



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 OCT 2017

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/10/2017 RM'000	Preceding Year Quarter 31/10/2016 RM'000	Current Year Quarter 31/10/2017 RM'000	Preceding Year Quarter 31/10/2016 RM'000
Revenue	34,609	39,110	73,557	79,683
Cost of sales	(23,538)	(24,259)	(49,869)	(49,314)
Gross Profit	11,071	14,851	23,688	30,369
Other income	376	839	778	1,122
Administrative and other operating expenses	(8,980)	(11,351)	(17,976)	(22,431)
Profit from operations	2,467	4,339	6,490	9,060
Finance costs	(188)	(205)	(384)	(519)
Profit before taxation	2,279	4,134	6,106	8,541
Income tax expense	(333)	(470)	(990)	(1,298)
Profit for the period	1,946	3,664	5,116	7,243

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 2017.



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 OCTOBER 2017
(CONT'D)**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/07/2017 RM'000	Preceding Year Quarter 31/07/2016 RM'000	Current Year Quarter 31/07/2017 RM'000	Preceding Year Quarter 31/07/2016 RM'000
Profit for the period	1,946	3,664	5,116	7,243
Other comprehensive income/(expenses)				
Fair value changes of available-for-sale & financial assets	(1,059)	(206)	147	(2,980)
Foreign currency translation differences	(295)	(360)	(267)	348
Total comprehensive income for the period	592	3,098	4,996	4,611
Profit after taxation attributable to:				
- owners of the Company	1,615	3,477	4,721	6,914
- non-controlling interest	331	187	395	329
	1,946	3,664	5,116	7,243
Total comprehensive income attributable to:				
- owners of the Company	250	2,631	4,654	4,161
- non-controlling interest	342	467	342	450
	592	3,098	4,996	4,611
	sen per share	sen per share	sen per share	sen per share
Earnings per share for profit attributable to the owners of the Company				
- basic	2.88	6.20	8.41	12.31
- diluted	2.88	6.20	8.41	12.31

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 2017.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 OCTOBER 2017

Quarterly financial report on consolidated results for the SECOND financial quarter ended 31 October 2017.

(The figures have not been audited.)

	As at End of Current Quarter 31 October 2017 (Unaudited) RM'000	As at Preceding Financial Year End 30 April 2017 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	143,869	147,030
Goodwill on consolidation	9,755	10,022
Available-for-sale financial assets	44,834	43,919
	198,458	200,971
CURRENT ASSETS		
Receivables, deposits and prepayments	33,829	31,809
Inventories	18,490	18,562
Current tax assets	443	1,031
Cash and cash equivalents	44,200	44,717
	96,962	96,119
TOTAL ASSETS	295,420	297,090
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,272	66,272
Treasury shares	(5,888)	(5,888)
Reserves	181,745	177,155
Equity attributable to owners of the Company	242,129	237,539
Non-controlling interest	(1,739)	(2,145)
TOTAL EQUITY	240,390	235,394
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,818	17,820
Hire purchase payable	1,244	944
Term Loans	2,965	4,023
	22,027	22,787
CURRENT LIABILITIES		
Payables and accruals	23,043	26,423
Hire purchase payable	393	745
Borrowings	9,567	11,741
	33,003	38,909
TOTAL LIABILITIES	55,030	61,696
TOTAL EQUITY AND LIABILITIES	295,420	297,090
NET ASSETS PER SHARE (RM)	4.31	4.23

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2017.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2017**

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

	Attributable to owners of the Company				Distributable		Total equity RM'000	
	Treasury shares RM'000	Revaluation reserve RM'000	Fair Value reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Non-controlling interest RM'000		
Balance at 1 May 2017	66,272	(5,888)	47,194	2,076	5,503	122,382	(2,145)	235,394
Profit after taxation for the financial period	-	-	-	-	-	4,721	395	5,116
Other comprehensive income/(expenses) for the financial period:								
-Foreign currency translation differences	-	-	-	(278)	-	-	11	(267)
-Fair value changes of available-for-sale financial assets	-	-	-	147	-	-	-	147
Total comprehensive income/(expenses) for the financial period	-	-	-	147	(278)	4,721	406	4,996
Balance at 31 October 2017	66,272	(5,888)	47,194	2,223	5,225	127,103	(1,739)	240,390

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2017.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2017 (CONT'D)**

Quarterly financial report on consolidated results for the SECOND financial quarter ended 31 October 2017.

	Attributable to owners of the Company			Distributable			Total equity RM'000	
	Non-Distributable		Foreign Exchange	Retained profits		Non-controlling interest		
	Treasury shares	Share premium	Revaluation reserve	Fair Value reserve	Translation reserve	Retained profits	Non-controlling interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 May 2016	60,024	(5,746)	47,194	(1,423)	3,940	113,097	(2,082)	221,252
Profit after taxation for the financial year	-	-	-	-	-	11,108	82	11,190
Other comprehensive income/(expenses) for the financial year:								
-Foreign currency translation differences	-	-	-	-	1,563	-	(145)	1,418
-Fair value changes of available-for-sale financial assets	-	-	-	3,499	-	-	-	3,499
Total comprehensive income/(expenses) for the financial year	-	-	-	3,499	1,563	11,108	(63)	16,107
Contributions by and distributions to owners of the company:								
-Treasury share acquired	(142)	-	-	-	-	-	-	(142)
-Dividends to shareholders	-	-	-	-	-	(1,823)	-	(1,823)
Total transactions with owners	(142)	-	-	-	-	(1,823)	-	(1,965)
Effects from adoption of Companies Act 2016	6,248	(6,248)	-	-	-	-	-	-
Balance at 30 April 2017	66,272	(5,888)	47,194	2,076	5,503	122,382	(2,145)	235,394

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2017.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

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

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

	Current Year To Date 31 October 2017 RM'000	Preceding Year To Date 31 October 2016 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	6,106	8,541
Adjustments for :-		
Non-cash items	3,255	6,294
Non-operating items	(282)	(392)
Operating profit before changes in working capital	9,079	14,443
Changes in working capital :		
Net change in current assets	(1,948)	(3,676)
Net change in current liabilities	(3,380)	(4,910)
Interest paid	(384)	(519)
Income tax paid	(402)	(1,964)
NET CASH FROM OPERATING ACTIVITIES	2,965	3,374
CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES		
Increase in fixed deposits pledged	(1,179)	(136)
Purchase of equity securities	(907)	(738)
Purchase of plant and equipment	(584)	(978)
Proceeds from disposal of plant and equipment	73	-
Interest received	175	74
Dividend received	1,320	1,576
NET CASH FOR INVESTING ACTIVITIES	(1,102)	(202)
CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES		
Increase of bankers acceptance	(301)	4,031
Share repurchased	-	(142)
Repayment of borrowings	(2,931)	(1,784)
(Repayment) / Drawdown of hire purchase liabilities	(52)	418
NET CASH FINANCING ACTIVITIES	(3,284)	2,523
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,421)	5,695
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(275)	(3,541)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	40,359	33,092
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	38,663	35,246
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash, bank balances and deposits	44,200	39,688
Deposits pledge with licensed banks	(5,537)	(4,442)
	38,663	35,246

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 April 2017.

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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 2017. 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 2017, except for the adoption of the following new standards, amendments to standards and IC interpretations with effect from May 2016 where applicable:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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 2017 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 October 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

No dividend has been paid for the current quarter 31 October 2017.

(h) Segment Information

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year	Preceding Year	%	Current Year	Preceding Year	%
	Quarter	Quarter		Quarter	Quarter	
	31/10/2017	31/10/2016	+ / (-)	31/10/2017	31/10/2016	+ / (-)
RM'000	RM'000		RM'000	RM'000		
<u>Segment Revenue</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	20,272	26,195	(22.6)	45,112	53,987	(16.4)
Recovery and sale of recycled products	5,357	6,150	(12.9)	10,931	12,532	(12.8)
Culture and sales of prawns	120	178	(32.6)	270	327	(17.4)
Investment holding & property letting	45	119	(62.2)	217	272	(20.2)
Contract Work, Pipe Laying and Rehabilitation	8,815	6,468	36.3	17,027	12,565	35.5
REVENUE	34,609	39,110		73,557	79,683	
<u>Segment Results</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	1,427	2,355	(39.4)	4,495	5,199	(13.5)
Recovery and sale of recycled products	90	1,269	(92.9)	508	2,479	(79.5)
Culture and sales of prawns	(35)	49	(171.4)	2	85	(97.6)
Investment holding & property letting	122	31	293.5	241	120	100.8
Contract Work, Pipe Laying and Rehabilitation	811	572	41.8	1,069	1,103	(3.1)
	2,415	4,276		6,315	8,986	
Finance cost	(188)	(205)		(384)	(519)	
Interest income	52	63		175	74	
PROFIT BEFORE TAXATION	2,279	4,134	(44.9)	6,106	8,541	(28.5)
Income tax expense	(333)	(470)		(990)	(1,298)	
PROFIT AFTER TAXATION	1,946	3,664	(46.9)	5,116	7,243	(29.4)
Non-controlling interest	(331)	(187)		(395)	(329)	
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	1,615	3,477	(53.6)	4,721	6,914	(31.7)

(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 October 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**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter 31/10/2017 RM'000	Preceding Year Quarter 31/10/2016 RM'000	% + / (-)	Current Year Quarter 31/10/2017 RM'000	Preceding Year Quarter 31/10/2016 RM'000	% + / (-)
Revenue	34,609	39,110	(11.5)	73,557	79,683	(7.7)
Gross Profit	11,071	14,851	(25.5)	23,688	30,369	(22.0)
Profit before taxation	2,279	4,134	(44.9)	6,106	8,541	(28.5)
Profit for the period	1,946	3,664	(46.9)	5,116	7,243	(29.4)
Profit after taxation attributable to owners of the Company	1,615	3,477	(53.6)	4,721	6,914	(31.7)

For the current quarter review, the Group recorded revenue of RM34.6 million, representing a decrease of 11.5% compared to RM39.1 million recorded in the corresponding quarter of the preceding year. The gross profit was RM11.0 million, a decrease of 25.5% compared to RM14.8 million in the preceding year quarter.

Manufacturing revenue recorded was RM20.3 million, a decrease of 22.6% compared to RM26.2 million in the preceding year quarter. The decrease in revenue was due to intense competition. The higher cost of raw materials also impact the gross profit margin during the quarter.

Recovery and sale recycled products revenue recorded was RM5.4 million, a decrease of 12.9% compared to RM6.2 million in the preceding year quarter. The decrease was due to market competition and lower sales order during the quarter.

Contract work revenue recorded was RM8.8 million, an increase of 36.3% compared to RM6.5 million in the preceding year quarter. The increase was due to higher jobs order received and favorable foreign currency exchange rate during the quarter.

The Group's profit before tax was RM2.3 million for the current quarter as compared to the profit of RM4.1 million in the corresponding quarter of the preceding year. The main reason of decrease in profit before tax was due to higher operating expenses. Especially in both the recovery and sale of recycled products and manufacturing, formulation and sale of resin, chemicals & building materials.

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

	Current Quarter 31/10/2017 RM'000	Preceding Quarter 31/07/2017 RM'000	% + / (-)
Revenue	34,609	38,948	(11.1)
Profit before Taxation	2,279	3,828	(40.5)

Revenue for the current quarter decreased by 11.1% as compared to the immediate preceding quarter. The decrease in revenue was contributed by from the formulation and repacking and trading chemicals, recovery and sales of recycled products and culture and sales of prawns segment. Profit before taxation decreased by 40.5% compared to the preceding financial 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 main segments 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. Income Tax Expense

The income tax expense charged for the current financial quarter and financial year to-date ended 31 October 2017 is made up as follows:

	Current Quarter 31/10/2017 RM'000	Year To Date 31/10/2017 RM'000
Current Tax		
Malaysian income tax charge	333	990
Foreign income tax charge	-	-
	333	990

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 net purchases 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 31/10/2017 RM'000	Year To Date 31/10/2017 RM'000
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Total net purchase of investment in quoted shares - 907

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

31/10/2017 RM'000

Total investments at cost	46,113
Total investments at carrying value	44,654
Total investments at market value	<u>44,654</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.

	As at 31 October 2017		
	Long Term RM'000	Short Term RM'000	Total borrowings RM'000
Secured			
Denominated in RM			
Hire purchase payables	-	69	69
Bankers' acceptances	-	5,535	5,535
	-	5,604	5,604
Denominated in SGD			
Hire purchase payables	1,244	324	1,568
Term loans	2,965	4,032	6,997
	4,209	4,356	8,565
	4,209	9,960	14,169
As at 30 April 2017			
	Long Term RM'000	Short Term RM'000	Total borrowings RM'000
Secured			
Denominated in RM			
Hire purchase payables	-	58	58
Bankers' acceptances	-	5,836	5,836
	-	5,894	5,894
Denominated in SGD			
Hire purchase payables	944	687	1,631
Term loans	4,023	5,905	9,928
	4,967	6,592	11,559
	4,967	12,486	17,453

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 (“1st Plaintiff”) and its wholly owned subsidiary, Lux Distributor Sdn Bhd (“2nd Plaintiff”), had filed and served a Writ of Summons 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 2nd 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; and
- (c) That the Defendant pays the 2nd Plaintiff the shortfall in the Net Profit After Tax of the 2nd 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; and
 - (ii) Secondly, if the escrow sum is insufficient, from the balance dividend of RM1,000,000 payable to the Defendant by the 2nd 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 net profit 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; and
- (h) parties bear their respective costs.

The Defendant withdrew his appeal to the Court of Appeal against the High Court's decision which allowed the applicant to strike out his application for directions.

On 27 November 2017, the High Court requested more details of the audit partners who were proposed to be selected as the independent auditor who would ascertain the NPAT of 2nd Plaintiff for the years 2012 and 2013. The Court further ordered that both parties bear the cost of the auditor equally, that both parties agree on the terms of reference for the independent auditor failing which to revert to the Court, that the Defendant is to return the independent auditor the escrow sum of RM815,180.13 by 31 January 2018, that the Defendant pay cost of RM3,000.00 and that parties have liberty to apply. On 14 December 2017, the Court selected the auditors UHY, Chartered Accountants to perform the audit for the case and the appointment is subject to the terms and conditions to be determined by the Court. The matter is fixed for case management on 22 January 2018.

12. Dividend Proposed or Declared

The Board of Directors has declared an interim single tier dividend of 1.0 sen per share for the financial year ending 30 April 2018. (31 October 2016: an interim single tier dividend of 3.25 sen). The dates of book closure and payment will be announced at a later date.

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	Preceding	Current Year	Preceding
	Quarter	Year Quarter	Quarter	Year Quarter
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
Net profit attributable to ordinary shares (RM'000)	1,615	3,477	4,721	6,914
Weighted average number ordinary shares ('000)	56,130	56,105	56,130	56,155
Basic earnings per share (sen)	2.88	6.20	8.41	12.31

(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 Year Quarter 31 October 2017 RM'000	Cumulative Current Year Quarter 31 October 2017 RM'000
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Profit before taxation is arrived at after charging/(crediting):-

Interest expense	188	384
Depreciation and amortisation of property, plant and equipment	1,754	3,662
Staff costs	2,934	5,830
Foreign exchange gain - realised	(250)	(443)
Interest income	(52)	(175)
Dividend income	-	(1,320)
Gain on disposal of: - property, plant and equipment	-	(48)
Rental income	(30)	(45)

15. Realised and Unrealised Profits/Losses Disclosure

The accumulated profit as at 31 October 2017 and 31 October 2016 is analyzed as follows:

CUMULATIVE QUARTER	
Current Year Quarter 31/10/2017 RM'000	Preceding Year Quarter 31/10/2016 RM'000

Total retained profit of the company and subsidiaries:

-realised retained profits	161,425	150,637
-unrealised retained profits	(3,784)	(3,296)
	<hr/>	<hr/>
	157,641	147,341
Less: Consolidated adjustments	(30,538)	(27,330)
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Total group retained profits as per consolidated financial statements	127,103	120,011

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 19 December 2017.