

**ANALABS RESOURCES BERHAD**

Registration No: 199801012843 (468971-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2020

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.
(The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000	Current Year Quarter 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000
Revenue	20,657	18,731	110,857	129,780
Cost of sales	(17,936)	(24,253)	(90,729)	(115,300)
Gross profit/(loss)	2,721	(5,522)	20,128	14,480
Other income	2,589	7,284	7,944	8,470
Administrative and other operating expenses	(6,014)	(3,936)	(17,257)	(16,793)
(Loss)/Profit from operations	(704)	(2,174)	10,815	6,157
Finance costs	(347)	(307)	(1,443)	(1,123)
(Loss)/Profit before taxation	(1,051)	(2,481)	9,372	5,034
Income tax expense	771	120	(684)	(971)
(Loss)/Profit for the period/year	(280)	(2,361)	8,688	4,063

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
 Registration No: 199801012843 (468971-A)
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2020
 (CONT'D)**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.
 (The figures have not been audited.)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000	Current Year Quarter 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000
(Loss)/Profit for the period/year	(280)	(2,361)	8,688	4,063
Other comprehensive (expenses)/income				
Fair value changes of equity investments	(11,345)	(2,330)	(19,248)	(9,819)
Currency translation differences for foreign operation	369	4	76	551
Remeasurement of deferred tax on revalued property arising from change in tax rate	(1,472)	-	(1,472)	-
Revaluation of property	-	32,028	-	32,028
Total comprehensive (expenses)/income for the period	(12,728)	27,341	(11,956)	26,823
(Loss)/Profit after taxation attributable to:				
- owners of the Company	(204)	(2,247)	7,256	3,918
- non-controlling interests	(76)	(114)	1,432	145
	(280)	(2,361)	8,688	4,063
Total comprehensive (expenses)/income attributable to:				
- owners of the Company	(12,643)	27,630	(13,389)	26,842
- non-controlling interests	(85)	(289)	1,433	(19)
	(12,728)	27,341	(11,956)	26,823
	sen per share	sen per share	sen per share	sen per share
Earnings per share for (loss)/profit attributable to the owners of the Company				
- basic	(0.19)	(2.06)	6.66	3.57
- diluted	(0.19)	(2.06)	6.66	3.57

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

Registration No: 199801012843 (468971-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2020

Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.

(The figures have not been audited.)

	As at End of Current Quarter 30 April 2020 (Unaudited) RM'000	As at Preceding Financial Year End 30 April 2019 (Audited) RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	84,044	180,609
Investment properties	36,420	-
Right-of-use assets	58,204	-
Goodwill on consolidation	7,771	9,985
Receivable	61	58
Other investments	103,013	85,857
	289,513	276,509
CURRENT ASSETS		
Inventories	16,242	16,812
Contract assets	3,890	1,043
Other investments	6,435	7,862
Receivables	21,323	25,288
Prepayments	266	299
Current tax assets	-	2,133
Cash and cash equivalents	18,960	15,626
	67,116	69,063
TOTAL ASSETS	356,629	345,572
EQUITY AND LIABILITIES		
EQUITY		
Share capital	66,272	66,272
Treasury shares	(10,140)	(10,140)
Reserves	199,787	215,355
Equity attributable to owners of the Company	255,919	271,487
Non-controlling interests	(62)	(1,495)
TOTAL EQUITY	255,857	269,992
NON-CURRENT LIABILITIES		
Loans and borrowings	13,061	10,512
Deferred tax liabilities	22,826	23,628
	35,887	34,140
CURRENT LIABILITIES		
Payables and accruals	22,344	17,878
Loans and borrowings	39,970	22,743
Provision	953	819
Contract liabilities	943	-
Current tax liabilities	675	-
	64,885	41,440
TOTAL LIABILITIES	100,772	75,580
TOTAL EQUITY AND LIABILITIES	356,629	345,572
NET ASSETS PER SHARE (RM)	2.35	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

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2020**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.
(The figures have not been audited.)*

	<----- Non - Distributable ----->					Distributable				
	Share capital	Treasury shares	Revaluation reserve	Currency translation reserve	Capital reserve	Fair value reserve	Retained profits	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 May 2019	66,272	(10,140)	79,346	4,828	-	(1,774)	132,955	271,487	(1,495)	269,992
Dividends to owners of the Company	-	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Issuance of bonus shares by a subsidiary	-	-	-	-	491	-	(491)	-	-	-
Total transactions with owners	-	-	-	-	491	-	(2,670)	(2,179)	-	(2,179)
Fair value changes of equity investments	-	-	-	-	-	(19,248)	-	(19,248)	-	(19,248)
Remeasurement of deferred tax on revalued property arising from changes in tax rate	-	-	(1,472)	-	-	-	-	(1,472)	-	(1,472)
Currency translation differences for foreign operation	-	-	-	75	-	-	-	75	1	76
Total other comprehensive (expenses)/income for the financial year	-	-	(1,472)	75	-	(19,248)	-	(20,645)	1	(20,644)
Profit for the financial year	-	-	-	-	-	-	7,256	7,256	1,432	8,688
Total comprehensive (expenses)/income for the financial year	-	-	(1,472)	75	-	(19,248)	7,256	(13,389)	1,433	(11,956)
Balance at 30 April 2020	66,272	(10,140)	77,874	4,903	491	(21,022)	137,541	255,919	(62)	255,857

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.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2020 (CONT'D)**

Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.

	<----- Non - Distributable ----->					Distributable	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	RM'000	RM'000	RM'000
Balance at 1 May 2018	66,272	(5,888)	47,194	4,237	8,045	131,310	251,170	(1,476)	249,694
-changes in accounting policy	-	-	-	-	-	(2)	(2)	-	(2)
-adjusted	66,272	(5,888)	47,194	4,237	8,045	131,308	251,168	(1,476)	249,692
Purchase of own shares	-	(4,252)	-	-	-	(17)	(4,269)	-	(4,269)
Bonus share issue transaction costs	-	-	-	-	-	(75)	(75)	-	(75)
Dividends to owners of the Company	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Total transactions with owners	-	(4,252)	-	-	-	(2,271)	(6,523)	-	(6,523)
Fair value changes of equity investments	-	-	-	-	(9,819)	-	(9,819)	-	(9,819)
Revaluation of properties	-	-	32,152	-	-	-	32,152	(124)	32,028
Currency translation differences for foreign operation	-	-	-	591	-	-	591	(40)	551
Total other comprehensive income/(expenses) for the financial year	-	-	32,152	591	(9,819)	-	22,924	(164)	22,760
Profit for the financial year	-	-	-	-	-	3,918	3,918	145	4,063
Total comprehensive income/(expenses) for the financial year	-	-	32,152	591	(9,819)	3,918	26,842	(19)	26,823
Balance at 30 April 2019	66,272	(10,140)	79,346	4,828	(1,774)	132,955	271,487	(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 30 APRIL 2020**

*Quarterly financial report on consolidated results for the FOURTH financial quarter ended 30 April 2020.
(The figures have not been audited.)*

	Current Year To Date 30 April 2020 RM'000	Preceding Year To Date 30 April 2019 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	9,372	5,034
Adjustments for :-		
Non-cash items	9,645	7,747
Non-operating items	(2,887)	(3,734)
Operating profit before changes in working capital	16,130	9,047
Changes in working capital :-		
Net change in current assets	2,336	6,915
Net change in current liabilities	4,371	(3,164)
Interest paid	(1,443)	(1,116)
Income tax paid	(166)	(1,645)
NET CASH FROM OPERATING ACTIVITIES	21,228	10,037
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Increase in fixed deposits pledged	(119)	4,740
Purchase of equity investments	(37,202)	(52,788)
Purchase of plant and equipment	(584)	(5,871)
Addition to right-of-use assets	(334)	-
Proceeds from disposal of equipment	87	84
Proceeds from disposal of equity investments	803	15
Interest received	86	548
Dividend received	5,620	4,261
NET CASH FOR INVESTING ACTIVITIES	(31,643)	(49,011)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(2,179)	(2,179)
Drawdown of term loans	125	4,409
Repayment of term loans	(509)	(1,315)
Increase/(Decrease) in other short term borrowings	17,126	7,557
Share repurchased	-	(4,269)
Net repayment of hire purchase liabilities	-	(719)
Repayment of lease liabilities	(846)	-
Issuance of bonus share	-	(75)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	13,717	3,409
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,302	(35,565)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(87)	160
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL QUARTER	14,918	50,323
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL QUARTER	18,133	14,918
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash, bank balances and deposits	18,960	15,626
Deposits pledged with licensed banks	(827)	(708)
	18,133	14,918

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 1 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 30 April 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

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	
	30/04/2020	30/04/2019	+ / (-)	30/04/2020	30/04/2019	+ / (-)
	RM'000	RM'000		RM'000	RM'000	
<u>Segment Revenue</u>						
Manufacturing, formulation and sales of resin, chemicals and building materials	13,596	8,917	52.5	68,932	89,667	(23.1)
Recovery and sales of recycled products	1,762	3,718	(52.6)	12,808	17,210	(25.6)
Culture and sales of prawns	106	42	152.4	344	518	(33.6)
Investment holding and property letting	270	164	64.6	1,502	500	200.4
Contract work, pipe laying and rehabilitation	4,923	5,890	(16.4)	27,271	21,885	24.6
REVENUE	20,657	18,731		110,857	129,780	
<u>Segment Results</u>						
Manufacturing, formulation and sales of resin, chemicals and building materials	(198)	(896)	(77.9)	6,523	3,555	83.5
Recovery and sales of recycled products	(18)	(1,881)	(99.0)	748	510	46.7
Culture and sales of prawns	(280)	(59)	374.6	(633)	(19)	3,231.6
Investment holding and property letting	(1,071)	1,042	(202.8)	(866)	1,250	(169.3)
Contract work, pipe laying and rehabilitation	881	(431)	(304.4)	4,957	268	1,749.6
	(686)	(2,225)		10,729	5,564	
Finance costs	(347)	(307)		(1,443)	(1,123)	
Interest income	(18)	51		86	593	
(LOSS)/PROFIT BEFORE TAXATION	(1,051)	(2,481)	(57.6)	9,372	5,034	86.2
Income tax expense	771	120		(684)	(971)	
(LOSS)/PROFIT AFTER TAXATION	(280)	(2,361)	(88.1)	8,688	4,063	113.8
Non-controlling interests	76	114		(1,432)	(145)	
NET (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	(204)	(2,247)	(90.9)	7,256	3,918	85.2

(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 year ended 30 April 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.

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 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000	% + / (-)	Current Year Quarter 30/04/2020 RM'000	Preceding Year Quarter 30/04/2019 RM'000	% + / (-)
Revenue	20,657	18,731	10.3	110,857	129,780	(14.6)
Gross profit/(loss)	2,721	(5,522)	(149.3)	20,128	14,480	39.0
(Loss)/Profit before taxation	(1,051)	(2,481)	(57.6)	9,372	5,034	86.2
(Loss)/Profit for the period/year	(280)	(2,361)	(88.1)	8,688	4,063	113.8
(Loss)/Profit after taxation attributable to owners of the Company	(204)	(2,247)	(90.9)	7,256	3,918	85.2

For the current quarter under review, the Group recorded revenue of RM20.7 million, representing an increase of 10.3% compared to RM18.7 million recorded in the corresponding quarter of the preceding year.

Manufacturing, formulation and sales of resin, chemicals and building materials segment has increased revenue by 52.5% from RM8.9 million to RM13.6 million during the quarter as a result of the higher sales of resin and chemicals.

Recovery and sales of recycled products revenue was recorded at RM1.8 million, a decrease of 52.6% compared to RM3.7 million in the preceding year quarter. The decrease was due to lower sales order during the quarter resulted from the recent outbreak of pandemic COVID-19 in early 2020.

Contract work, pipe laying and rehabilitation segment has a decrease in revenue of 16.4% at RM4.9 million as compared to RM5.9 million in the preceding year quarter. The decrease was due to less jobs order received during the quarter.

The Group's loss before taxation was recorded at RM1.1 million for the current quarter as compared to RM2.5 million in the corresponding quarter of the preceding year. The Group has recognized an impairment loss to its goodwill amounting to RM2.2 million. Excluding this impairment, the group would report a positive result for its operation. The main reason of the improvement was due to the higher segment results in manufacturing, formulation and sales of resin chemicals, recovery and sales of recycled products and contract work, pipe laying and rehabilitation.

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

	Current Quarter 30/04/2020 RM'000	Preceding Quarter 31/01/2020 RM'000	% + / (-)
Revenue	20,657	30,251	(31.7)
(Loss)/Profit before taxation	(1,051)	2,340	(144.9)

Revenue for the current quarter decreased by 31.7% as compared to the immediate preceding financial quarter which was due to decrease in manufacturing, formulation and sales of resin chemicals and Contract work, pipe laying and rehabilitation segments. Profit before taxation decreased by 144.9% compared to the immediate preceding financial quarter due to fair value changes of equity investments and goodwill impairment.

3. Prospects

The Group anticipates the business environment to be tough and challenging in the view of the Covid-19 Pandemic that triggered Recovery 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 30 April 2020 are as follows:-

	Current Quarter 30/04/2020 RM'000	Year To Date 30/04/2020 RM'000
Current Tax		
Malaysian income tax charge	(1,432)	23
Foreign income tax charge	661	661
	(771)	684

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 30/04/2020 RM'000	Year To Date 30/04/2020 RM'000
Total net purchase of investments in quoted shares	25,312	37,202

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

	30/04/2020 RM'000
Total investments at cost	134,659
Total investments at carrying value	109,268
Total investments at market value	109,268

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 2020		
	Long-Term RM'000	Short -Term RM'000	Total Borrowings RM'000
<u>Secured</u>			
Denominated in RM			
Lease liabilities	49	91	140
Bill payables	-	8,002	8,002
Margin trading	-	30,542	30,542
Term loans	7,373	445	7,818
	<u>7,422</u>	<u>39,080</u>	<u>46,502</u>
Denominated in SGD			
Lease liabilities	3,205	703	3,908
Term loans	2,434	187	2,621
	<u>5,639</u>	<u>890</u>	<u>6,529</u>
	<u>13,061</u>	<u>39,970</u>	<u>53,031</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

No dividend has been declared for the current financial quarter ended 30 April 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
	30/04/2020	30/04/2019	30/04/2020	30/04/2019
Net (loss)/profit attributable to ordinary shares (RM'000)	(204)	(2,247)	7,256	3,901
Weighted average number of ordinary shares ('000)	108,954	108,954	108,954	109,679
Basic earnings per share (sen)	(0.19)	(2.06)	6.66	3.56

(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. (Loss)/Profit Before Taxation

Individual Current Year Quarter 30 April 2020 RM'000	Cumulative Current Year Quarter 30 April 2020 RM'000
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(Loss)/Profit before taxation is arrived at after charging/(crediting):-

Interest expense	347	1,443
Depreciation and amortisation of:		
- property, plant and equipment	(301)	3,551
- right-of-use assets	1,907	2,814
- investment properties	726	726
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	311	1,428
Impairment of goodwill	2,222	2,222
Staff costs	1,690	8,365
Foreign exchange (gain)/loss		
- realised	923	391
- unrealised	(568)	(568)
Interest income	18	(86)
Dividend income	(229)	(5,620)
Gain on disposal of equipment	(20)	(52)
Rental income	(330)	(1,410)

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 29 June 2020.