

BINTAI KINDEN CORPORATION BERHAD
(Company No:290870P)

Unaudited Condensed Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
For Quarter And Three Months Ended 30 June 2019

	Note	QUARTER ENDED		CUMULATIVE YEAR TO DATE	
		30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Revenue		13,600	19,754	13,600	19,754
Cost of sales		(13,292)	(13,600)	(13,292)	(13,600)
Gross profit		308	6,154	308	6,154
Other income		18,195	94	18,195	94
Operating expenses		(5,148)	(4,532)	(5,148)	(4,532)
Results from operating activities		13,355	1,716	13,355	1,716
Interest income		8	28	8	28
Finance costs		(2,264)	(999)	(2,264)	(999)
Net finance costs		(2,256)	(971)	(2,256)	(971)
Share of results in jointly controlled entities		-	(1)	-	(1)
Share of results in associates		4	-	4	-
Profit before taxation		11,103	744	11,103	744
Income tax expense	B6	-	(630)	-	(630)
Profit for the period		11,103	114	11,103	114
Other comprehensive income					
<u>Items that are or may be reclassified to profit or loss</u>					
Fair value gain on financial assets		3	18	3	18
Total comprehensive income for the period		11,106	132	11,106	132
Profit attributable to: -					
Owners of the Company		11,224	164	11,224	164
Non-controlling interests		(121)	(50)	(121)	(50)
Profit for the period		11,103	114	11,103	114
Total comprehensive income attributable to: -					
Owners of the Company		11,227	182	11,227	182
Non-controlling interests		(121)	(50)	(121)	(50)
Total comprehensive income for the period		11,106	132	11,106	132
Earnings per share attributable to owners of the Company (sen)					
Basic	B13	3.90	0.06	3.90	0.06
Diluted	B13	3.90	-	3.90	-

This unaudited Condensed Consolidated Statements of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2019

BINTAI KINDEN CORPORATION BERHAD
(Company No:290870P)

Unaudited Condensed Consolidated Statements of Financial Position as at 30 June 2019

	Unaudited As at 30.06.19 RM'000	Audited As at 31.03.19 RM'000
Note		
Assets		
Property, plant and equipment	69,861	70,351
Right of use assets	500	-
Investment properties	7,368	7,368
Goodwill	15,380	15,380
Investment in associates	1,300	31
Investment in jointly controlled entities	823	823
Other investments	34,589	34,662
Concession receivable	124,644	115,369
Total Non-Current Assets	254,465	243,984
Contract assets	5,074	4,539
Receivables	50,832	52,662
Tax recoverable	1,675	1,675
Deposits, bank and cash balances	5,624	6,406
Total Current Assets	63,205	65,282
Total Assets	317,670	309,266
Equity		
Share capital	59,511	59,511
Reserves	31,531	20,320
Equity attributable to owners of the Company	91,042	79,831
Non-controlling interests	25,722	25,843
Total Equity	116,764	105,674
Liabilities		
Bank borrowings	B8 103,584	94,474
Lease liabilities	6,167	5,648
Deferred tax liabilities	6,756	6,756
Total Non-Current Liabilities	116,507	106,878
Contract liabilities	11,608	11,985
Payables	44,142	43,199
Bank borrowings	B8 27,635	40,506
Lease liabilities	30	40
Tax liabilities	984	984
Total Current Liabilities	84,399	96,714
Total Liabilities	200,906	203,592
Total Equity and Liabilities	317,670	309,266
Net asset per share attributable to owners of the Company (sen)	31.66	27.76

This unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2019

BINTAI KINDEN CORPORATION BERHAD
(Company No:290870P)

Unaudited Condensed Consolidated Statements Of Cash Flow For The Quarter And Three Months Ended 30 June 2019

	Unaudited period Ended 30.06.19 RM'000	Unaudited period Ended 30.06.18 RM'000
Cash flows from operating activities		
Profit before taxation	11,103	744
Adjustments for:-		
Net interest expense	2,343	1,057
Depreciation of property, plant & equipment	302	203
Share of result of associates & jointly controlled entities	(4)	1
Other non-cash items	(12,193)	(6)
Operating cash flow before changes in working capital	1,551	1,999
Net change in concession receivables	(6,843)	(13,450)
Net change in current assets	27,889	14,189
Net change in current liabilities	(15,917)	(6,598)
Cash generated from/(used in) operations	6,680	(3,860)
Interest paid	(2,351)	(1,085)
Interest received	8	28
Income tax paid	-	(307)
Net cash from/(used in) operating activities	4,337	(5,224)
Cash flows from investing activities		
Additional investment in associates	(1,300)	-
Proceeds from disposal of other investments	38	-
Proceeds from disposal of associates	35	-
Purchase of property, plant and equipment	(19)	(177)
Net cash used in investing activities	(1,246)	(177)
Cash flows from financing activities		
Net change in fixed deposits pledged with financial institutions	1,220	(45)
Proceeds from bank borrowings	9,168	14,564
Repayments of bank borrowings	(1,492)	(7,662)
Repayments of hire purchase payables	(64)	(90)
Repayments of lease liabilities	(114)	(15)
Net cash from financing activities	8,718	6,752
Net change in cash and cash equivalents	11,809	1,351
Effect of foreign exchange difference	1	33
Cash and cash equivalents at 1 April	(12,379)	(821)
Cash and cash equivalents for the period	(569)	563
Represented by:		
Deposits, bank and cash balances	5,624	10,675
Bank overdrafts	(5,865)	(9,434)
Less : Deposits pledged with financial institutions	(328)	(678)
	(569)	563

This unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019

Unaudited Condensed Consolidated Statements of Changes in Equity For The Quarter And Three Months Ended 30 June 2019

	Attributable to owners of the Company									
	Share Capital	Capital Reserve	Warrant Reserve	Fair Value Reserve	Revaluation Reserve	Treasury Shares	Distributable Accumulated Loss	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2019, as previously stated	59,511	21,039	10,070	(3,691)	26,936	(3,462)	(30,572)	79,831	25,843	105,674
Change to adjustment from the adoption of MFRS 16	-	-	-	-	-	-	(16)	(16)	-	(16)
At 1 April 2019, restated	59,511	21,039	10,070	(3,691)	26,936	(3,462)	(30,588)	79,815	25,843	105,658
Movement during the period	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	11,224	11,224	(121)	11,103
Gain on fair value changes on financial assets	-	-	3	-	-	-	-	3	-	3
Total comprehensive income for the period	-	-	3	-	-	-	11,224	11,227	(121)	11,106
Movement within equity	-	-	-	2,573	-	-	(2,573)	-	-	-
Realisation of fair value reserve of equity instruments	-	-	(1,115)	(1,115)	26,936	(3,462)	(21,937)	91,042	25,722	116,764
At 30 June 2019	59,511	21,039	10,070	(1,675)	18,086	(3,462)	(30,442)	73,127	17,392	90,519
Movement during the period	-	-	-	-	-	-	164	164	(50)	114
Profit for the period	-	-	-	18	-	-	-	18	-	18
Gain on fair value changes on financial assets	-	-	-	18	-	-	164	182	(50)	132
Total comprehensive income for the period	-	-	-	18	-	-	164	182	(50)	132
At 30 June 2018	59,511	21,039	10,070	(1,657)	18,086	(3,462)	(30,278)	73,309	17,342	90,651

This unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019

**BINTAI KINDEN CORPORATION BERHAD (290870-P)
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2019**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019. These explanatory notes attached to the 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 financial year ended 31 March 2019.

A2 Changes in Accounting Policies

The significant accounting policies and method of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 March 2019, except for the adoption of the following:

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

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A2 Changes in Accounting Policies (cont'd)

The Group applied MFRS 16 prospectively, with an initial application date of 1 April 2019. The Group has not restated the comparative information. Differences arising from the adoption of MFRS 16 have been recognised directly in retained earnings.

Impact on the statements of financial position (increase/(decrease)) as at 1 April 2019:

	RM' 000
Assets	
Property, plant and equipment (right-of-use assets)	554
Liabilities	
Lease liabilities	<u>(570)</u>
Net impact on equity	<u>(16)</u>

Impact on the statements of profit or loss and other comprehensive income (increase/(decrease)) for the financial year ended 30 June 2019:

	RM' 000
Depreciation on right-of-use assets	102
Finance costs	<u>4</u>
Profit before taxation	106
Income tax expenses	<u>-</u>
Profit for the financial year	<u>106</u>

A3 Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors in a way that the financial period ended results under review may not correlate to the preceding year's results.

A4 Nature and Amount of Unusual Items

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

A5 Nature and Amount of Changes in Estimates

There were no significant changes in estimates that have had a material effect in the current quarter and financial year to-date.

A6 Issues, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

There were no issuances, repurchases, cancellations, resale and repayments of debts and equity securities during the current quarter and financial year to-date.

A7 Dividend Paid

No dividend was paid for the period under review.

A8 Valuation of Property, Plant and Equipment

No valuation of property, plant and equipment for the period under review.

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A9 Segment Information

Business segment information of the Group for the period ended are as follows:

	Specialised mechanical and electrical engineering services RM'000	Investment holding and others RM'000	Civil and structural RM'000	Property development RM'000	Concession arrangement RM'000	Elimination RM'000	Consolidated RM'000
3 months period ended 30 June 2019							
Revenue							
External	6,383	-	-	-	7,217	-	13,600
Inter segment	-	-	2,113	-	-	(2,113)	-
Total revenue	6,383	-	2,113	-	7,217	(2,113)	13,600
Segment results, profit/(loss) before taxation	853	13,755	(443)	-	(2,693)	(369)	11,103
Results-debit/(credit)							
Interest income	(8)	-	-	-	-	-	(8)
Interest expense	555	5	-	-	1,791	-	2,351
Depreciation of property, plant and equipment	88	213	-	-	1	-	302
Depreciation on right of use assets	101	-	1	-	-	-	102
Share of results in associate	-	(4)	-	-	-	-	(4)
Other non-cash items:							
Loss on disposal of other investment	-	37	-	-	-	-	37
Unrealised gain on foreign exchange, net	-	(1)	-	-	-	-	(1)

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A9 Segment information (cont'd)

Business segment information of the Group for the period ended are as follows:

	Specialised mechanical and electrical engineering services RM'000	Turnkey, infrastructure & civil and structural development RM'000	Property development RM'000	Investment holding and others RM'000	Concession arrangement RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External	6,304	-	-	-	13,450	-	19,754
Inter segment	-	-	-	-	-	-	-
Total revenue	6,304	-	-	-	13,450	-	19,754

3 months period ended 30 June 2018

Segment results, (loss)/profit before taxation	(1,940)	(115)	3,923	(642)	(482)	-	744
Results-debit/(credit)							
Interest income	(28)	-	-	-	-	-	(28)
Interest expense	727	-	-	-	358	-	1,085
Depreciation of property, plant and equipment	102	-	-	100	1	-	203
Share of results in jointly controlled entities	1	-	-	-	-	-	1
Other non-cash expenses:							
Unrealised gain on foreign exchange, net	(1)	-	-	(5)	-	-	(6)

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A10 Related Party Transactions

There were no significant related party transactions for the current quarter and financial year to-date under review.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12 Capital Commitments

There are no capital commitments that have not been provided for in the interim financial report as at 30 June 2019.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA

B1 Review of Performance

Group	Q1 2020 RM'000	Q1 2019 RM'000
Revenue	13,600	19,754
Gross profit margin (%)	2.26%	31.15%
Profit before taxation	11,103	744
Profit after taxation	11,103	114

Quarter review and 3 months period ended review

The Group recorded revenue of RM13.60 million in the current quarter ended 30 June 2019 ("Q1 2020") against RM19.75 million in the preceding year corresponding quarter ended 30 June 2018 ("Q1 2019"), a decrease of approximately RM6.15 million mainly due to the completion of concession arrangement in Melaka. Lower revenue has resulted in lower gross profit margin of 2.26% in Q1 2020 as compared to 31.15% in the preceding year corresponding quarter.

Profit before taxation of RM11.10 million in Q1 2020 has significantly increased as compared to profit before taxation of RM0.74 million recorded in Q1 2019, primarily contributed by recovery of bad debt recovered from a former associate company.

B2 Review of Material Changes between Current Quarter and Immediate Preceding Quarter

Group	Quarter ended	
	Q1 2020 RM'000	Q4 2019 RM'000
Revenue	13,600	40,750
Gross profit margin (%)	2.26%	17.34%
Profit/(Loss) before taxation	11,103	(899)
Profit/(Loss) after taxation	11,103	(467)

The Group's revenue for the quarter under review was lower at RM13.60 million against RM40.75 million in the immediate preceding quarter. Simultaneously, gross profit margin for the quarter under review also fell to 2.26% from 17.34% recorded in the immediate preceding quarter. The decrease in revenue and gross profit margin were mainly due to lower contribution from mechanical and electrical engineering segments and the completion of construction phase of the concession arrangement.

The Group registered a profit before taxation of RM11.10 million in Q1 2020 against a loss before taxation of RM0.9 million in the immediate preceding quarter. The significant increase was primarily due to the bad debt recovered from a former associate company.

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B3 Prospects

The Group will maintain focus on its businesses and opportunities in Malaysia and endeavor to secure more recurring projects which are able to contribute positively to the future earnings of the Group. Other than the current business opportunities, the Group will also be exploring and diversifying its business into other sectors and services with the right strategy and available resources in order to enhance its revenue growth. Notwithstanding, the management will be more prudent in the management of its assets and focus on its core competencies in order to deliver sustainable future growth to stakeholders.

B4 Variance of Actual Profit from Forecast Profit and Shortfall in the Profit Guarantee

The Group has not announced or disclosed any profit forecast or profit guarantee in a public document that relates to this reporting period.

B5 Profit Before Tax

	Current year quarter 30.06.2019 RM'000	Current year to-date 30.06.2019 RM'000
Profit before tax is arrived at after charging/(crediting)		
(a) Interest income	(8)	(8)
(b) Rental income	(57)	(57)
(c) Rental expense	39	39
(d) Interest expense		
-Cost of sales	87	87
-Operating expenses	2,264	2,264
(e) Depreciation of property, plant and equipment	302	302
(f) Net gain on foreign exchange		
-realised	(1,944)	(1,944)
-unrealised	(1)	(1)

B6 Income Tax Expense

The taxation for the current quarter and period ended are as follows:

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30.06.2019 RM'000	Preceding year corresponding quarter 30.06.2018 RM'000	Current year 30.06.2019 RM'000	Preceding year 30.06.2018 RM'000
Income tax				
<i>Current year</i>				
- Malaysian income tax	-	630	-	630

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed subsequent to the end of the current quarter and up to 20 August 2019 (being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this quarterly report), which is expected to have an operational or financial impact on the Group.

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B8 Borrowings and Debt Securities

The Group's borrowings as at the end of the reporting period are as follows:

	30.06.2019 RM'000	30.06.2018 RM'000
Current		
<i>Secured</i>		
Overdrafts	5,865	9,434
Revolving credit	16,703	21,950
Bills payable/Trust receipt	4,786	6,736
Term loan	42	-
Hire purchase payables	239	308
	27,635	38,428
Non-current		
<i>Secured</i>		
Term loan	103,125	27,357
Hire purchase payables	459	460
	103,584	27,817
	<u>131,219</u>	<u>66,245</u>

The borrowings are all denominated in Ringgit Malaysia.

B9 Off Statement of Financial Position Financial Instruments

There were no financial instruments with off statement of financial position risk as at the date of this report.

B10 Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities measured at fair value through profit or loss as at 30 June 2019.

B11 Material Litigation

Kejuruteraan Bintai Kinden Sdn Bhd ("KBK") v Serdang Baru Properties Sdn Bhd ("SBP")

(a) In the Shah Alam High Court

(i) Companies Winding Up No.: BA-28NCC-144-03/2018

(ii) Post Winding Up No.: BA-28PW-70-03/2019 (Applicant : Lee Yam Hooi)

On 26 March 2019, a shareholder of SBP, Lee Yam Hooi (the Applicant) has filed a summons pursuant to Section 493 of the Companies Act 2016 ("S.493 application").

Court then fixed hearing for the amendment of summons on 18 June 2019. As of that date, Court directed KBK to file a striking out application on the termination of winding up brought about by SBP.

Court fixed the next case management on 28 August 2019.

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B11 Material Litigation (cont'd)

(b) In the Court of Appeal Malaysia, Civil Appeal No. W-02(A)-1759-08/2018

The parcel of land known as Geran No. 66423, Lot 42095, Pekan Serdang, Daerah Petaling, Selangor ("subject property") had been auctioned on 3 December 2018 and successfully bid by KBK.

A contributory of SBP had then filed an application to the Court of Appeal to *inter alia* intervene in the appeal and restrain KBK from dealing with the subject property until the disposal of SBP's appeal. On 23 April 2019, the Court of Appeal allowed the contributory's application. The appeal is now fixed for case management on 29 November 2019.

There have been no changes in the status of the abovementioned material litigation since the latest Audited Financial Statements of the Company for the financial year ended 31 March 2019.

B12 Dividend

No interim dividend is being declared for the quarter under review.

B13 Earnings per share

	Quarter Ended		Year-to-date ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to owners of the Company (RM'000)	11,224	164	11,224	164
Weighted average number of ordinary shares in issue for basic earnings per share computation ('000)	287,594	287,594	287,594	287,594
Basic earnings per share (sen)	3.90	0.06	3.90	0.06

Basic earnings per share of the Group is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

Diluted earnings per ordinary share are not presented as the warrants are anti-dilutive where the average market price of ordinary shares during the periods does not exceed the exercise price of the warrants.

B14 Disclosure on Qualification of Audit Report

The audit report of the Group's financial statements for the financial year ended 31 March 2019 was not qualified.

BY ORDER OF THE BOARD

NG LAI YEE
 Company Secretary

Date: 21 August 2019