**

There were no changes in estimates that have had a material effect in the current financial quarter under review.

**A7. Debts and equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

**A8. Dividend paid**

There was no dividend paid during the current financial quarter under review.



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

**A9. Segmental information**

(a) Analysis of revenue by product categories

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE QUARTER	
	30 APRIL 2020 RM'000	30 APRIL 2019 RM'000	30 APRIL 2020 RM'000	30 APRIL 2019 RM'000
<b>Manufacturing:</b>				
Medical/healthcare beds	4,756	2,250	14,618	11,437
Medical peripherals and accessories	5,582	4,158	19,357	14,985
	<u>10,338</u>	<u>6,408</u>	<u>33,975</u>	<u>26,422</u>
<b>Trading:</b>				
Medical peripherals and accessories	9,269	1,697	15,873	6,211
Medical devices	1,847	739	5,103	4,547
	<u>11,116</u>	<u>2,436</u>	<u>20,976</u>	<u>10,758</u>
<b>Total revenue</b>	<b><u>21,454</u></b>	<b><u>8,844</u></b>	<b><u>54,951</u></b>	<b><u>37,180</u></b>

(b) Analysis of revenue by geographical areas

	UNAUDITED INDIVIDUAL QUARTER				UNAUDITED CUMULATIVE QUARTER			
	30 APRIL 2020 RM'000	%	30 APRIL 2019 RM'000	%	30 APRIL 2020 RM'000	%	30 APRIL 2019 RM'000	%
<b>Local:</b>								
Malaysia	20,050	93.46	7,246	81.92	45,903	83.53	30,588	82.27
<b>Export:</b>								
Africa	213	0.99	99	1.12	2,724	4.96	122	0.33
Asia - other than Malaysia	1,132	5.28	1,084	12.26	4,876	8.87	5,051	13.59
Europe	-	-	36	0.41	800	1.46	112	0.30
Middle East	59	0.27	379	4.29	648	1.18	1,002	2.69
Central America	-	-	-	-	-	-	305	0.82
	<u>1,404</u>	<u>6.54</u>	<u>1,598</u>	<u>18.08</u>	<u>9,048</u>	<u>16.47</u>	<u>6,592</u>	<u>17.73</u>
<b>Total revenue</b>	<b><u>21,454</u></b>	<b><u>100.00</u></b>	<b><u>8,844</u></b>	<b><u>100.00</u></b>	<b><u>54,951</u></b>	<b><u>100.00</u></b>	<b><u>37,180</u></b>	<b><u>100.00</u></b>





**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

**A10. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment for the current financial quarter under review.

**A11. Material events subsequent to the end of the current financial quarter**

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

**A12. Changes in composition of the Group**

There were no material changes in the composition of the Group for the current financial quarter under review.

**A13. Contingent assets or contingent liabilities**

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

**A14. Capital commitments**

There were no material capital commitments in respect of property, plant and equipment as at the date of this report.

**A15. Related party transactions**

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.



# **LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

#### **B1. Review of performance**

For the current financial quarter ended 30 April 2020, the Group's revenue increased 142.6% or RM12.610 million to RM21.454 million from RM8.844 million in the preceding year corresponding quarter, boosted by stronger sales from medical/healthcare beds, medical peripherals and accessories and medical devices.

Revenue from manufacturing segment grew 61.3% or RM3.930 million to RM10.338 million from RM6.408 million as reported in the preceding year corresponding quarter, driven by higher contributions from medical/healthcare beds as well as medical peripherals and accessories. As for the trading segment, revenue increased significantly by 356.3% or RM8.680 million to RM11.116 million from RM2.436 million in the preceding year corresponding quarter, driven by high growth in the sales of distributed medical peripherals and accessories which includes personal protective equipment ("PPE"), as well as improved contributions from medical devices.

Geographically, local sales in the current financial quarter under review accounted for an overwhelming 93.5% of the Group's revenue compared to 81.9% in the preceding year corresponding quarter. The increase was on the back of a 176.7% or RM12.804 million rise in local sales to RM20.050 million from RM7.246 million in the preceding year corresponding quarter, as COVID-19 pandemic has necessitated the increase emphasis on fulfilling local demand.

This focus resulted the export sales registering a dip of 12.1% or RM0.194 million to RM1.404 million from RM1.598 million in the preceding year corresponding quarter. Export sales accounted for 6.5% of total revenue in the current financial quarter under review, which was lower than 18.1% recorded in the preceding year corresponding quarter.

The Group's gross profit increased almost tenfold or RM6.335 million from RM0.704 million to RM7.039 million in the current financial quarter under review, due to more favourable product mix from the medical/healthcare beds, medical peripherals and accessories and medical devices segments. As a result, the Group reported a turnaround from a RM3.196 million loss before taxation in the preceding year corresponding quarter to a profit before taxation ("PBT") of RM3.626 million in the current financial quarter under review.

#### **B2. Comparison with preceding quarter's results**

	<b>UNAUDITED CURRENT QUARTER 30 APRIL 2020 RM'000</b>	<b>UNAUDITED PRECEDING QUARTER 31 JANUARY 2019 RM'000</b>
Revenue	21,454	13,469
PBT	3,626	905

In the current financial quarter under review, the Group's revenue increased by 59.3% or RM7.985 million to RM21.454 million compared to RM13.469 million recorded in the preceding financial quarter, mainly attributed to stronger sales posted in both the manufacturing and trading segments.

The manufacturing segment contributed to a revenue of RM10.338 million, an increase of 11.7% or RM1.083 million compared to RM9.255 million in the preceding financial quarter. In the trading segment, revenue increased by 163.8% or RM6.902 million from RM4.214 million to RM11.116 million in the current financial quarter under review.

The Group recorded a PBT of RM3.626 million for the current financial quarter under review as compared to a PBT of RM0.905 million in the preceding financial quarter, which was in tandem with the increase in revenue recorded in the current financial quarter under review.



# **LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

## **NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

#### **B3. Prospects**

The Group's strategies in enhancing the robustness of its product portfolio and executing marketing strategies over the last twelve months culminated in a return to full-year profitability. Therefore, we will continue building on these efforts to further broaden our product portfolio with high-quality medical products, expand the Group's distribution network and participate in international trade conferences to further penetrate foreign markets.

Additionally, the COVID-19 outbreak has prioritised the need for high-quality healthcare services and thus, the Group is positive of continuous strong demand for medical beds, medical peripherals and medical devices in Malaysia as well as overseas. The Group has captured some of these new market opportunities recently, most notably the two contracts secured to supply PPE to the public hospitals and frontliners in Sarawak totalling of RM13.641 million, which partially has been fulfilled in the financial year ended 30 April 2020, and the remaining will be delivered in the first quarter of financial year ending 30 April 2021.

Going forward, the Group remains positive of tapping into the continuous uptrend in medical related expenditure supported by continued investments from both the public and private sectors, and will be in a state of readiness to address urgent enquiries made by hospitals locally and abroad.

#### **B4. Income tax expense**

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2020 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2020 RM'000
Current tax expense:		
- for the financial year	182	980
- underprovision in the previous financial year	-	40
	182	1,020
Effective tax rate (%)	5.0	18.1

The effective tax rate is lower than the statutory tax rate mainly due to fully utilisation of tax allowances available by certain subsidiaries of the Group.

#### **B5. Variance of actual profit from profit forecast and profit guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

#### **B6. Status of corporate proposals**

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



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

**B7. Group's borrowings and debt securities**

The Group's borrowings as at 30 April 2020 are as follows:

	UNAUDITED AT 30 April 2020 RM'000	AUDITED AT 30 APRIL 2019 RM'000
<b>Current:</b>		
Bankers' acceptance	224	-
Lease liabilities	716	346
Term loans	2,312	532
Bank overdrafts	3,301	-
	<u>6,553</u>	<u>878</u>
<b>Non-current:</b>		
Lease liabilities	665	432
Term loans	3,261	5,463
	<u>3,926</u>	<u>5,895</u>
<b>Total borrowings:</b>		
Bankers' acceptance	224	-
Lease liabilities	1,381	778
Term loans	5,573	5,995
Bank overdrafts	3,301	-
	<u><u>10,479</u></u>	<u><u>6,773</u></u>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B8. Material litigation**

Save as disclosed below, there is no litigation or arbitration which has a material effect on the financial position of the Group and the Board of Directors is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

The Company's subsidiary, LKL Advance Metaltech Sdn. Bhd., had on 21 January 2016 issued a notice of outstanding sum to Kluang Health Care Sdn. Bhd. ("**KHC**") and filed a notice of intention to appear as a supporting creditor in the winding-up petition by Lee Yong Beng (trading as Yong Seng Construction Work) against KHC for a principal sum of RM279,089 as at 24 February 2012 in respect of supply of products.

There was no progress of the case in the current financial quarter under review, our lawyer will continue to update the status on regular basis.

**B9. Dividend proposed**

There was no dividend proposed for the current financial quarter under review.



**LKL INTERNATIONAL BERHAD (201501014673) (1140005-V)**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2020**

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

**B10. Earnings per share ("EPS")**

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

	UNAUDITED INDIVIDUAL QUARTER 30 APRIL 2020	UNAUDITED CUMULATIVE QUARTER 30 APRIL 2020
Net profit attributable to ordinary equity holders of the Company (RM'000)	3,179	4,348
Weighted average number of ordinary shares in issue ('000)	428,800	428,800
Basic/Diluted EPS (sen) <sup>(1)</sup>	0.74	1.01

**Note:-**

(1) Diluted EPS of the Company for the individual quarter 30 April 2020 and cumulative quarter 30 April 2020 is equivalent to the basic EPS as the Company does not have convertible options at the end of the reporting period.

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

PBT/(LBT) is arrived at after charging/(crediting):

	UNAUDITED INDIVIDUAL QUARTER 30 APR 2020 RM'000	UNAUDITED INDIVIDUAL QUARTER 30 APR 2019 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APR 2020 RM'000	UNAUDITED CUMULATIVE QUARTER 30 APR 2019 RM'000
Bad debts written off	-	16	-	16
Depreciation of property, plant and equipment	402	663	1,561	1,981
Depreciation right-of-use asset	234	-	899	-
Impairment losses on trade receivables	48	344	84	422
Interest expense	59	83	316	387
Interest expenses on lease liabilities	9	-	42	-
Interest income	(25)	(48)	(172)	(186)
Inventories written down	159	1,542	299	1,542
Loss/(Gain) on disposal of property, plant and equipment	-	1	(77)	3
Property, plant and equipment written off	-	6	-	6
Realised gain on foreign exchange	(236)	(2)	(256)	(108)
Unrealised (gain)/loss on foreign exchange	(132)	84	(71)	(50)
Reversal of allowance for impairment losses on trade receivables	(36)	(9)	(272)	(25)

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