



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 JULY 2018**

*Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/7/2018 RM'000	Preceding Year Quarter 31/7/2017 RM'000	Current Year Quarter 31/7/2018 RM'000	Preceding Year Quarter 31/7/2017 RM'000
Revenue	37,768	38,948	37,768	38,948
Cost of sales	(30,964)	(26,331)	(30,964)	(26,331)
Gross Profit	6,804	12,617	6,804	12,617
Other income	387	402	387	402
Administrative and other operating expenses	(4,131)	(8,995)	(4,131)	(8,995)
Profit from operations	3,060	4,024	3,060	4,024
Finance costs	(217)	(196)	(217)	(196)
Profit before taxation	2,843	3,828	2,843	3,828
Income tax expense	(250)	(657)	(250)	(657)
Profit for the period	2,593	3,171	2,593	3,171

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 2018.



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 JULY 2018
 (CONT'D)**

*Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.
 (The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/07/2018 RM'000	Preceding Year Quarter 31/07/2017 RM'000	Current Year Quarter 31/07/2018 RM'000	Preceding Year Quarter 31/07/2017 RM'000
Profit for the period	2,593	3,171	2,593	3,171
Other comprehensive (expenses)/income				
Fair value changes of available-for-sale financial assets	(4,566)	1,206	(4,566)	1,206
Foreign currency translation differences	181	28	181	28
Total comprehensive (expenses)/income for the period	(1,792)	4,405	(1,792)	4,405
Profit after taxation attributable to:				
- owners of the Company	2,494	3,107	2,494	3,107
- non-controlling interest	99	64	99	64
	2,593	3,171	2,593	3,171
Total comprehensive (expenses)/income attributable to:				
- owners of the Company	(1,891)	4,330	(1,891)	4,330
- non-controlling interest	99	75	99	75
	(1,792)	4,405	(1,792)	4,405
	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	4.47	5.54	4.47	5.54
- diluted	4.47	5.54	4.47	5.54

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 2018.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 JULY 2018

Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.

(The figures have not been audited.)

	As at End of Current Quarter 31 July 2018 (Unaudited) RM'000	As at Preceding Financial Year End 30 April 2018 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	142,634	144,114
Goodwill on consolidation	9,957	9,943
Available-for-sale financial assets	75,731	50,772
	228,322	204,829
CURRENT ASSETS		
Receivables, deposits and prepayments	35,538	32,455
Inventories	18,543	17,916
Current tax assets	1,090	1,786
Cash and cash equivalents	28,437	55,771
	83,608	107,928
	311,930	312,757
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,272	66,272
Treasury shares	(7,006)	(5,888)
Reserves	188,884	190,786
Equity attributable to owners of the Company	248,150	251,170
Non-controlling interest	(1,366)	(1,476)
TOTAL EQUITY	246,784	249,694
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,384	17,360
Hire purchase payable	554	577
Term Loans	5,948	6,399
	23,886	24,336
CURRENT LIABILITIES		
Payables and accruals	23,366	22,896
Hire purchase payable	369	546
Borrowings	17,525	15,285
	41,260	38,727
TOTAL LIABILITIES	65,146	63,063
TOTAL EQUITY AND LIABILITIES	311,930	312,757
NET ASSETS PER SHARE (RM)	4.45	4.48

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

ANALABS RESOURCES BERHAD
(Company No: 468971-A)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2018**

*Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.
(The figures have not been audited.)*

	Attributable to owners of the Company				Distributable		Total equity RM'000
	Non-Distributable		Foreign Exchange		Retained profits RM'000	Non-controlling interest RM'000	
Share capital 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	Total equity RM'000
66,272	(5,888)	47,194	8,045	4,237	131,310	(1,476)	249,694
-	-	-	-	-	2,494	99	2,593
-	-	-	-	170	-	11	181
-	-	-	(4,566)	-	-	-	(4,566)
-	-	-	(4,566)	170	2,494	110	(1,792)
-	(1,118)	-	-	-	-	-	(1,118)
-	(1,118)	-	-	-	-	-	(1,118)
66,272	(7,006)	47,194	3,479	4,407	133,804	(1,366)	246,784

Profit after taxation for the financial period

Other comprehensive (expenses)/income for the financial period:

-Foreign currency translation differences

-Fair value changes of available-for-sale financial assets

Total comprehensive (expenses)/income for the financial period

Contributions by and distributions to owners of the company:

-Treasury share acquired

Total transactions with owners

Balance at 31 July 2018

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

ANALABS RESOURCES BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2018 (CONT'D)**

Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.

	Attributable to owners of the Company						Total equity RM'000
	Non-Distributable			Distributable			
	Treasury shares 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	
Balance at 1 May 2017	(5,888)	47,194	2,076	5,503	122,382	(2,145)	235,394
Profit after taxation for the financial year	-	-	-	-	9,489	583	10,072
Other comprehensive income/(expenses) for the financial year:							
-Foreign currency translation differences	-	-	-	(1,266)	-	86	(1,180)
-Reclassification adjustments on derecognition available-for-sale financial assets	-	-	(5)	-	-	-	(5)
-Fair value changes of available-for-sale financial assets	-	-	5,974	-	-	-	5,974
Total comprehensive income/(expenses) for the financial year	-	-	5,969	(1,266)	9,489	669	14,861
Contributions by and distributions to owners of the company:							
-Dividends to shareholders	-	-	-	-	(561)	-	(561)
Total transactions with owners	(5,888)	47,194	8,045	4,237	131,310	(1,476)	249,694
Balance at 30 April 2018							

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 JULY 2018**

*Quarterly financial report on consolidated results for the FIRST financial quarter ended 31 July 2018.
(The figures have not been audited.)*

	Current Year To Date 31 July 2018 RM'000	Preceding Year To Date 31 July 2017 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	2,843	3,828
Adjustments for :-		
Non-cash items	1,663	1,500
Non-operating items	(2,334)	(417)
Operating profit before changes in working capital	2,172	4,911
Changes in working capital :		
Net change in current assets	(3,711)	(868)
Net change in current liabilities	470	(3,443)
Interest paid	(217)	(196)
Income tax refunded	446	251
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(840)	655
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
(Decrease)/Increase in fixed deposits pledged	2,712	(1,157)
Purchase of equity securities	(29,506)	(907)
Purchase of plant and equipment	-	(574)
Proceeds from disposal of plant and equipment	-	7
Interest received	373	123
Dividend received	2,196	1,320
NET CASH FOR INVESTING ACTIVITIES	(24,225)	(1,188)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Increase of bankers acceptance	2,768	1,260
Share repurchased	(1,118)	-
Repayment of borrowing	(979)	(1,339)
Net (Repayment)/Drawdown of hire purchase liabilities	(200)	203
NET CASH FROM FINANCING ACTIVITIES	471	124
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,594)	(409)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(150)	(378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	50,323	40,359
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	25,579	39,572
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash, bank balances and deposits	28,437	45,087
Deposits pledge with licensed banks	(2,858)	(5,515)
	25,579	39,572

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 April 2018.

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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 2018. 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 2018, except for the adoption of the following new standards, amendments to standards and IC interpretations with effect from May 2018 where applicable:

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

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS

12: Clarification of the Scope of the Standard

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 2018 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

During the quarter ended 31 July 2018, the Company had repurchased a total of 488,200 ordinary shares of its issued share capital from the open market for a total consideration of RM1,117,788.00. The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Other than the above, there were no issuances 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 July 2018, the Company held as treasury shares a total of 4,407,600 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 July 2018.

(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	
	31/7/2018	31/7/2017	+ / (-)	31/7/2018	31/7/2017	+ / (-)
	RM'000	RM'000		RM'000	RM'000	
<u>Segment Revenue</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	27,844	24,840	12.1	27,844	24,840	12.1
Recovery and sale of recycled products	4,319	5,574	(22.5)	4,319	5,574	(22.5)
Culture and sales of prawns	221	150	47.3	221	150	47.3
Investment holding & property letting	94	172	(45.3)	94	172	(45.3)
Contract Work, Pipe Laying and Rehabilitation	5,290	8,212	(35.6)	5,290	8,212	(35.6)
REVENUE	37,768	38,948		37,768	38,948	
<u>Segment Results</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	2,002	3,068	(34.7)	2,002	3,068	(34.7)
Recovery and sale of recycled products	378	418	(9.6)	378	418	(9.6)
Culture and sales of prawns	6	37	(83.8)	6	37	(83.8)
Investment holding & property letting	34	120	(71.7)	34	120	(71.7)
Contract Work, Pipe Laying and Rehabilitation	267	258	3.5	267	258	3.5
	2,687	3,901		2,687	3,901	
Finance cost	(217)	(196)		(217)	(196)	
Interest income	373	123		373	123	
PROFIT BEFORE TAXATION	2,843	3,828	(25.7)	2,843	3,828	(25.7)
Income tax expense	(250)	(657)		(250)	(657)	
PROFIT AFTER TAXATION	2,593	3,171	(18.2)	2,593	3,171	(18.2)
Non-controlling interest	(99)	(64)		(99)	(64)	
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	2,494	3,107	(19.7)	2,494	3,107	(19.7)

(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 July 2018.

(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 31/7/2018 RM'000	Preceding Year Quarter 31/7/2017 RM'000	% + / (-)	Current Year Quarter 31/7/2018 RM'000	Preceding Year Quarter 31/7/2017 RM'000	% + / (-)
Revenue	37,768	38,948	(3.0)	37,768	38,948	(3.0)
Gross Profit	6,804	12,617	(46.1)	6,804	12,617	(46.1)
Profit before taxation	2,843	3,828	(25.7)	2,843	3,828	(25.7)
Profit for the period	2,593	3,171	(18.2)	2,593	3,171	(18.2)
Profit after taxation attributable to owners of the Company	2,494	3,107	(19.7)	2,494	3,107	(19.7)

For the current quarter review, the Group recorded revenue of RM37.8 million, representing a decrease of 3.0% compared to RM38.9 million recorded in the corresponding quarter of the preceding year.

Manufacturing revenue was recorded at RM27.8 million, an increase of 12.1% compared to RM24.8 million in the preceding year quarter. The increase in revenue was due to increase in sales of particle boards.

Recovery and sale recycled products revenue was recorded at RM4.3 million, a decrease of 22.5% compared to RM5.6 million in the preceding year quarter. The decrease was due to market competition and lower sales order during the quarter.

Contract work revenue was recorded at RM5.3 million, a decrease of 35.6% compared to RM8.2 million in the preceding year quarter. The decrease was due to lower jobs order received during the quarter.

The Group's profit before tax was recorded at RM2.8 million for the current quarter as compared to the profit of RM3.8 million in the corresponding quarter of the preceding year. The main reason of decrease in profit before tax was due to reduction of the revenue in the Manufacturing, formulation and sale of resin, chemicals & building materials segment.

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

	Current Quarter 31/07/2018 RM'000	Preceding Quarter 30/04/2018 RM'000	% + / (-)
Revenue	37,768	27,603	36.8
Profit before Taxation	2,843	2,953	(3.7)

Revenue for the current quarter increased by 36.8% as compared to the immediate preceding quarter. The increase in revenue was due to the segment of the manufacturing, formulation and sale of resin, chemicals & building materials segment. Profit before taxation decreased by 3.7% 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 July 2018 is made up as follows:

	Current Quarter 31/07/2018 RM'000	Year To Date 31/07/2018 RM'000
Current Tax		
Malaysian income tax charge	250	250
Foreign income tax charge	-	-
	250	250

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 31/07/2018 RM'000	Year To Date 31/07/2018 RM'000
Total net purchase of investment in quoted shares	29,506	29,506

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

	31/07/2018 RM'000
Total investments at cost	74,151
Total investments at carrying value	75,368
Total investments at market value	75,368

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 July 2018		
	Long Term RM'000	Short Term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
Hire purchase payables	-	31	31
Bankers' acceptances	-	16,829	16,829
Term loans	3,753	-	3,753
	<u>3,753</u>	<u>16,860</u>	<u>20,613</u>
Denominated in SGD			
Hire purchase payables	554	338	892
Term loans	2,195	696	2,891
	<u>2,749</u>	<u>1,034</u>	<u>3,783</u>
	<u>6,502</u>	<u>17,894</u>	<u>24,396</u>

	As at 30 April 2018		
	Long Term RM'000	Short Term RM'000	Total borrowings RM'000
<u>Secured</u>			
Denominated in RM			
Hire purchase payables	18	17	35
Bankers' acceptances	-	12,975	12,975
Term loans	3,668	122	3,790
	<u>3,686</u>	<u>13,114</u>	<u>16,800</u>
Denominated in SGD			
Hire purchase payables	559	529	1,088
Term loans	2,731	2,188	4,919
	<u>3,290</u>	<u>2,717</u>	<u>6,007</u>
	<u>6,976</u>	<u>15,831</u>	<u>22,807</u>

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 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 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 ("NPAT") 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 the same would be determined by 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 Messrs UHY, as the independent accountants to ascertain the NPAT of the 2nd Plaintiff for the period commencing from 1 January 2012 to 31 December 2013.

On 22 January 2018, the Defendant filed an application to use a property as an escrow. On 15 February 2018, the 1st and 2nd Plaintiffs applied for leave to issue committal proceedings against the Defendant for failing to pay the escrow sum whereupon, leave was granted on 19 April 2018 and an application to commit the Defendant was filed on 20 April 2018. On 23 May 2018, the Defendant sold the property and the parties have agreed to wait for the proceeds of sale to enable the Defendant to pay the escrow sum before the determination of this matter.

On 25 May 2018, the independent auditor, Messrs UHY submitted their final report and the parties have agreed to use the figures computed by Messrs UHY. The Court has requested the parties to file their written submission and the issue for determination by the Court is whether the NPAT of the 2nd Plaintiff for the period 1 January 2012 to 31 December 2013 is to be determined by using either the post-acquisition accounting policy of the 2nd Plaintiff, i.e. the accounting policy of the 1st Plaintiff or the pre-acquisition accounting policy of the 2nd Plaintiff, i.e. the accounting policy used by the Defendant.

The next case management has been fixed on 24 September 2018. As at the date of this report, the Defendant has not returned the escrow sum.

12. Dividend Proposed or Declared

No dividend has been declared for the current financial quarter 31 July 2018.

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 Quarter 31/7/2018	Preceding Year Quarter 31/7/2017	Current Year Quarter 31/7/2018	Preceding Year Quarter 31/7/2017
Net profit attributable to ordinary shares (RM'000)	2,494	3,107	2,494	3,107
Weighted average number ordinary shares ('000)	55,787	56,130	55,787	56,130
Basic earnings per share (sen)	4.47	5.54	4.47	5.54

(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 July 2018 RM'000	Cumulative Current Year Quarter 31 July 2018 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Interest expense	217	217
Depreciation and amortisation of property, plant and equipment	1,714	1,714
Staff costs	2,370	2,370
Foreign exchange gain - realised	116	116
Interest income	(373)	(373)
Dividend income	(2,196)	(2,196)
Rental income	(116)	(116)

15. 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 September 2018.