

**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 2019

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000	Current Year Quarter 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000
Revenue	33,115	38,719	111,049	112,276
Cost of sales	(27,549)	(27,017)	(91,047)	(76,886)
Gross Profit	5,566	11,702	20,002	35,390
Other income	372	(113)	1,140	665
Administrative and other operating expenses	(4,102)	(8,252)	(12,811)	(26,228)
Profit from operations	1,836	3,337	8,331	9,827
Finance costs	(279)	(177)	(816)	(561)
Profit before taxation	1,557	3,160	7,515	9,266
Income tax expense	(465)	(170)	(1,108)	(1,160)
Profit for the period	1,092	2,990	6,407	8,106

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.



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(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 2019 (CONT'D)

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000	Current Year Quarter 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000
Profit for the period	1,092	2,990	6,407	8,106
Other comprehensive (expenses) / income				
Fair value changes of available-for-sale financial assets	160	4,918	(7,489)	5,065
Foreign currency translation differences	118	(1,504)	547	(1,237)
Total comprehensive (expenses) / income for the period	1,370	6,404	(535)	11,934
Profit after taxation attributable to:				
- owners of the Company	1,139	2,490	6,148	7,211
- non-controlling interests	(47)	500	259	895
	1,092	2,990	6,407	8,106
Total comprehensive (expenses) / income attributable to:				
- owners of the Company	1,417	5,893	(805)	11,028
- non-controlling interests	(47)	511	270	906
	1,370	6,404	(535)	11,934
	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	1.06	2.22	5.54	6.42
- diluted	1.06	2.22	5.54	6.42

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 JANUARY 2019

Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.

(The figures have not been audited.)

	As at End of Current Quarter 31 January 2019 (Unaudited) RM'000	As at Preceding Financial Year End 30 April 2018 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	145,550	144,114
Goodwill on consolidation	9,984	9,943
Other investments	80,688	50,772
	236,222	204,829
CURRENT ASSETS		
Receivables, deposits and prepayments	36,401	32,455
Inventories	17,561	17,916
Current tax assets	1,688	1,786
Cash and cash equivalents	16,480	55,771
	72,130	107,928
TOTAL ASSETS	308,352	312,757
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,272	66,272
Treasury shares	(10,140)	(5,888)
Reserves	189,981	190,786
Equity attributable to owners of the Company	246,113	251,170
Non-controlling interests	(1,206)	(1,476)
TOTAL EQUITY	244,907	249,694
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,433	17,360
Hire purchase payables	537	577
Term loans	10,222	6,399
	28,192	24,336
CURRENT LIABILITIES		
Payables and accruals	22,031	22,896
Hire purchase payables	352	546
Borrowings	12,870	15,285
	35,253	38,727
TOTAL LIABILITIES	63,445	63,063
TOTAL EQUITY AND LIABILITIES	308,352	312,757
NET ASSETS PER SHARE (RM)	2.22	2.24

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)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2019**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.
(The figures have not been audited.)*

	<----- Attributable to owners of the Company ----->							
	<----- Non - Distributable ----->					Distributable		
	Share capital RM'000	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 interests RM'000	Total equity RM'000
Balance at 1 May 2018	66,272	(5,888)	47,194	8,045	4,237	131,310	(1,476)	249,694
Profit after taxation for the financial period	-	-	-	-	-	6,148	259	6,407
Other comprehensive (expenses) /income for the financial period:								
-foreign currency translation differences	-	-	-	-	536	-	11	547
-fair value changes of other investments	-	-	-	(7,489)	-	-	-	(7,489)
Total comprehensive (expenses) /income for the financial period	-	-	-	(7,489)	536	6,148	270	(535)
Contributions by and distributions to owners of the company:								
-treasury share acquired	-	(4,252)	-	-	-	-	-	(4,252)
Total transactions with owners	-	(4,252)	-	-	-	-	-	(4,252)
Balance at 31 January 2019	66,272	(10,140)	47,194	556	4,773	137,458	(1,206)	244,907

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

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2019 (CONT'D)**

Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.

	<----- Attributable to owners of the Company ----->								
	<----- Non - Distributable ----->					Distributable			
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Foreign exchange		Retained profits RM'000	Non-controlling interests RM'000	Total equity RM'000
					translation reserve 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 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 of other investments	-	-	-	(5)	-	-	-	(5)	
-fair value changes of other investments	-	-	-	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	-	-	-	-	-	(561)	-	(561)	
Balance at 30 April 2018	66,272	(5,888)	47,194	8,045	4,237	131,310	(1,476)	249,694	

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 STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2019**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2019.
(The figures have not been audited.)*

	Current Year To Date 31 January 2019 RM'000	Preceding Year To Date 31 January 2018 RM'000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Profit before taxation	7,515	9,266
Adjustments for :-		
Non-cash items	4,527	3,921
Non-operating items	(3,109)	(361)
Operating profit before changes in working capital	8,933	12,826
Changes in working capital :-		
Net change in current assets	(3,591)	(2,010)
Net change in current liabilities	(865)	(2,008)
Interest paid	(816)	(561)
Income tax paid	(1,010)	(1,402)
NET CASH FROM OPERATING ACTIVITIES	2,651	6,845
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
(Increase) / Decrease in fixed deposits pledged	4,561	(1,184)
Purchase of equity securities	(37,399)	(1,927)
Purchase of property, plant and equipment	(6,108)	(1,086)
Proceeds from disposal of plant and equipment	49	84
Proceeds from disposal of equity securities	-	179
Interest received	542	293
Dividend received	4,167	2,302
NET CASH FOR INVESTING ACTIVITIES	(34,188)	(1,339)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
(Decrease)/Increase of bankers acceptance	(1,732)	4,856
Share repurchased	(4,252)	-
Increase /(Decrease) in borrowings	3,140	(4,659)
Net repayment of hire purchase liabilities	(234)	(336)
NET CASH FOR FINANCING ACTIVITIES	(3,078)	(139)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(34,615)	5,367
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(115)	(202)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	50,323	40,359
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	15,593	45,524
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash, bank balances and deposits	16,480	51,066
Deposits pledged with licensed banks	(887)	(5,542)
	15,593	45,524

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)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting 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

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 January 2019, the Company held as treasury shares a total of 11,094,000 out of its 120,048,000 issued and fully paid-up ordinary shares.

(g) Dividend Paid

On 29 January 2019, a first interim single tier dividend of 2.00 sen per share was declared for the financial year ending 30 April 2019. The said dividend was paid on 15 March 2019.

(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	
31/1/2019	31/1/2018	+ / (-)	31/1/2019	31/1/2018	+ / (-)	
	RM'000	RM'000		RM'000	RM'000	
<u>Segment Revenue</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	23,285	23,231	0.2	80,750	68,343	18.2
Recovery and sales of recycled products	4,243	5,210	(18.6)	13,492	16,141	(16.4)
Culture and sales of prawns	110	111	(0.9)	476	381	24.9
Investment holding & property letting	146	204	(28.4)	336	421	(20.2)
Contract Work, Pipe Laying and Rehabilitation	5,331	9,963	(46.5)	15,995	26,990	(40.7)
REVENUE	33,115	38,719		111,049	112,276	
<u>Segment Results</u>						
Manufacturing, formulation and sale of resin, chemicals & building materials	556	1,027	(45.9)	4,451	5,522	(19.4)
Recovery and sales of recycled products	1,069	730	46.4	2,391	1,236	93.4
Culture and sales of prawns	50	(35)	(242.9)	40	(32)	(225.0)
Investment holding & property letting	238	146	63.0	208	388	(46.4)
Contract Work, Pipe Laying and Rehabilitation	(129)	1,351	(109.5)	699	2,420	(71.1)
	1,784	3,219		7,789	9,534	
Finance costs	(279)	(177)		(816)	(561)	
Interest income	52	118		542	293	
PROFIT BEFORE TAXATION	1,557	3,160	(50.7)	7,515	9,266	(18.9)
Income tax expense	(465)	(170)		(1,108)	(1,160)	
PROFIT AFTER TAXATION	1,092	2,990	(63.5)	6,407	8,106	(21.0)
Non-controlling interests	47	(500)		(259)	(895)	
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	1,139	2,490	(54.3)	6,148	7,211	(14.7)

(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 January 2019.

(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 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000	% + / (-)	Current Year Quarter 31/1/2019 RM'000	Preceding Year Quarter 31/1/2018 RM'000	% + / (-)
Revenue	33,115	38,719	(14.5)	111,049	112,276	(1.1)
Gross profit	5,566	11,702	(52.4)	20,002	35,390	(43.5)
Profit before taxation	1,557	3,160	(50.7)	7,515	9,266	(18.9)
Profit for the period	1,092	2,990	(63.5)	6,407	8,106	(21.0)
Profit after taxation attributable to owners of the Company	1,139	2,490	(54.3)	6,148	7,211	(14.7)

For the current quarter review, the Group recorded revenue of RM33.1 million, representing a decrease of 14.5% compared to RM38.7 million recorded in the corresponding quarter of the preceding year.

Manufacturing revenue was recorded at RM23.3 million, an increase of 0.2% compared to RM23.2 million in the preceding year quarter. The increase in revenue was due to increase in sale of resin and sale of particle boards.

Recovery and sales of recycled products revenue was recorded at RM4.2 million, a decrease of 18.6% compared to RM5.2 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 46.5% compared to RM9.9 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 RM1.6 million for the current quarter as compared to RM3.2 million in the corresponding quarter of the preceding year. The main reason of decrease in profit before tax was due to the business segment of contract work, pipe laying and rehabilitation.

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

	Current Quarter 31/1/2019 RM'000	Preceding Quarter 31/10/2018 RM'000	% +/-
Revenue	33,115	40,166	(17.6)
Profit before taxation	1,557	3,115	(50.0)

Revenue for the current quarter decreased by 17.6% as compared to the immediate preceding quarter. The decrease in revenue was due to the segment of the manufacturing, formulation and sale of resin, chemicals and building materials. Profit before taxation decreased by 50.0% 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 segment manufacturing, formulation and sale of resin, chemicals & building materials to remain stable in the forthcoming quarter.

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 January 2019 is made up as follows:

	Current Quarter 31/1/2019 RM'000	Year To Date 31/1/2019 RM'000
Current Tax		
Malaysian income tax charge	465	1,108
Foreign income tax charge	-	-
	465	1,108

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 investments in quoted securities by the Group for the current financial quarter and financial year-to-date under review are as follows: -

Current Quarter	Year To Date
31/1/2019	31/1/2019
RM'000	RM'000

Total net purchase of investments in quoted shares 65 37,399

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

31/1/2019
RM'000

Total investments at cost	77,570
Total investments at carrying value	77,395
Total investments at market value	<u>77,395</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 January 2019		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
<u>Secured</u>			
Denominated in RM			
Hire purchase payables	503	23	526
Bankers' acceptances	-	11,326	11,326
Term loans	7,916	-	7,916
	<u>8,419</u>	<u>11,349</u>	<u>19,768</u>
Denominated in SGD			
Hire purchase payables	34	329	363
Bankers' acceptances	-	1,003	1,003
Term loans	2,306	541	2,847
	<u>2,340</u>	<u>1,873</u>	<u>4,213</u>
	<u>10,759</u>	<u>13,222</u>	<u>23,981</u>
	As at 30 April 2018		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	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
Bankers' acceptances	-	1,086	1,086
Term loans	2,731	1,102	3,833
	<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 Distributor Sdn. Bhd. for the years 2012 and 2013 to ascertain the net profit of Lux Distributor Sdn. Bhd. for the 2 years 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.

Following the case management held on 24 September 2018, the Defendant has paid the escrow sum to the independent auditor as stakeholder and the parties have completed their submissions.

The High Court had on 17 January 2019 delivered its decision. The Court ruled that the Defendant is required to pay the 2nd Plaintiff a sum of RM896,814.00; that the escrow sum held by Messrs UHY as stakeholders is to be paid to the 2nd Plaintiff as part of the payment towards the judgment sum; any shortfall is to be paid by the Defendant directly to the 2nd Plaintiff and High Court costs of RM20,000.00.

On 4 February 2019, the Defendant filed an appeal to the Court of Appeal against the decision of the High Court.

Messrs UHY had on 13 February 2019 paid the escrow sum amounting to RM817,669.81 to the 2nd Plaintiff. The Defendant had on 1 March 2019 paid the remaining judgment sum of RM99,944.19 (including costs and Court allocator fee of RM800) to the Solicitor to hold as stakeholders pending the appeal.

12. Dividend Proposed or Declared

No dividend has been declared for the current financial quarter 31 January 2019.

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 31/1/2019	Preceding Year Quarter 31/1/2018	Current Year Quarter 31/1/2019	Preceding Year Quarter 31/1/2018

Net profit attributable to ordinary shares (RM'000)	1,139	2,490	6,148	7,211
Weighted average number ordinary shares ('000)	107,694	112,260	110,950	112,260
Basic earnings per share (sen)	1.06	2.22	5.54	6.42

Comparative basic earnings per share and net assets per share have been restated to take into account the effects of the bonus issue of ordinary shares on 31 October 2018.

(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 January 2019 RM'000	Cumulative Current Year Quarter 31 January 2019 RM'000
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Profit before taxation is arrived at after charging/(crediting):-		
Interest expense	279	816
Depreciation and amortisation of property, plant and equipment	1,790	5,348
Staff costs	2,164	6,706
Foreign exchange (gain)/loss - realised	(44)	109
Interest income	(53)	(542)
Dividend income	(65)	(4,167)
Gain on disposal of: - property, plant and equipment	(23)	(31)
Rental income	(372)	(775)

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 March 2019.