



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 2020

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.
 (The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/01/2020 RM'000	Preceding Year Quarter 31/01/2019 RM'000	Current Year Quarter 31/01/2020 RM'000	Preceding Year Quarter 31/01/2019 RM'000
Revenue	30,251	33,115	90,200	111,049
Cost of sales	(24,509)	(27,549)	(72,793)	(91,047)
Gross profit	5,742	5,566	17,407	20,002
Other income	342	372	5,355	1,140
Administrative and other operating expenses	(3,461)	(4,102)	(11,243)	(12,811)
Profit from operations	2,623	1,836	11,519	8,331
Finance costs	(283)	(279)	(1,096)	(816)
Profit before taxation	2,340	1,557	10,423	7,515
Income tax expense	(619)	(465)	(1,455)	(1,108)
Profit for the period	1,721	1,092	8,968	6,407

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 2019.



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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020
 (CONT'D)**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.
 (The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/01/2020 RM'000	Preceding Year Quarter 31/01/2019 RM'000	Current Year Quarter 31/01/2020 RM'000	Preceding Year Quarter 31/01/2019 RM'000
Profit for the period	1,721	1,092	8,968	6,407
Other comprehensive (expenses)/income				
Fair value changes of equity investments	(1,730)	160	(7,903)	(7,489)
Foreign currency translation differences	(506)	118	(293)	547
Total comprehensive (expenses)/income for the period	(515)	1,370	772	(535)
Profit after taxation attributable to:				
- owners of the Company	1,297	1,139	7,460	6,148
- non-controlling interests	424	(47)	1,508	259
	1,721	1,092	8,968	6,407
Total comprehensive (expenses)/income attributable to:				
- owners of the Company	(938)	1,417	(746)	(805)
- non-controlling interests	423	(47)	1,518	270
	(515)	1,370	772	(535)
	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	1.19	1.06	6.85	5.54
- diluted	1.19	1.06	6.85	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 2019.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 JANUARY 2020

Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.

(The figures have not been audited.)

	As at End of Current Quarter 31 January 2020 (Unaudited) RM'000	As at Preceding Financial Year End 30 April 2019 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	128,632	180,609
Right-of-use assets	47,465	-
Goodwill on consolidation	9,966	9,985
Other investments	78,630	85,857
Receivable	183	58
	264,876	276,509
CURRENT ASSETS		
Contract assets	3,434	1,043
Receivables	29,033	25,288
Prepayments	-	299
Inventories	15,147	16,812
Other investments	17,142	7,862
Current tax assets	1,120	2,133
Cash and cash equivalents	8,905	15,626
	74,781	69,063
TOTAL ASSETS	339,657	345,572
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,272	66,272
Treasury shares	(10,140)	(10,140)
Reserves	214,609	215,355
Equity attributable to owners of the Company	270,741	271,487
Non-controlling interests	23	(1,495)
TOTAL EQUITY	270,764	269,992
NON-CURRENT LIABILITIES		
Deferred tax liabilities	23,599	23,628
Hire purchase payables	180	239
Term loans	10,156	10,273
	33,935	34,140
CURRENT LIABILITIES		
Payables and accruals	22,486	17,878
Hire purchase payables	157	481
Borrowings	11,498	22,262
Provision	817	819
	34,958	41,440
TOTAL LIABILITIES	68,893	75,580
TOTAL EQUITY AND LIABILITIES	339,657	345,572
NET ASSETS PER SHARE (RM)	2.48	2.49

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

ANALABS RESOURCES BERHAD

(Company No: 468971-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.
(The figures have not been audited.)*

	<----- Attributable to owners of the Company ----->							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	<----- Non - Distributable ----->		Distributable		
				Fair value reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits RM'000	Non-controlling interests RM'000	
Balance at 1 May 2019	66,272	(10,140)	79,346	(1,774)	4,828	132,955	(1,495)	269,992
Profit after taxation for the financial year	-	-	-	-	-	7,460	1,508	8,968
Other comprehensive (expenses)/income for the financial year:								
-foreign currency translation differences	-	-	-	-	(303)	-	10	(293)
-fair value changes of equity investments	-	-	-	(7,903)	-	-	-	(7,903)
Total comprehensive (expenses)/income for the financial year	-	-	-	(7,903)	(303)	7,460	1,518	772
Balance at 31 January 2020	66,272	(10,140)	79,346	(9,677)	4,525	140,415	23	270,764

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

ANALABS RESOURCES BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020 (CONT'D)**

Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.

	<----- 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	
Balance at 1 May 2018	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	-	-	-	-	-	3,918	145	4,063
Other comprehensive income/(expenses) for the financial year:								
-revaluation of properties	-	-	32,152	-	-	-	(124)	32,028
-foreign currency translation differences	-	-	-	-	591	-	(40)	551
-fair value changes of equity investments	-	-	-	(9,819)	-	-	-	(9,819)
Total comprehensive income/(expenses) for the financial year	-	-	32,152	(9,819)	591	3,918	(19)	26,823
Treasury share acquired	-	(4,252)	-	-	-	(17)	-	(4,269)
Dividends to shareholders	-	-	-	-	-	(2,179)	-	(2,179)
Bonus share issue transaction costs	-	-	-	-	-	(75)	-	(75)
Total transactions with owners	-	(4,252)	-	-	-	(2,271)	-	(6,523)
Balance at 30 April 2019	66,272	(10,140)	79,346	(1,774)	4,828	132,955	(1,495)	269,992

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

ANALABS RESOURCES BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2020**

*Quarterly financial report on consolidated results for the THIRD financial quarter ended 31 January 2020.
(The figures have not been audited.)*

	Current Year To Date 31 January 2020 RM'000	Preceding Year To Date 31 January 2019 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	10,423	7,515
Adjustments for :-		
Non-cash items	5,876	4,527
Non-operating items	(4,431)	(3,109)
Operating profit before changes in working capital	11,868	8,933
Changes in working capital :-		
Net change in current assets	(4,327)	(3,591)
Net change in current liabilities	4,606	(865)
Interest paid	(1,096)	(816)
Income tax paid	(442)	(1,010)
NET CASH FROM OPERATING ACTIVITIES	10,609	2,651
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Decrease in fixed deposits pledged	46	4,561
Purchase of equity investments	(11,890)	(37,399)
Purchase of plant and equipment	(506)	(6,108)
Proceeds from disposal of equipment	32	49
Proceeds from disposal of equity investments	803	-
Interest received	104	542
Dividend received	5,391	4,167
NET CASH FOR INVESTING ACTIVITIES	(6,020)	(34,188)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Decrease in other short term borrowings	(10,225)	(1,732)
Share repurchased	-	(4,252)
Net repayment of term loans	(656)	3,140
Net repayment of hire purchase liabilities	(383)	(234)
NET CASH FOR FINANCING ACTIVITIES	(11,264)	(3,078)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,675)	(34,615)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	-	(115)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	14,918	50,323
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	8,243	15,593
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash, bank balances and deposits	8,905	16,480
Deposits pledged with licensed banks	(662)	(887)
	8,243	15,593

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 April 2019.

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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 2019. 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 2019, except for the adoption of the following new standards, amendments to standards and IC interpretations with effect from May 2019 where applicable:

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

MFRS 16 Leases

IC Interpretation 23 Uncertainty over Income Tax Treatments

Amendments to MFRS 9 Prepayment Features with Negative Compensation

Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

- Amendments to MFRS 3 Previously Held Interest in a Joint Operation
- Amendments to MFRS 11 Previously Held Interest in a Joint Operation
- Amendments to MFRS 112 Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to MFRS 123 Borrowing Costs Eligible for Capitalisation

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 2019 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 were 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 quarter.

As at 31 January 2020, 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 31 January 2020, an interim single tier dividend of 2.00 sen per share was declared for the financial year ending 30 April 2020. The said dividend was paid on 13 March 2020.

(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	
	31/01/2020	31/01/2019		31/01/2020	31/01/2019	
RM'000	RM'000		RM'000	RM'000		
<u>Segment Revenue</u>						
Manufacturing, formulation and sales of resin, chemicals and building materials	19,023	23,285	(18.3)	55,336	80,750	(31.5)
Recovery and sales of recycled products	3,527	4,243	(16.9)	11,046	13,492	(18.1)
Culture and sales of prawns	12	110	(89.1)	238	476	(50.0)
Investment holding and property letting	139	146	(4.8)	1,232	336	266.7
Contract work, pipe laying and rehabilitation	7,550	5,331	41.6	22,348	15,995	39.7
REVENUE	30,251	33,115		90,200	111,049	
<u>Segment Results</u>						
Manufacturing, formulation and sales of resin, chemicals and building materials	1,513	556	172.1	6,721	4,451	51.0
Recovery and sales of recycled products	240	1,069	(77.5)	766	2,391	(68.0)
Culture and sales of prawns	(59)	50	(218.0)	(353)	40	(982.5)
Investment holding and property letting	(258)	238	(208.4)	205	208	(1.4)
Contract work, pipe laying and rehabilitation	1,145	(129)	(987.6)	4,076	699	483.1
	2,581	1,784		11,415	7,789	
Finance costs	(283)	(279)		(1,096)	(816)	
Interest income	42	52		104	542	
PROFIT BEFORE TAXATION	2,340	1,557	50.3	10,423	7,515	38.7
Income tax expense	(619)	(465)		(1,455)	(1,108)	
PROFIT AFTER TAXATION	1,721	1,092	57.6	8,968	6,407	40.0
Non-controlling interests	(424)	47		(1,508)	(259)	
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	1,297	1,139	13.9	7,460	6,148	21.3

(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 2020.

(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 for 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	Preceding Year	%	Current Year	Preceding Year	%
	Quarter	Quarter		Quarter	Quarter	
	31/01/2020	31/01/2019	+ / (-)	31/01/2020	31/01/2019	+ / (-)
	RM'000	RM'000		RM'000	RM'000	
Revenue	30,251	33,115	(8.6)	90,200	111,049	(18.8)
Gross profit	5,742	5,566	3.2	17,407	20,002	(13.0)
Profit before taxation	2,340	1,557	50.3	10,423	7,515	38.7
Profit for the period	1,721	1,092	57.6	8,968	6,407	40.0
Profit after taxation attributable to owners of the Company	1,297	1,139	13.9	7,460	6,148	21.3

For the current quarter under review, the Group recorded revenue of RM30.3 million, representing a decrease of 8.6% compared to RM33.1 million recorded in the corresponding quarter of the preceding year.

Manufacturing, formulation and sales of resin, chemicals and building materials segment has decreased revenue by 18.3% from RM23.3 million to RM19.0 million during the quarter as a result of the lower sales in building materials and particle boards.

Recovery and sales of recycled products revenue was recorded at RM3.5 million, a decrease of 16.9% compared to RM4.2 million in the preceding year quarter. The decrease was due to market competition and lower sales order during the quarter.

Contract work, pipe laying and rehabilitation segment has an increase in revenue of 41.6% at RM7.6 million as 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 profit before tax was recorded at RM2.3 million for the current quarter as compared to RM1.6 million in the corresponding quarter of the preceding year. The main reason of increase in profit before tax was due to improvement in cost control and production efficiency.

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

	Current Quarter 31/01/2020 RM'000	Preceding Quarter 31/10/2019 RM'000	% + / (-)
Revenue	30,251	30,040	0.7
Profit before taxation	2,340	4,286	(45.4)

Revenue for the current quarter increased by 0.7% as compared to the immediate preceding financial quarter which was due to improvement in cost control and production efficiency in manufacturing, formulation and sales of resin, chemicals and building materials segment. Profit before taxation for the current quarter decreased by 45.4% compared to the immediate preceding financial quarter.

3. Prospects

The Group anticipates the business environment to be tough and challenging in view of the Covid-19 Pandemic that triggered Movement Control Order in Malaysia and lockdown in various parts of the world. As our Group has business dealings with overseas counterparts, this is expected to bring further uncertainty to our business prospects. However, the Group will continue to be cautious in its costs control and business management to ensure that business performance can be sustained.

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 2020 are as follows:-

	Current Quarter 31/01/2020 RM'000	Year To Date 31/01/2020 RM'000
Current Tax		
Malaysian income tax charge	619	1,455
Foreign income tax charge	-	-
	619	1,455

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 31/01/2020 RM'000	Year To Date 31/01/2020 RM'000
Total net purchase of investments in quoted shares	230	11,890

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

	31/01/2020 RM'000
Total investments at cost	109,271
Total investments at carrying value	95,592
Total investments at market value	95,463

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 2020		
	Long-Term RM'000	Short -Term RM'000	Total Borrowings RM'000
<u>Secured</u>			
Denominated in RM			
Hire purchase payables	162	5	167
Bill payables	-	5,999	5,999
Margin trading	-	5,317	5,317
Term loans	7,693	-	7,693
	<u>7,855</u>	<u>11,321</u>	<u>19,176</u>
Denominated in SGD			
Hire purchase payables	18	152	170
Bill payables	-	182	182
Term loans	2,463	-	2,463
	<u>2,481</u>	<u>334</u>	<u>2,815</u>
	<u>10,336</u>	<u>11,655</u>	<u>21,991</u>
	As at 30 April 2019		
	Long-Term RM'000	Short -Term RM'000	Total Borrowings RM'000
<u>Secured</u>			
Denominated in RM			
Hire purchase payables	139	114	253
Bill payables	-	11,227	11,227
Margin trading	-	9,619	9,619
Term loans	7,642	364	8,006
	<u>7,781</u>	<u>21,324</u>	<u>29,105</u>
Denominated in SGD			
Hire purchase payables	100	367	467
Bill payables	-	877	877
Term loans	2,631	175	2,806
	<u>2,731</u>	<u>1,419</u>	<u>4,150</u>
	<u>10,512</u>	<u>22,743</u>	<u>33,255</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 Siew 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 judgement 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.

On 25 November 2019, the Court of Appeal heard submissions and dismissed the Defendant's appeal with costs of RM10,000.00.

12. Dividend Proposed or Declared

On 19 December 2019, the Company proposed an interim dividend of 2 sen per ordinary share for the current financial year ending 30 April 2020. The said dividend was paid on 13 March 2020. No dividend was further proposed by the Board of Directors during the current financial quarter ended 31 January 2020.

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
	31/01/2020	31/01/2019	31/01/2020	31/01/2019
Net profit attributable to ordinary shares (RM'000)	1,297	1,139	7,460	6,148
Weighted average number of ordinary shares ('000)	108,954	107,694	108,954	110,950
Basic earnings per share (sen)	1.19	1.06	6.85	5.54

(b) Diluted Earnings Per Share

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

14. Profit Before Taxation

Individual Current Year Quarter	Cumulative Current Year Quarter
31 January 2020	31 January 2020
RM'000	RM'000

Profit before taxation is arrived at after charging/(crediting):-		
Interest expense	283	1,096
Depreciation and amortisation of:		
- property, plant and equipment	1,214	3,852
- right-of-use assets	305	907
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	348	1,117
Staff costs	2,190	6,675
Foreign exchange loss		
- realised	111	177
Interest income	(42)	(104)
Dividend income	(60)	(5,391)
Gain on disposal of equipment	-	(32)
Rental income	(330)	(1,080)

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 24 March 2020.