

**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 30 APRIL 2019**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2019.  
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000
<b>Revenue</b>	<b>18,731</b>	<b>27,603</b>	<b>129,780</b>	<b>137,505</b>
Cost of sales	(24,253)	(35,736)	(115,300)	(113,710)
<b>Gross (Loss) / Profit</b>	<b>(5,522)</b>	<b>(8,133)</b>	<b>14,480</b>	<b>23,795</b>
Other income	7,284	898	8,424	5,812
Administrative and other operating expenses	(3,936)	10,325	(16,747)	(17,025)
<b>(Loss) / Profit from operations</b>	<b>(2,174)</b>	<b>3,090</b>	<b>6,157</b>	<b>12,582</b>
Finance costs	(307)	(137)	(1,123)	(554)
<b>(Loss) / Profit before taxation</b>	<b>(2,481)</b>	<b>2,953</b>	<b>5,034</b>	<b>12,028</b>
Income tax expense	120	(749)	(988)	(1,956)
<b>(Loss) / Profit for the period</b>	<b>(2,361)</b>	<b>2,204</b>	<b>4,046</b>	<b>10,072</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 2018.



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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2019  
(CONT'D)**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2019.  
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000
<b>(Loss) / Profit for the period</b>	<b>(2,361)</b>	<b>2,204</b>	<b>4,046</b>	<b>10,072</b>
<b>Other comprehensive income / (expenses)</b>				
Fair value changes of equity investments	(2,330)	677	(9,819)	5,969
Foreign currency translation differences	4	125	551	(1,180)
Revaluation of property	32,028	-	32,028	-
<b>Total comprehensive (expenses) / income for the period</b>	<b>27,341</b>	<b>3,006</b>	<b>26,806</b>	<b>14,861</b>
<b>(Loss) / Profit after taxation attributable to:</b>				
- owners of the Company	(2,247)	2,524	3,901	9,489
- non-controlling interests	(114)	(320)	145	583
	<b>(2,361)</b>	<b>2,204</b>	<b>4,046</b>	<b>10,072</b>
<b>Total comprehensive income / (expenses) attributable to:</b>				
- owners of the Company	27,630	3,315	26,825	14,192
- non-controlling interests	(289)	(309)	(19)	669
	<b>27,341</b>	<b>3,006</b>	<b>26,806</b>	<b>14,861</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 (loss) / profit attributable to the owners of the Company</b>				
- basic	<b>(2.06)</b>	<b>2.25</b>	<b>3.56</b>	<b>8.46</b>
- diluted	<b>(2.06)</b>	<b>2.25</b>	<b>3.56</b>	<b>8.46</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 2018.

## ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2019

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 APRIL 2019.*

*(The figures have not been audited.)*

	As at End of Current Quarter <b>30 April 2019</b> (Unaudited) RM'000	As at Preceding Financial Year End <b>30 April 2018</b> (Audited) RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	180,609	144,114
Goodwill on consolidation	9,985	9,943
Other investments	93,719	50,772
Receivable	58	-
Deferred tax assets	123	-
	<b>284,494</b>	<b>204,829</b>
<b>CURRENT ASSETS</b>		
Contract assets	1,043	-
Receivables	25,288	32,176
Prepayments	299	279
Inventories	16,812	17,916
Current tax assets	2,133	1,786
Cash and cash equivalents	15,626	55,771
	<b>61,201</b>	<b>107,928</b>
<b>TOTAL ASSETS</b>	<b>345,695</b>	<b>312,757</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	66,272	66,272
Treasury shares	(10,140)	(5,888)
Reserves	215,338	190,786
Equity attributable to owners of the Company	271,470	251,170
Non-controlling interests	(1,495)	(1,476)
<b>TOTAL EQUITY</b>	<b>269,975</b>	<b>249,694</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	23,768	17,360
Hire purchase payables	239	577
Term loans	10,273	6,399
	<b>34,280</b>	<b>24,336</b>
<b>CURRENT LIABILITIES</b>		
Payables and accruals	17,878	20,653
Hire purchase payables	481	546
Borrowings	22,262	15,285
Provisions	819	2,243
	<b>41,440</b>	<b>38,727</b>
<b>TOTAL LIABILITIES</b>	<b>75,720</b>	<b>63,063</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>345,695</b>	<b>312,757</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>2.48</b>	<b>2.24</b>

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 30 APRIL 2019**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2019.  
(The figures have not been audited.)*

	← Attributable to owners of the Company →							Total equity RM'000
	← 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	
<b>Balance at 1 May 2018</b>	66,272	(5,888)	47,194	8,045	4,237	131,310	(1,476)	249,694
-Changes in accounting policy	-	-	-	-	-	(2)	-	(2)
-Adjusted	66,272	(5,888)	47,194	8,045	4,237	131,308	(1,476)	249,692
Profit after taxation for the financial year	-	-	-	-	-	3,901	145	4,046
Other comprehensive income / (expenses) for the financial year:								
-revaluation of property	-	-	32,152	-	-	-	(124)	32,028
-foreign currency translation differences	-	-	-	-	591	-	(40)	551
-fair value changes of equity investments	-	-	-	(9,819)	-	-	-	(9,819)
<b>Total comprehensive income / (expenses) for the financial year</b>	-	-	32,152	(9,819)	591	3,901	(19)	26,806
Contributions by and distributions to owners of the company:								
-treasury share acquired	-	(4,252)	-	-	-	(17)	-	(4,269)
-dividends to shareholders	-	-	-	-	-	(2,179)	-	(2,179)
-issuance of bonus share	-	-	-	-	-	(75)	-	(75)
<b>Total transactions with owners</b>	-	(4,252)	-	-	-	(2,271)	-	(6,523)
Disposal of equity investments	-	-	-	24	-	(24)	-	-
<b>Balance at 30 April 2019</b>	66,272	(10,140)	79,346	(1,750)	4,828	132,914	(1,495)	269,975

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 30 APRIL 2019 (CONT'D)**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 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				
<b>Balance at 1 May 2017</b>	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)	
-disposal of equity investments	-	-	-	(5)	-	-	-	(5)	
-fair value changes of equity investments	-	-	-	5,974	-	-	-	5,974	
Total comprehensive income /(expenses) for the financial year	-	-	-	5,969	(1,266)	9,489	669	14,861	
Distributions to owners of the company:									
-dividends to shareholders	-	-	-	-	-	(561)	-	(561)	
Total transactions with owners	-	-	-	-	-	(561)	-	(561)	
<b>Balance at 30 April 2018</b>	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)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2019**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2019.  
(The figures have not been audited.)*

	Current Year To Date <b>30 April 2019</b>  RM'000	Preceding Year To Date <b>30 April 2018</b> <b>(Audited)</b> RM'000
<b>CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	5,034	12,028
Adjustments for :-		
Non-cash items	10,030	7,312
Non-operating items	(6,409)	(3,837)
<b>Operating profit before changes in working capital</b>	<b>8,655</b>	<b>15,503</b>
Changes in working capital :-		
Net change in current assets	7,117	(547)
Net change in current liabilities	(2,947)	(2,588)
Interest paid	(1,116)	(554)
Income tax paid	(1,645)	(2,995)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10,064</b>	<b>8,819</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Decrease / (Increase) in fixed deposits pledged	4,663	(1,090)
Purchase of equity investments	(43,195)	(6,641)
Purchase of property, plant and equipment	(1,557)	(5,400)
Proceeds from disposal of equipment	84	157
Proceeds from disposal of equity investments	15	6,209
Interest received	548	870
Dividend received	4,260	2,440
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(35,182)</b>	<b>(3,455)</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,179)	(561)
(Decrease)/Increase of bankers acceptance	(1,985)	8,315
Issuance of bonus share	(75)	-
Share repurchased	(4,268)	-
Decrease in borrowings	(1,219)	(2,002)
Net repayment of hire purchase liabilities	(719)	(869)
<b>NET CASH (FOR) / FROM FINANCING ACTIVITIES</b>	<b>(10,445)</b>	<b>4,883</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(35,563)</b>	<b>10,247</b>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>81</b>	<b>(283)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER</b>	<b>50,323</b>	<b>40,359</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER</b>	<b>14,841</b>	<b>50,323</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash, bank balances and deposits	15,626	55,771
Deposits pledged with licensed banks	(785)	(5,448)
	<b>14,841</b>	<b>50,323</b>

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

**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 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 30 April 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**

A first interim dividend of 2.00 sen per share declared for the financial year end 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 Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	% +/(-)	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	% +/(-)
<b><u>Segment Revenue</u></b>						
Manufacturing, formulation and sale of resin, chemicals & building materials	8,917	18,169	(50.9)	89,667	84,279	6.4
Recovery and sales of recycled products	3,718	4,647	(20.0)	17,210	20,651	(16.7)
Culture and sales of prawns	42	-	-	518	381	36.0
Investment holding & property letting	164	(466)	(135.2)	500	516	(3.1)
Contract Work, Pipe Laying and Rehabilitation	5,890	5,253	12.1	21,885	31,678	(30.9)
<b>REVENUE</b>	<b>18,731</b>	<b>27,603</b>		<b>129,780</b>	<b>137,505</b>	
<b><u>Segment Results</u></b>						
Manufacturing, formulation and sale of resin, chemicals & building materials	(896)	1,104	(181.2)	3,555	6,626	(46.3)
Recovery and sales of recycled products	(1,881)	1,777	(205.9)	510	3,014	(83.1)
Culture and sales of prawns	(59)	-	-	(19)	(32)	(40.6)
Investment holding & property letting	1,042	(33)	(3,257.6)	1,250	354	253.1
Contract Work, Pipe Laying and Rehabilitation	(431)	(638)	(32.4)	268	1,782	(85.0)
	(2,225)	2,210		5,564	11,744	
Finance costs	(307)	(137)		(1,123)	(554)	
Interest income	51	880		593	838	
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(2,481)</b>	<b>2,953</b>	(184.0)	<b>5,034</b>	<b>12,028</b>	(58.1)
Income tax expense	120	(749)		(988)	(1,956)	
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<b>(2,361)</b>	<b>2,204</b>	(207.1)	<b>4,046</b>	<b>10,072</b>	(59.8)
Non-controlling interests	114	320		(145)	(583)	
<b>NET (LOSS) / PROFIT ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>(2,247)</b>	<b>2,524</b>	(189.0)	<b>3,901</b>	<b>9,489</b>	(58.9)

## (II) Valuation of Property, Plant and Equipment

In accordance with the Group's policy, the land and buildings of the Group were revalued on 15<sup>th</sup> April 2019 and 30<sup>th</sup> April 2019 based upon valuations carried out by the Independent Valuers, namely Hartamas Valuation & Consultancy Sdn Bhd and Pioneer Property Consultants LLP respectively using the 'Comparison Approach' basis. These revaluations resulted in a net increase of RM36,778,390 in the property, increase of RM6,639,765 in deferred tax liability, increase of RM32,027,569 in revaluation reserve and impairment loss of RM1,888,944 expensed off to profit and loss.

## (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 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	% + / (-)	Current Year Quarter 30/04/2019 RM'000	Preceding Year Quarter 30/04/2018 RM'000	% + / (-)
Revenue	18,731	27,603	(32.1)	129,780	137,505	(5.6)
Gross (loss) / profit	(5,522)	(8,133)	(32.1)	14,480	23,795	(39.1)
(Loss) / Profit before taxation	(2,481)	2,953	(184.0)	5,034	12,028	(58.1)
(Loss) / Profit for the year	(2,361)	2,204	(207.1)	4,046	10,072	(59.8)
(Loss) / Profit after taxation attributable to owners of the Company	(2,247)	2,524	(189.0)	3,901	9,489	(58.9)

For the current quarter review, the Group recorded revenue of RM18.7 million, representing a decrease of 32.1% compared to RM27.6 million recorded in the corresponding quarter of the preceding year.

Manufacturing revenue was recorded at RM8.9 million, a decrease of 50.9% compared to RM18.2 million in the preceding year quarter. The decrease in revenue was due to decrease in sale of resin and sale of particle boards.

Recovery and sales of recycled products revenue was recorded at RM3.7 million, a decrease of 20.0% compared to RM4.6 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 RM5.9 million, an increase of 12.1% compared to RM5.3 million in the preceding year quarter. The increase was due to more jobs order received during the quarter.

The Group's loss before tax was recorded at RM2.5 million for the current quarter as compared to the Group's profit before tax of RM3.0 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 manufacturing, formulation and sale of resin, chemicals & building materials where the cost of raw material went up by 25%.

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

	Current Quarter 30/04/2019 RM'000	Preceding Quarter 31/01/2019 RM'000	% +/-)
Revenue	18,731	33,115	(43.4)
(Loss) / Profit before taxation	(2,481)	1,557	(259.3)

Revenue for the current quarter decreased by 43.4% 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 259.3% compared to the preceding financial quarter.

**3. Prospects**

The Group anticipates the business environment would remain challenging and competitive in view of our domestic economic slowdown, property market overhang and increasing regulatory compliance. In spite of the challenging business environment, the Group will continue to adapt with its prudent approach to address the various challenges accordingly. The Group will continue to strengthen its core competencies and increase operational efficiency in an efforts to sustain and grow its business.

**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 30 April 2019 is made up as follows:

	Current Quarter 30/04/2019 RM'000	Year To Date 30/04/2019 RM'000
Current Tax		
Malaysian income tax charge	(177)	931
Foreign income tax charge	57	57
	(120)	988

**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 30/04/2019 RM'000	Year To Date 30/04/2019 RM'000
Total net purchase of investments in quoted shares	5,796	43,195

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

	30/04/2019 RM'000
Total investments at cost	98,723
Total investments at carrying value	93,539
Total investments at market value	93,539

## 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 30 April 2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<b><u>Secured</u></b>			
<b>Denominated in RM</b>			
Hire purchase payables	139	307	446
Bankers' acceptances	-	11,227	11,227
Term loans	7,642	10,158	17,800
	<u>7,781</u>	<u>21,692</u>	<u>29,473</u>
<b>Denominated in SGD</b>			
Hire purchase payables	100	174	274
Bill payables	-	877	877
Term loans	2,631	-	2,631
	<u>2,731</u>	<u>1,051</u>	<u>3,782</u>
	<u>10,512</u>	<u>22,743</u>	<u>33,255</u>
	As at 30 April 2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<b><u>Secured</u></b>			
<b>Denominated in RM</b>			
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>
<b>Denominated in SGD</b>			
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 (“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; and
- (c) That the Defendant pays the 2<sup>nd</sup> Plaintiff the shortfall in the Net Profit After Tax (“NPAT”) 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; and
  - (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 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 1<sup>st</sup> and 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> Plaintiff, i.e. the accounting policy of the 1<sup>st</sup> Plaintiff or the pre-acquisition accounting policy of the 2<sup>nd</sup> 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 2<sup>nd</sup> Plaintiff a sum of RM896,814.00; that the escrow sum held by Messrs UHY as stakeholders is to be paid to the 2<sup>nd</sup> Plaintiff as part of the payment towards the judgment sum; any shortfall is to be paid by the Defendant directly to the 2<sup>nd</sup> 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 2<sup>nd</sup> 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.

The Court of Appeal has adjourned the case management to 3 July 2019.

## **12. Dividend Proposed or Declared**

No dividend has been declared for the current financial quarter ended 30 April 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	Preceding	Current Year	Preceding
	Quarter	Year Quarter	Quarter	Year Quarter
	30/4/2019	30/4/2018	30/4/2019	30/4/2018
Net (loss) / profit attributable to ordinary shares (RM'000)	(2,247)	2,524	3,901	9,489
Weighted average number ordinary shares ('000)	108,954	112,209	109,679	112,209
Basic earnings per share (sen)	(2.06)	2.25	3.56	8.46

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. (Loss) / Profit Before Taxation

Individual Current Year Quarter 30 April 2019 RM'000	Cumulative Current Year Quarter 30 April 2019 RM'000
---------------------------------------------------------------	---------------------------------------------------------------

(Loss) / Profit before taxation is arrived at after charging/(crediting):-

Interest expense	300	1,116
Depreciation and amortisation of property, plant and equipment	-	7,126
Staff costs	2,118	8,824
Foreign exchange loss - realised	914	1,023
Interest income	(6)	(548)
Dividend income	(93)	(4,260)
Gain on disposal of: - property, plant and equipment	(35)	(66)
Rental income	(333)	(1,108)

### 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 27 June 2019.