



**ANALABS RESOURCES BERHAD**  
 (Company No: 468971-A)  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2017**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.  
 (The figures have not been audited.)*

|   | INDIVIDUAL QUARTER                             |  | CUMULATIVE QUARTER                             |  |
|---|--|--|--|--|
|   | Current Year<br>Quarter<br>31/1/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/1/2016<br>RM'000 | Current Year<br>Quarter<br>31/1/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/1/2016<br>RM'000 |
| <b>Revenue</b>                              | <b>37,372</b>                                  | <b>35,053</b>                                    | <b>117,055</b>                                 | <b>114,666</b>                                   |
| Cost of sales                               | (26,166)                                       | (20,724)   | (75,480)                                       | (70,919)   |
| <b>Gross Profit</b>                         | <b>11,206</b>                                  | <b>14,329</b>                                    | <b>41,575</b>                                  | <b>43,747</b>                                    |
| Other income                                | 1,172  | 1,314  | 2,294  | 3,252  |
| Administrative and other operating expenses | (9,422)  | (10,777)   | (31,853)                                       | (33,877)   |
| <b>Profit from operations</b>               | <b>2,956</b>                                   | <b>4,866</b>                                     | <b>12,016</b>                                  | <b>13,122</b>                                    |
| Finance costs                               | (228)  | (150)  | (747)  | (573)  |
| <b>Profit before taxation</b>               | <b>2,728</b>                                   | <b>4,716</b>                                     | <b>11,269</b>                                  | <b>12,549</b>                                    |
| Income tax expense                          | (890)  | (661)  | (2,188)  | (2,829)  |
| <b>Profit for the period</b>                | <b>1,838</b>                                   | <b>4,055</b>                                     | <b>9,081</b>                                   | <b>9,720</b>                                     |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.



**ANALABS RESOURCES BERHAD**

(Company No: 468971-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2017  
(CONT'D)**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.  
(The figures have not been audited.)*

|  | INDIVIDUAL QUARTER                              |   | CUMULATIVE QUARTER                              |   |
|--|---|---|---|---|
|  | Current Year<br>Quarter<br>31/01/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/01/2016<br>RM'000 | Current Year<br>Quarter<br>31/01/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/01/2016<br>RM'000 |
| <b>Profit for the period</b>   | <b>1,838</b>                                    | <b>4,055</b>                                      | <b>9,081</b>                                    | <b>9,720</b>                                      |
| <b>Other comprehensive income/(expenses)</b>                                   |   |   |   |   |
| Fair value changes of available-for-sale & financial assets                    | 1,051   | (380)   | (1,929)   | (1,284)   |
| Foreign currency translation differences                                       | 693   | (1,150)   | 1,041   | 1,810   |
| <b>Total comprehensive income for the period</b>                               | <b>3,582</b>                                    | <b>2,525</b>                                      | <b>8,193</b>                                    | <b>10,246</b>                                     |
| <b>Profit/(Loss) after taxation attributable to:</b>                           |   |   |   |   |
| - owners of the Company  | 2,093   | 3,912   | 9,007   | 10,630  |
| - non-controlling interest   | (255)   | 143   | 74  | (910)   |
|  | <b>1,838</b>                                    | <b>4,055</b>                                      | <b>9,081</b>                                    | <b>9,720</b>                                      |
| <b>Total comprehensive income/(expenses) attributable to:</b>                  |   |   |   |   |
| - owners of the Company  | 3,836   | 2,231   | 7,997   | 11,305  |
| - non-controlling interest   | (254)   | 294   | 196   | (1,059)   |
|  | <b>3,582</b>                                    | <b>2,525</b>                                      | <b>8,193</b>                                    | <b>10,246</b>                                     |
|  | <b>sen per share</b>                            | <b>sen per share</b>                              | <b>sen per share</b>                            | <b>sen per share</b>                              |
| <b>Earnings per share for profit attributable to the owners of the Company</b> |   |   |   |   |
| - basic  | <b>3.73</b>                                     | <b>6.96</b>                                       | <b>16.04</b>                                    | <b>18.90</b>                                      |
| - diluted  | <b>n/a</b>                                      | <b>n/a</b>  | <b>n/a</b>                                      | <b>n/a</b>  |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

## ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 JANUARY 2017

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.*

*(The figures have not been audited.)*

|  | As at End of<br>Current Quarter<br><b>31 January 2017</b><br>(Unaudited)<br>RM'000 | As at Preceding<br>Financial Year End<br><b>30 April 2016</b><br>(Audited)<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>                                |  |  |
| <b>NON-CURRENT ASSETS</b>                    |  |  |
| Property, plant & equipment                  | 147,515  | 150,115  |
| Goodwill on consolidation                    | 9,804  | 9,915  |
| Available-for-sale financial assets          | 29,841   | 31,426   |
|  | <b>187,160</b>   | <b>191,456</b>   |
| <b>CURRENT ASSETS</b>                        |  |  |
| Receivables, deposits and prepayments        | 32,140   | 36,557   |
| Inventories                                  | 19,342   | 21,587   |
| Tax recoverable                              | 330  | 932  |
| Cash and cash equivalent                     | 45,281   | 39,055   |
|  | <b>97,093</b>  | <b>98,131</b>  |
| <b>TOTAL ASSETS</b>                          | <b>284,253</b>   | <b>289,587</b>   |
| <b>EQUITY AND LIABILITIES</b>                |  |  |
| <b>EQUITY</b>                                |  |  |
| Share capital                                | 66,272   | 60,024   |
| Share premium                                | -  | 6,248  |
| Treasury shares                              | (5,888)  | (5,746)  |
| Reserves                                     | 170,927  | 162,808  |
| Equity attributable to owners of the Company | 231,311  | 223,334  |
| Non-controlling interest                     | (1,886)  | (2,082)  |
| <b>TOTAL EQUITY</b>                          | <b>229,425</b>   | <b>221,252</b>   |
| <b>NON-CURRENT LIABILITIES</b>               |  |  |
| Deferred tax liabilities                     | 17,752   | 17,501   |
| Hire purchase payable                        | 818  | 637  |
| Term Loans                                   | 6,009  | 9,457  |
|  | <b>24,579</b>  | <b>27,595</b>  |
| <b>CURRENT LIABILITIES</b>                   |  |  |
| Payables and accruals                        | 18,558   | 28,437   |
| Derivative liability                         | -  | 86   |
| Hire purchase payable                        | 399  | 256  |
| Borrowings                                   | 11,292   | 11,961   |
|  | <b>30,249</b>  | <b>40,740</b>  |
| <b>TOTAL LIABILITIES</b>                     | <b>54,828</b>  | <b>68,335</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>          | <b>284,253</b>   | <b>289,587</b>   |
| <b>NET ASSETS PER SHARE (RM)</b>             | <b>4.12</b>  | <b>3.98</b>  |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

**ANALABS RESOURCES BERHAD**

(Company No: 468971-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2017**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.  
(The figures have not been audited.)*

|  | Attributable to owners of the Company |                      |                            |                           | Distributable                               |                         | Total equity RM'000 |                                 |                |
|--|---------------------------------------|----------------------|----------------------------|---------------------------|---|-------------------------|---------------------|---------------------------------|----------------|
|  | Treasury shares RM'000                | Share premium RM'000 | Revaluation reserve RM'000 | Fair Value reserve RM'000 | Foreign Exchange Translation reserve RM'000 | Retained profits RM'000 |                     | Non-controlling interest RM'000 |                |
| <b>Balance at 1 May 2016</b>                                   | 60,024                                | (5,746)              | 6,248                      | 47,194                    | (1,423)                                     | 3,940                   | 113,097             | (2,082)                         | 221,252        |
| Profit after taxation for the financial period                 | -                                     | -                    | -                          | -                         | -   | -                       | 9,007               | 74                              | 9,081          |
| Other comprehensive income for the financial period:           |                                       |                      |                            |                           |   |                         |                     |                                 |                |
| -Foreign currency translation differences                      | -                                     | -                    | -                          | -                         | -   | 1,041                   | -                   | -                               | 1,041          |
| -Fair value changes of available-for-sale financial assets     | -                                     | -                    | -                          | -                         | (1,929)                                     | -                       | -                   | 122                             | 122            |
| Total comprehensive income/(expenses) for the financial period | -                                     | -                    | -                          | -                         | (1,929)                                     | 1,041                   | 9,007               | 196                             | 8,315          |
| Distributions to owners of the company                         |                                       |                      |                            |                           |   |                         |                     |                                 |                |
| -Treasury share acquired                                       | (142)                                 | -                    | -                          | -                         | -   | -                       | -                   | -                               | (142)          |
| Effects from adoption of Companies Act 2016                    | 6,248                                 | (6,248)              | -                          | -                         | -   | -                       | -                   | -                               | -              |
| <b>Balance at 31 January 2017</b>                              | <b>66,272</b>                         | <b>(5,888)</b>       | <b>-</b>                   | <b>47,194</b>             | <b>(3,352)</b>                              | <b>4,981</b>            | <b>122,104</b>      | <b>(1,886)</b>                  | <b>229,425</b> |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

**ANALABS RESOURCES BERHAD**

(Company No: 468971-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2017 (CONT'D)**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.*

|   | Attributable to owners of the Company |               |                     |                    | Distributable       |                  |                          |              |
|---|---------------------------------------|---------------|---------------------|--------------------|---------------------|------------------|--------------------------|--------------|
|   | Non-Distributable                     |               | Foreign Exchange    |                    | Distributable       |                  |                          |              |
|   | Treasury shares                       | Share premium | Revaluation reserve | Fair Value reserve | Translation reserve | Retained profits | Non-controlling interest | Total equity |
| RM'000  | RM'000                                | RM'000        | RM'000              | RM'000             | RM'000              | RM'000           | RM'000                   | RM'000       |
| <b>Balance at 1 May 2015</b>                                  | 60,024                                | (5,465)       | 47,194              | (646)              | 2,136               | 101,528          | (1,105)                  | 209,914      |
| Profit/(Loss) after taxation for the financial year           | -                                     | -             | -                   | -                  | -                   | 13,254           | (899)                    | 12,355       |
| Other comprehensive income/(expenses) for the financial year: |                                       |               |                     |                    |                     |                  |                          |              |
| -Foreign currency translation differences                     | -                                     | -             | -                   | -                  | 1,804               | -                | (78)                     | 1,726        |
| -Fair value changes of available-for-sale financial assets    | -                                     | -             | -                   | (777)              | -                   | -                | -                        | (777)        |
| Total comprehensive income/(expenses) for the financial year  | -                                     | -             | -                   | (777)              | 1,804               | 13,254           | (977)                    | 13,304       |
| Distributions to owners of the company                        |                                       |               |                     |                    |                     |                  |                          |              |
| -Treasury share acquired                                      | (281)                                 | -             | -                   | -                  | -                   | -                | -                        | (281)        |
| -Dividends to shareholders                                    | -                                     | -             | -                   | -                  | -                   | (1,685)          | -                        | (1,685)      |
| Total transactions with owners                                | (281)                                 | -             | -                   | -                  | -                   | (1,685)          | -                        | (1,966)      |
| <b>Balance at 30 April 2016</b>                               | 60,024                                | (5,746)       | 47,194              | (1,423)            | 3,940               | 113,097          | (2,082)                  | 221,252      |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

**ANALABS RESOURCES BERHAD**

(Company No: 468971-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2017**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2017.  
(The figures have not been audited.)*

|  | Current<br>Year To Date<br><b>31 January 2017</b><br>RM'000 | Preceding<br>Year To Date<br><b>31 January 2016</b><br>RM'000 |
|--|---|---|
| <b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>                      |   |   |
| Profit before taxation   | 11,269  | 12,549  |
| Adjustments for :-   |   |   |
| Non-cash items   | 5,311   | 6,280   |
| Non-operating items  | (380)   | 187   |
| <b>Operating profit before changes in working capital</b>              | <b>16,200</b>   | <b>19,016</b>   |
| Changes in working capital :   |   |   |
| Net change in current assets   | 6,662   | 4,081   |
| Net change in current liabilities                                      | (9,965)   | (1,773)   |
| Interest paid  | (747)   | (573)   |
| Income tax paid  | (1,587)   | (2,166)   |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>                    | <b>10,563</b>   | <b>18,585</b>   |
| <b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>                      |   |   |
| Purchase of equity securities  | (748)   | (2,923)   |
| Purchase of plant and equipment  | (1,078)   | (1,046)   |
| Proceeds from disposal of plant and equipment                          | -   | 1,395   |
| Proceeds from disposal of equity securities                            | 577   | -   |
| Interest received  | 117   | 76  |
| Dividend received  | 1,587   | 1,214   |
| <b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>          | <b>455</b>  | <b>(1,284)</b>  |
| <b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>                      |   |   |
| Increase/(Decrease) of bankers acceptance                              | 801   | (10,155)  |
| Share repurchased  | (142)   | (271)   |
| Repayment of borrowings  | (3,260)   | (2,067)   |
| (Repayment)/Drawdown of hire purchase liabilities                      | 324   | (681)   |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                           | <b>(2,277)</b>  | <b>(13,174)</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                       | <b>8,741</b>  | <b>4,127</b>  |
| <b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>                        | <b>(858)</b>  | <b>(3,369)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF<br/>FINANCIAL QUARTER</b> | <b>37,398</b>   | <b>33,195</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>           | <b>45,281</b>   | <b>33,953</b>   |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                           |   |   |
| Cash, bank balances and deposits                                       | 40,801  | 29,845  |
| Deposits pledge with licensed banks                                    | 4,480   | 4,108   |
|  | <b>45,281</b>   | <b>33,953</b>   |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 April 2016.

**ANALABS RESOURCES BERHAD**  
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**NOTES TO THE QUARTERLY FINANCIAL REPORT**

**(I) Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting**

**(a) Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2016. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 30 April 2016, except for the adoption of the following new standards, amendments to standards and IC interpretations with effect from May 2015 where applicable:

| <b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>   | <b>Effective Date</b>         |
|---|-------------------------------|
| MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)   | 1 January 2018                |
| MFRS 14 Regulatory Deferral Accounts  | 1 January 2016                |
| MFRS 15 Revenue from Contracts with Customers   | 1 January 2018                |
| MFRS 16 Leases  | 1 January 2019                |
| Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions                                  | 1 January 2018                |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |
| Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations                                       | 1 January 2016                |
| Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception                   | 1 January 2016                |
| Amendments to MFRS 15: Effective Date of MFRS 15  |                               |
| Classifications to MFRS 15 Revenue from Contracts with customers  | 1 January 2018                |
| Amendments to MFRS 101: Disclosure Initiative   | 1 January 2016                |
| Amendments to MFRS 107: Disclosure Initiative   | 1 January 2017                |
| Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses  | 1 January 2017                |
| Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation                 | 1 January 2016                |
| Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants  | 1 January 2016                |
| Amendments to MFRS 127: Equity Method in Separate Financial Statements  | 1 January 2016                |
| Annual Improvements to MFRSs 2012 – 2014 Cycle  | 1 January 2016                |

The adoption of the above accountings standards and interpretations did not have any material impact on the interim financial report of the Group.

**(b) Disclosure of Audit Report Qualification and Status of Matters Raised**

Not applicable as the audited financial statements for the financial year ended 30 April 2016 were not qualified.

**(c) Seasonal or Cyclical Factors**

The business and operations of the Group were not significantly affected by any seasonal factors.

**(d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current financial quarter and financial period under review.

**(e) Material Changes in Estimates**

There was no material changes in accounting estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or previous financial year.

**(f) Debts and Equity Securities**

There were no issuance or repayment of debts and equity securities, share cancellation, shares held as treasury shares, employment share option scheme and resale of treasury shares for the current financial period.

As at 31 January 2017, the Company held as treasury shares a total of 3,919,400 out of its 60,024,000 issued and fully paid-up ordinary shares.

**(g) Dividend paid**

On 8 February 2017, a first interim single tier dividend of 3.25 sen per share declared for the financial year ending 30 April 2017. The said dividend will be paid on 22 March 2017.



## (h) Segment Information

Segment analysis for the current financial quarter under review is set out below:

|  | INDIVIDUAL QUARTER                              |   | CUMULATIVE QUARTER                              |   |
|--|---|---|---|---|
|  | Current Year<br>Quarter<br>31/01/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/01/2016<br>RM'000 | Current Year<br>Quarter<br>31/01/2017<br>RM'000 | Preceding Year<br>Quarter<br>31/01/2016<br>RM'000 |
| <b>Segment Revenue</b>   |   |   |   |   |
| Manufacturing, formulation and sale of resin, chemicals & building materials | 21,802  | 22,855  | 75,789  | 76,760  |
| Recovery and sale of recycled products                                       | 6,477   | 6,851   | 19,009  | 21,212  |
| Culture and sales of prawns  | 65  | 199   | 392   | 240   |
| Investment holding & property letting  | 17  | 136   | 290   | 234   |
| Contract Work, Pipe Laying and Rehabilitation                                | 9,011   | 5,012   | 21,575  | 16,220  |
| <b>REVENUE</b>   | <b>37,372</b>                                   | <b>35,053</b>                                     | <b>117,055</b>                                  | <b>114,666</b>                                    |
| <b>Segment Results</b>   |   |   |   |   |
| Manufacturing, formulation and sale of resin, chemicals & building materials | 2,046   | 2,439   | 7,245   | 9,364   |
| Recovery and sale of recycled products                                       | 1,331   | 1,814   | 3,810   | 5,539   |
| Culture and sales of prawns  | (25)  | 55  | 60  | 268   |
| Investment holding & property letting  | 148   | 48  | 268   | (87)  |
| Contract Work, Pipe Laying and Rehabilitation                                | (587)   | 489   | 516   | (2,038)   |
|  | 2,913   | 4,844   | 11,899  | 13,046  |
| Finance cost   | (228)   | (150)   | (747)   | (573)   |
| Interest income  | 43  | 22  | 117   | 76  |
| <b>PROFIT BEFORE TAXATION</b>  | <b>2,728</b>                                    | <b>4,716</b>                                      | <b>11,269</b>                                   | <b>12,549</b>                                     |
| Income tax expense   | (890)   | (661)   | (2,188)   | (2,829)   |
| <b>PROFIT AFTER TAXATION</b>   | <b>1,838</b>                                    | <b>4,055</b>                                      | <b>9,081</b>                                    | <b>9,720</b>                                      |
| Non-controlling interest   | 255   | (143)   | (74)  | 910   |
| <b>NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>                             | <b>2,093</b>                                    | <b>3,912</b>                                      | <b>9,007</b>                                    | <b>10,630</b>                                     |

## (II) Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment to the financial statements for the period ended 31 January 2017.

## (III) Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current financial quarter under review up to the date of this report.

## (IV) Changes in the Composition of the Group

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

## (V) Contingent Liabilities

There were no material contingent liabilities in the current financial quarter under review up to the date of this report, except as disclosed in note 11.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### (I) Compliance with Appendix 9B of Bursa Malaysia Listing Requirements

#### 1. Review of the Performance

For the current quarter review, the Group recorded revenue of RM37.4 million, representing a increase of 6.6% compared to RM35.1 million recorded in the corresponding quarter of the preceding year.

Revenue from the Manufacturing segment was recorded at RM21.8 million, a decrease of 4.8% compared to RM22.9 million in the preceding year quarter. The decrease was due to lower export during the quarter.

The Group's profit before tax was RM2.7 million for the current quarter as compared to the profit of RM4.7 million in the corresponding quarter of the preceding year. The decrease in profit before tax was mainly due to loss generated from the Contract work, Pipe laying and Rehabilitation segment.

#### 2. Material Change in the Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

|                        | Current Quarter<br>31/01/2017<br>RM'000 | Preceding Quarter<br>31/10/2016<br>RM'000 | %<br>+ / (-) |
|------------------------|---|---|--------------|
| Revenue                | 37,372                                  | 39,110                                    | (4.4)        |
| Profit before Taxation | 2,728                                   | 4,134                                     | (34.0)       |

Revenue for the current quarter decreased by 4.4% as compared to the immediate preceding quarter. Profit before taxation decreased by 34% as compared to the immediate preceding quarter.

#### 3. Prospects

On the backdrop of a challenging economic climate, the Board is cautiously optimistic on the future prospects of the Group and barring any unforeseen circumstances, the Board expects the future contribution by the manufacturing, formulation and sale of resin, chemicals & building materials to remain stable in the forthcoming quarters.

#### 4. Variance of Actual Profit from Forecast Profit

Not applicable as the Group did not issue any profit forecast or profit guarantee.

## 5. Taxation

The taxation charged for the current financial quarter and financial year to-date ended 31 January 2017 is made up as follows:

|                             | Current Quarter<br>31/01/2017<br>RM'000 | Year To Date<br>31/01/2017<br>RM'000 |
|-----------------------------|---|--------------------------------------|
| Current Taxation            |   |                                      |
| Malaysian income tax charge | 890                                     | 2,188                                |
| Foreign income tax charge   | -                                       | -                                    |
|                             | <u>890</u>                              | <u>2,188</u>                         |

## 6. Profit on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investment and/or properties for the current financial quarter under review.

## 7. Purchase or Disposal of Quoted Securities

(a) Total purchases and disposal of investment in quoted securities by the Group for the current financial quarter and financial year-to-date under review are as follows: -

|   | Current Quarter<br>31/01/2017<br>RM'000 | Year To Date<br>31/01/2017<br>RM'000 |
|---|---|--------------------------------------|
| Total purchase of investment in quoted shares | <u>10</u>                               | <u>748</u>                           |

(b) The details of investments in quoted securities as at the end of the current financial quarter are set out below: -

|                                     | 31/01/2017<br>RM'000 |
|-------------------------------------|----------------------|
| Total investments at cost           | 36,252               |
| Total investments at carrying value | 29,841               |
| Total investments at market value   | <u>29,841</u>        |

## 8. Status of Corporate Proposals Announced

There were no corporate proposals that have been announced as at the date of this report.

## 9. Group Borrowings and Debt Securities

All the Group's borrowings are short term and long term in nature, secured and denominated in Ringgit Malaysia and Singapore Dollar.

## 10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

## 11. Changes in the Material Litigation

Save as disclosed below, the Group is not engaged in any material litigation.

On 24 December 2013, the Company announced that Analabs (“1<sup>st</sup> Plaintiff”) and its wholly owned subsidiary, Lux Distributor Sdn Bhd (“2<sup>nd</sup> Plaintiff”), had filed and served a Writ of Summon and Statement of Claim on Khor Sew Foo (“Defendant”) to claim the following amongst others for breach of the Share Sale Agreement (“SSA”) and Management Cum Profit Guarantee Agreement (“MPGA”) dated 8 March 2012:-

- (a) An order that the Defendant specifically performs the MPGA dated 8 March 2012 by attending to his duties as Chief Executive Officer (“CEO”) of Lux Distributor Sdn Bhd until 31 December 2013;
- (b) An audit be conducted on the 2<sup>nd</sup> Plaintiff after 31 December 2013 for the period 1 January 2012 until 31 December 2013 to ascertain its Net Profit After Tax for the period;
- (c) That the Defendant pays the 2<sup>nd</sup> Plaintiff the shortfall in the Net Profit After Tax of the 2<sup>nd</sup> Plaintiff from the sum of RM1,500,000 from the following:-
  - (i) Firstly, the escrow sum of RM750,000 held by Messrs Abdullah Chan in accordance with the MPGA, and the balance if any to be returned to the Defendant;
  - (ii) Secondly, if the escrow sum is insufficient, from the balance dividend of RM1,000,000 payable to the Defendant by the 2<sup>nd</sup> Plaintiff, the balance if any to be returned to the Defendant;

The Defendant has entered his defense and submitted a counter claim against the Plaintiffs claiming breach by the Plaintiffs, for a declaration that the SSA and the MPGA are repudiated and claims damages arising from the breach and repudiation.

The Company had on 13 January 2014 filed the Reply and Defense to the Counterclaim and the case had further adjourned to October and November 2014 for continued hearing.

The High Court awarded Judgment that the balance dividend of RM1,000,000 to the Defendant, and that the escrow sum of RM750,000 held by Messrs Abdullah Chan is to be released to the Defendant. All the other claims by the Defendant were dismissed. The High Court also discharged the Defendant from his profit guarantee to the Plaintiffs.

Analabs and Lux Distributors had filed an Appeal to the Court of Appeal against the decision of the High Court and the hearing date has been fixed on 19 January 2016.

The Court of Appeal had decided as follows:-

- (a) the Plaintiffs/Appellant's appeal was allowed in part;
- (b) the High Court's declaration in favour of the Defendant/Respondent that the Share Sale Agreement and the Management cum Profit Guarantee Agreement as rescinded is set aside;
- (c) the High Court's decision with regard to the dividend of RM1,000,000.00 to be paid by the Plaintiffs/Appellant to the Defendant/Respondent is maintained;
- (d) that an independent auditor be appointed to perform an audit over Lux Distributors Sdn. Bhd. for the years 2012 and 2013 to ascertain the Nett Profit After of Lux Distributors Sdn. Bhd. for the 2 year period;
- (e) that the RM750,000.00 escrow sum be applied in accordance with the finding of the independent audit;
- (f) the parties are at liberty to apply to the High Court for directions;
- (g) the High Court costs of RM40,000.00 was set aside;
- (h) parties bear their respective costs.

Both parties have applied for direction from the Court with regard to the independent audit and the outcome is still pending.

## 12. Dividend Proposed or Declared

No dividend has been declared for the current financial quarter 31 January 2017.

## 13. Earnings Per Share

### (a) Basic Earnings Per Share

The basic earnings per share for the current financial quarter and financial year-to-date have been calculated as follows:-

| INDIVIDUAL QUARTER                    |   | CUMULATIVE QUARTER                    |   |
|---------------------------------------|---|---------------------------------------|---|
| Current Year<br>Quarter<br>31/01/2017 | Preceding<br>Year Quarter<br>31/01/2016 | Current Year<br>Quarter<br>31/01/2017 | Preceding<br>Year Quarter<br>31/01/2016 |

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Net profit attributable to ordinary shares (RM'000) | 2,093  | 3,912  | 9,007  | 10,630 |
| Weighted average number ordinary shares (RM'000)    | 56,105 | 56,170 | 56,138 | 56,242 |
| Basic earnings per share (sen)                      | 3.73   | 6.96   | 16.04  | 18.90  |

### (b) Diluted Earnings Per Share

The fully diluted earnings per share for the Group are not presented as there were no dilutive potential ordinary shares.

## 14. Profit before taxation

| Individual Current<br>Year Quarter<br>31 January 2017<br>RM'000 | Cumulative Current<br>Year Quarter<br>31 January 2017<br>RM'000 |
|---|---|
|---|---|

|   |       |         |
|---|-------|---------|
| Profit before taxation is arrived at after charging/(crediting):- |       |         |
| Interest expense  | 228   | 747     |
| Depreciation and amortisation<br>of property, plant and equipment | 1,997 | 5,908   |
| Staff costs   | 2,910 | 8,548   |
| Foreign exchange gain<br>- realised                               | (775) | (1,618) |
| Interest income   | (43)  | (117)   |
| Dividend income   | (11)  | (1,587) |
| Rental income   | (43)  | (124)   |

## 15. Realised and Unrealised Profits/Losses Disclosure

The accumulated profit as at 31 January 2017 and 31 January 2016 is analysed as follows:

|   | <b>CUMULATIVE QUARTER</b> |              |
|---|---------------------------|--------------|
|   | Current Year              | Preceding    |
|   | Quarter                   | Year Quarter |
|   | 31/01/2017                | 31/01/2016   |
|   | RM'000                    | RM'000       |
| Total retained profit of the company and subsidiaries:                |                           |              |
| -realised retained profits  | 156,471                   | 146,526      |
| -unrealised retained profits  | (3,296)                   | (4,028)      |
|   | 153,175                   | 142,498      |
| Less: Consolidated adjustments  | (31,071)                  | (30,340)     |
| Total group retained profits as per consolidated financial statements | 122,104                   | 112,158      |

## 16. Approval of Quarterly Financial Report

The quarterly financial report as set out above was approved by the Board of Directors in accordance with their resolution dated 21 March 2017.