



**ANALABS
RESOURCES
BERHAD**
(468971-A)

ANNUAL REPORT
2017



REDUCING WASTE FOR A BETTER ENVIRONMENT
Corporate Social Responsibility - Recycling Waste Since 1980



**Reducing Waste For
A Better Environment**

Corporate Social Responsibility -
Recycling Waste Since 1980



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Kan Yow Kheong
Executive Chairman

Lim Yoke Soo
Executive Director

Kan Mun Hoow
Executive Director

Low Chin Ann @ Han Chin Ann
Senior Independent Non-Executive Director

Lai Yew Choong
Independent Non-Executive Director

Tan Suat Eam
Independent Non-Executive Director

Clifton Heath Fernandez
Independent Non-Executive Director

COMPANY SECRETARIES

Cynthia Gloria Louis (MAICSA 7008306)
Chew Mei Ling (MAICSA 7019175)

REGISTERED OFFICE

Unit 621, 6th Floor, Block A
Kelana Centre Point
No. 3 Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03 7880 9699
Fax : 03 7880 8699

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(Company No. 378993-D)
Level 6 Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03 7841 8000
Fax : 03 7841 8151/03 7841 8152

AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

Tel : 03-2788 9999
Fax : 03-2788 9998

PRINCIPAL BANKERS

Malayan Banking Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
DBS Bank Ltd.
United Overseas Bank Limited Co.
Standard Chartered Bank (Singapore) Limited
Oversea-Chinese Banking Corporation Limited

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock name : ANALABS
Stock code : 7083

WEBSITE

www.analabs.com.my



GROUP STRUCTURE

As at 30 August 2017



MALAYSIA

100%	COVERIGHT SURFACES MALAYSIA SDN BHD
100%	CENTRALISED WASTE TREATMENT PLANT SDN BHD
100%	INAGRO SDN BHD
100%	LUX DISTRIBUTOR SDN BHD
100%	MASMERU SDN BHD
100%	M-FIELD SDN BHD
100%	QSP CHEMIE (M) SDN BHD
100%	RESOURCES CONSERVATION SDN BHD
100%	STRIKETECH SDN BHD
100%	SYNTAX SYSTEM SOLUTIONS SDN BHD
100%	THE ANALYTICAL LABORATORIES (MALAYSIA) SDN BHD
100%	SAPPHIRE LIFESTYLE SDN BHD
100%	GLOBAL PACIFIC PETROLEUM SDN BHD
100%	Hysper Manufacturing (M) Sdn Bhd

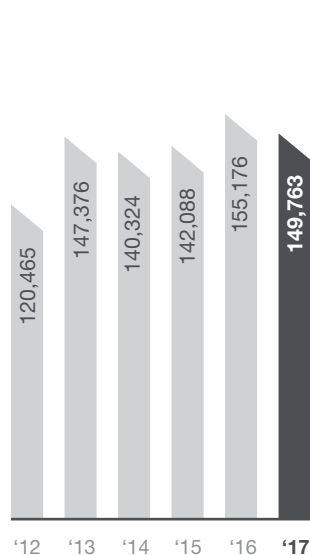
SINGAPORE

99.99%	AL RESOURCES PTE LTD
100%	CLEANWAY DISPOSAL SERVICES PTE LTD
63%	Singapore Analabs Pte Ltd
100%	Toh Ban Seng Contractor Pte. Ltd.
100%	Ban Tiong Soon Contractor Pte. Ltd.

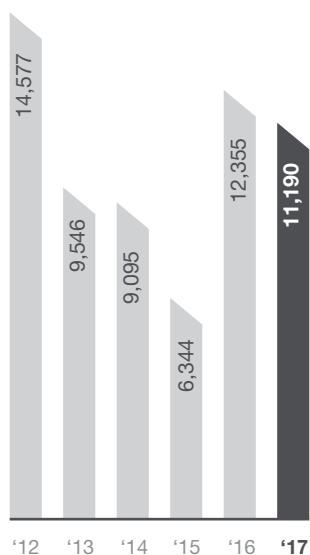
FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2012	2013	2014	2015	2016	2017
TURNOVER (RM'000)	120,465	147,376	140,324	142,088	155,176	149,763
PROFIT AFTER TAXATION (RM'000)	14,577	9,546	9,095	6,344	12,355	11,190
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	14,577	9,546	9,695	6,879	13,254	11,108
NET EARNINGS PER SHARE (sen)	24.64	16.46	16.88	12.11	23.57	19.79
NET ASSETS (RM'000)	158,787	163,257	207,022	209,914	221,252	235,394
NET ASSETS PER SHARE (RM)	2.70	2.83	3.64	3.75	3.98	4.23
DIVIDEND RATE PER SHARE (%)	5.00	5.50	4.13	3.00	3.00	3.25

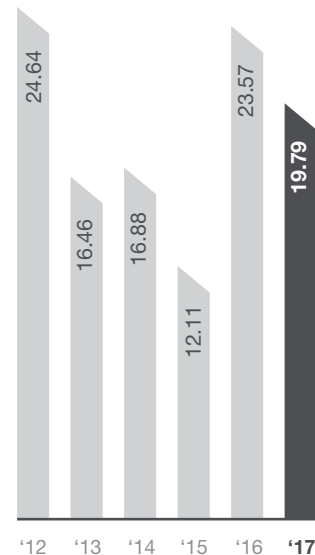
TURNOVER
(RM'000)



PROFIT AFTER TAXATION
(RM'000)



NET EARNINGS PER SHARE
(sen)



PROFILE OF DIRECTORS

KAN YOW KHEONG

Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, Male, aged 63, was appointed to the Board of Analabs as the Executive Chairman on 19 November 1999. Mr. Kan, who is also the major shareholder, joined The Analytical Laboratories (Malaysia) Sdn Bhd (TAL) as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

Having successfully completed the Top Management Program from the Manila-based Asian Institute of Management in 1988, he went on to obtain his Diploma in Marketing Management from CIM (UK) and finally Honours in MBA from Oklahoma City University, USA.

He has attended all five (5) Board Meetings held during the financial year. He is the father of Mr. Kan Mun Hoow, who is the Executive Director and has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LIM YOKE SOO

Executive Director

Mr. Lim Yoke Soo, a Malaysian, Male, aged 66, was appointed as the Executive Director of Analabs on 20 August 2010. Mr. Lim graduated with a Bachelor of Science (Honours) in Chemistry from Nanyang University Singapore. In 1976, he began his career as a Process Engineer with National Semiconductor (M) Sdn. Bhd. and later joined The Analytical Laboratories (M) Sdn. Bhd. in 1978 as a Laboratory Chemist. Mr. Lim graduated with a Diploma in Management from the Malaysian Institute of Management. To date, Mr. Lim has accumulated more than 30 years of experience in project management of waste water, pure water treatment plants and marketing for waste recycling jobs. He was also appointed as a Director of several private limited companies.

Mr. Lim has attended five (5) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

KAN MUN HOOW

Executive Director

Mr. Kan Mun Hoow ("Mr. MH Kan"), Malaysian, Male, aged 37, was appointed to the Board of Analabs as the Executive Director on 9 March 2017. He graduated with a degree in Mechanical Engineering (Hons) in year 2002 from Western Michigan University (USA). Upon completion of his studies, he joined Resources Conservation Sdn Bhd ("RCSB") as a Junior Engineer from 2002 to 2007. During his tenure in RCSB, he continued with his education in SEGI College and graduated with a Diploma in Accounting. He is a member of the Chartered Institute of Management Accountants (CIMA), Malaysian Institute of Accountants (MIA) and Institution of Engineers of Malaysia. He joined Coveright Surfaces Malaysia Sdn Bhd ("CSM") on 1 December 2010 as Technical Services Engineer and was promoted as Factory Manager and subsequently a Director of CSM on 6 July 2011, a position he holds until to date.

He is the son of Mr. Kan Yow Kheong, the Executive Chairman and the major shareholder of Analabs.

As Mr. MH Kan only joined the Board on 9 March 2017, he has only attended one (1) meeting held subsequent to his appointment during the financial year. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

PROFILE OF DIRECTORS

Cont'd

LOW CHIN ANN @ HAN CHIN ANN

Senior Independent Non-Executive Director

Mr. Low Chin Ann @ Han Chin Ann, a Malaysian, Male, aged 37, was appointed to the Board of Directors of Analabs on 1 December 2012 as an Independent Non-Executive Director and was identified as the Senior Independent Non-Executive Director of Analabs on 5 January 2015. Mr. Low is a Fellow of the Chartered Certified Accountant (FCCA) since 2008 and holds a Diploma in Computer Science awarded by FTMS-ICL and Certified Accounting Technician awarded by the Association of Chartered Certified Accountants both in year 1999. Mr. Low started as a Tax Executive in RKT Tax Services in year 2001. He then left RKT Tax Services and joined KLC Higher Studies as a lecturer till end of 2002.

He was a Course Director at Kolej Kasturi in CAT-Academic from 2003 to 2006 before he joined FTMS Global Singapore in 2007. Currently, he is an

ACCA Course Advisor for Methodist College and acting as a consultant of his own firm, CA Advisory providing corporate training and seminars. He is also an adjunct technical advisor for Thenesh, Renga & Associates as well as a visiting lecturer for Citypro Educare (Johor) and various universities in China. He is also a member of the examination team of an internationally recognised professional accountancy body since 2009.

Mr. Low is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee. He has attended five (5) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LAI YEW CHOONG

Independent Non-Executive Director

Mr. Lai Yew Choong, a Malaysian, Male, aged 69, was appointed to the Board of Directors of the Company on 1 December 2012 as an Independent Non-Executive Director. Mr. Lai holds a Senior Cambridge awarded by University of Cambridge in year 1965. He started his banking career at Bank of America Kuala Lumpur in 1965 in the Trade Finance Department and was promoted to Chief Dealer of Foreign Exchange in 1973. He joined Bank Bumiputra Malaysia in 1973 to set up Foreign Exchange/Money Market Division and carried the position as the Bank's Chief Dealer/ Treasury Head and was responsible for setting up the Bank's International Dealing Rooms in London, Hong Kong, Tokyo, Singapore and New York. Mr. Lai assumed various positions in Bank Bumiputra Malaysia from Manager, Marketing & Public Affairs (1980-1985), Manager, Correspondent Banking (1985-1986) and Manager, Financial Institutions (1986-1987). He then joined United Asian Bank in 1987 as Deputy General Manager, Treasury & International Banking as part of Bank Negara Malaysia's team to revamp the Bank's operations and remained as Senior Vice President in

1992 after the merger with Bank of Commerce Berhad before he was appointed as Director of Bank of Commerce International Ltd, Labuan from 1995 to 1997. Mr. Lai was the Senior Vice President, Treasury & International Banking of Malaysian French Bank (now known as Alliance Bank) from 1995 to 1997. He then joined Malaysian Plantations Berhad as General Manager to set up and head its financial derivative subsidiary Matrix Core Options & Futures Sdn Bhd. He was appointed as an Executive Director of Matrix Core Options & Futures Sdn Bhd from 1999 until retirement in 2001.

Mr. Lai is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He has attended five (5) Board Meetings during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

PROFILE OF DIRECTORS

Cont'd

TAN SUAT EAM

Independent Non-Executive Director

Ms. Tan Suat Eam, a Malaysian, Female, aged 65, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director.

Ms. Tan graduated with a BSc (Chemistry) from USM Penang and holds a Diploma in Management Programme from Malaysian Institute of Management. She is currently a Partner of Adant Management PLT that provides project management and consultancy for environmental and sustainability management in various environmental projects in relation to air and water pollution monitoring and control, waste management, green productivity, environmental management systems, environmental audit, and sustainability reporting. Ms. Tan also conducts training and assessment on organisational environmental performance.

She has attended five (5) Board Meetings during the financial year. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.

CLIFTON HEATH FERNANDEZ

Independent Non-Executive Director

Mr. Clifton Heath Fernandez, a Malaysian, Male, aged 45, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director.

Mr. Clifton is a fellow of the Chartered Certified Accountants (UK). He holds a Diploma Management from Malaysian Institute of Management and a Certified Lead Auditor from Germany DAKKS, UKAS. He is also a Chartered Internal Auditor, IIA, Certified Accounting Technician, CAT and a member of Chartered Quality Institute, UK.

Mr. Clifton is currently the Certification Director of Royalcert International Registrar, South East Asia Region and the Managing Director of RCERT (SEA) Sdn Bhd.

His career has encompassed a spectrum of industries, involving Standards and Improvement in projects, Compliance, Quality, Financial, Auditing, Education, Human Resources and Credit Control. He conducts Training, Certification Audits & Placement Consultancy for clients in South East Asia Region.

Mr. Clifton also acts as an independent reviewer and evaluation body to ensure that compliance issues/concerns with the organisation are being appropriately evaluated, investigated and resolved.

He has attended five (5) Board Meetings during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

Note: Directors' shareholdings

The details of the Directors' shareholdings in the Company and its subsidiaries are disclosed on page 37, page 38 and page 114 of this Annual Report.

PROFILE OF **KEY SENIOR MANAGEMENT**

MR. KAN YOW KHEONG

Executive Chairman

For his profile, kindly refer to the Directors' Profile on page 5 of this Annual Report.

MR. LIM YOKE SOO

Executive Director

For his profile, kindly refer to the Directors' Profile on page 5 of this Annual Report.

MR. KAN MUN HOOW

Executive Director

For his profile, kindly refer to the Directors' Profile on page 5 of this Annual Report.

MS LAI NYUK MOI

Ms. Lai Nyuk Moi, a Malaysian, Female, aged 48, is a Chartered Certified Accountant, a member of the Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA). Ms. Lai joined Centralised Waste Treatment Plant Sdn Bhd as a trainee on 1 March 2000 after graduating from high school. Ms. Lai possesses more than 15 years of experience in various divisions in the Analabs Group including Administration & Accounting, Production, Purchasing and Marketing. Ms. Lai assumed her role as the Finance Manager of the Group on 1 January 2013.

She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Analabs Resources Berhad and its subsidiaries (now referred to as “Analabs” or “the Group”), I am pleased to present the Annual Report for the financial year ended 30 April 2017 (“FYE2017”).

Analabs which started in the recycling of waste have strategically invested in financial assets and have gained a market presence in the business of trading in building materials, and property investment. Analabs remain focused on its core competencies and through prudent management of investment have remained market competitive in its businesses. Analabs have continued to deliver its growth strategies by generating profit to create long term shareholders' value.



CHAIRMAN'S STATEMENT

Cont'd

OPERATING ENVIRONMENT

The Year 2017 was a difficult year with lower profits compared to the financial year 2016.

The revenue from Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials and the Recovery and Sale of Recycled Products has decreased.

The performance of the two Singapore subsidiaries namely, Toh Ban Seng Contractor Pte. Ltd. and Ban Tiong Soon Contractor Pte. Ltd., whose principal activities are pipe laying and rehabilitation works remained challenging due to the effect of the current economic crisis. We have restructured these two subsidiaries by downsizing its workforce to reduce the operating costs, thereby stopping the losses in the financial year 2017.

GROUP'S RESULTS

The Group, recorded a revenue of RM149.76 million for FYE2017, which has approximately decreased by 3.5% as compared to RM155.17 million recorded for financial year ended 30 April 2016 ("FYE2016").

For the FYE2017, the Group has recorded a profit before tax of RM14.94 million as compared to profit before tax of RM15.28 million in the FYE2016. The lower PBT was mainly due to the decrease in the revenue of Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment.

As at 30 April 2017, the Group's statements of financial position remained healthy with net assets of RM235.39 million or RM4.23 per share.

The financial position of the Group remains healthy mainly due to prudent management. Cash and Cash equivalents increased to RM40.36 million as compared to RM33.09 million in FYE2016.

DIVIDEND AND SHARE BUY BACK

The Group's track record over the years is testament to its staying power and strength. Analabs is and will always, remain, committed to delivering long-term value to shareholders.

As part of the Group's on-going efforts to reward the shareholders, the Group paid out an interim single tier dividend of 3.25 sen per ordinary share.

As at 30 April 2017, the Company held treasury shares totalling 3,919,400 out of its 60,024,000 issued ordinary shares.

LOOKING FORWARD

The current global market is challenging to the Group due to uncertainty of the oil prices and global economy. Analabs will explore suitable business opportunities and continue to be more selective in investment opportunities in order to position our business for future growth.

Continuous efforts would be made to develop talent and improve business efficiencies so that we remain well positioned to deal with the changing economic environment.

With the above business strategy, we will strive to maintain our market share, sustain business viability to maintain growth and achieve higher revenue and profit.

Management is currently cautiously optimistic on the future growth prospects of the Group for the coming financial year amid the economic challenges faced globally.

DIRECTORATE

During the year, Mr. Lim Chee Beng resigned from the Board. On behalf of the Board, I would like to express our gratitude for his guidance and support rendered during his tenure as a member of the Board.

Further, I would like to welcome Mr. MH Kan on his appointment as the Executive Director on 9 March 2017.

ACKNOWLEDGEMENT

I personally would like to extend my appreciation to my fellow directors, Mr. Lai, Mr. Low, Ms. Tan, Mr. Clifton, Mr. YS Lim and Mr. MH Kan for their valuable insight, guidance and dedication towards the improvement of Analabs. In the near term, our emphasis will be to source and train new talent to meet the global financial crisis.

On behalf of the Board, I wish to extend my many thanks to our auditors Crowe Horwath, our tax agents, Deloitte Tax, our internal auditors, RSM and our entire management team, all our employees and the directors within the Group for their unwavering determination, hard work, and commitment to work through this difficult years. I also wish to extend my deepest appreciation to our valued customers, business partners and shareholders for their steadfast support and confidence in us.

Y K KAN

Executive Chairman

MANAGEMENT DISCUSSION **AND ANALYSIS**

BUSINESS AND OPERATION OVERVIEW

The Group have 5 diversified business segments which include:

- (i) Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials;
- (ii) Recovery and Sale of Recycled Products;
- (iii) Culture and Sale of Prawns;
- (iv) Investment Holding and Property Letting; and
- (v) Contract Work, Pipe Laying and Rehabilitation.

The 2 major segments which contributing the highest results to the Group are:

- (i) Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials; and
- (ii) Recovery and Sale of Recycled Products.

Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment is the main contributor to the Group results for financial year ended 30 April 2017 (“FYE2017”). Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials activities cover the ASIA PACIFIC region spreading our business risk of just being local but also is exposed to foreign competition. To be competitive in this business segment, the Group employs the best GERMAN machinery and technology with lean manufacturing practice. The product produced is used in the furniture market and is known as low pressure melamine which in turn produces a value added surface product for timber products. It also covers distribution of building materials and chemicals which is in line with the manufacturing value chain with the end product used to furnish houses with floor and furniture.

The main obstacle for this segment is that it continues to face price competition from China manufacturers and also the fluctuation of foreign exchange. Moreover, more China players are coming into this region to compete for a slice of the current shrinking cake. Mitigation steps are taken in order to streamline our overheads with efficiency in mind. Economy of scale and human capital continue to be the focus to maintain our position in the market.

Recovery and Sale of Recycled Products segment is the second contributors to the results for FYE2017. Recovery and Sale of Recycled Products services covered hazardous industrial waste to domestic waste. The activities involve the Group pioneering core business as a professional waste management company that has set industry benchmarks time and again with its innovative and environment friendly recycling practices to satisfy our customer requirements.

The coming challenge ahead is to create awareness with the end users to practice proper waste disposal and segregation. There is a need to continue reinforcing our market position by innovating more customized recycle products with the wind of change of industry demand such as handphone and hybrid battery.

To sustain the Group’s position, emphasis is placed upon human talents and innovation of business model with today’s business platform the likes of Amazon and Alibaba.

MANAGEMENT DISCUSSION **AND ANALYSIS**

Cont'd

FINANCIAL REVIEW

For the FYE2017, the Group achieved a revenue of RM149.76 million which represented a decrease of 3.5% or RM5.41 million lower than preceding financial year ended 30 April 2016 ("FYE2016"). The decrease in revenue was mainly due to the lower export from Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment.

The Group's gross profit margin dropped from 21% in FYE2016 to 19.4% in FYE2017. The decrease in gross profit margin was mainly due to the higher production overheads and higher labour cost.

The Administration and Other Operating Expenses have reduced by RM4.39 million in the FYE2017 due to the reduction in staff costs.

For the FYE2017, the Group recorded a profit before tax of RM14.94 million as compared to profit before tax of RM15.28 million in the FYE2016. The lower profit before tax is mainly due to the decrease in revenue of Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment.

As at 30 April 2017, the Group's statements of financial position remained healthy with net assets of RM235.39 million or RM4.23 per share. During FYE2017, the Cash and Cash equivalents increased to RM40.36 million as compared to RM33.09 million in FYE2016.

BUSINESS OUTLOOK & STRATEGY

The current global market scenario is not conducive as demands and housing numbers fall as re-caution taken due to the last housing bubble. This scenario couple with the increase of raw material and wages pushes further the outlook of the time to come. Analabs will continue to be more selective in investment opportunities in order to position our business for future growth. In the next few years, we aim to source for the right personnel towards achieving our succession plan.

Continuous efforts will be made to develop talent and improve business efficiencies so that we remain well positioned to deal with the changing economic environment. With the above business strategy, we will strive to maintain our market share, sustain business viability to maintain growth and achieve higher revenue and profit.

The management is currently cautiously optimistic on the future growth prospects of the Group for the coming financial year amid the economic challenges faced globally.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

The Company is driven by the belief that in pursuit of our business objectives, we need to strike a balance between profitability and our contribution to the environment and society in which we operate. With such belief, the Company is committed and uses its best endeavour to integrate Corporate Social Responsibility (“CSR”) practices into its day to day business operations.

BUSINESS ENVIRONMENT

The Company recognises the impact of its day to day business on the environment. As such, the Company is committed by implementing environmentally friendly work processes while raising the environmental awareness among its staff.

The Company has undertaken the following initiatives as an integral parts of its business operations and practices by contributing to the welfare of its employees, stakeholders, the general public and the environment it operates:-

Environmental Awareness

The Company is committed to prevent pollution through environmental controls, minimization of wastes and efficient use of all the energy in line with the Company’s motto “Reducing Waste for A Better Environment”. Analabs is a pioneer in recycling of waste management. The Company has engaged competent consultants to conduct Air Emission/Pollution Monitoring and Noise Monitor to ensure that our operations meet the requirements set by the various authorities. The Company has its environment team to promote environmental awareness and in the conservation of the environment. In addition, we also communicate to our customers, suppliers, contractors, shareholders and the public on our commitment to environmental protection and conservation.

With the CSR Charter in mind, we are committed to preserve pollution through minimization of waste. We are obliged to ensure that our operations do not degrade the environment. The Company has over the years undertaken its fair share to conserve the environment including:-

1) Scheduled Waste Management

All scheduled waste will be packed according to the requirements of Department of Environment.

2) Non-Scheduled Waste Management

All non-scheduled waste will be disposed by licensed contractor at industrial waste dump site.

3) Chemical Health Risk Assessment

As various chemicals are used in our production process, we have engaged a registered Chemical Health Risk Assessor to carry out the assessment.

Our subsidiaries incorporated an Intergrated Management System Culture encompassing ISO9001, ISO18001 & ISO 14001 respectively.

Our effort in undertaking the protection of our environment is part of our commitment to maintain our standard towards environmental control.

CONTRIBUTION TO THE COMMUNITY

Charitable Contributions

Our efforts in undertaking CSR are part of our commitment and mission in managing our business responsibility towards ensuring all the shareholders have benefited in one way or another.

We continue to play our part as a responsible corporate citizen and discharging our social responsibilities through active participation in all the CSR programs.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

Cont'd

EMPLOYEES' WELFARE

In today's competitive environment, the most important contribution to the Company's growth is its employees. As part of our CSR, the Company has initiated the following activities to promote the welfare of all our employees:-

(i) **Safety & Health Team**

The Company has its in-house Occupational Safety & Health Committee which meet at least once quarterly to discuss on the safety and health related issues concerning the employees, plant & equipment and also the working environment. The Committee shall continue to improve the Company's safety & health performance by proactively providing awareness and programs for our employees in relation to a safe workplace.

(ii) **Human Capital Development**

The Company believes that its human capital forms the backbone of the organisation. The Group human resource's solution is thus very closely aligned to its business priorities as the Group recognises the symbiosis between an organisation and its human capital. The Company recognises that by aligning its growth strategy to external changes and mobilising its people to act quickly and vigorously in response to these changes is critical to the Group's continued growth. The Company has a policy of providing training for all level of staff. The Group contributes to Human Resource Development Fund and is committed to the development and training of the employees to enhance their respective skills and competencies.

(iii) **Emergency Response Team**

An Emergency Response Team (ERT) is formed to assist Management and employees during any emergencies to ensure that all the employees are aware of their own safety during fire and that the Company's properties and materials are well protected from any accident or mishap.

We think that our employees are behind the success of the Company and they remain our long term valuable assets in ensuring the Company's long term sustainability.

FSC CERTIFIED

Our subsidiary have been certified to FSC chain of custody on related material for production.

STATEMENT ON **CORPORATE GOVERNANCE**

The Board of Directors (“the Board”) of Analabs Resources Berhad (“Analabs”) believes that good corporate governance is fundamental to the Group’s continued success. Therefore, the Board is committed in ensuring that the highest standards of Corporate Governance, are practiced throughout Analabs, as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the organization.

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance (“the Code”) in its effort to observe high standards of transparency, accountability and integrity. The Group believes that good corporate governance will help to realize long term shareholders’ value, whilst taking into account the interest of other stakeholders.

The following paragraphs describe how the Group has applied the Principles and Best Practices of the Code.

SECTION 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Roles and Responsibilities of the Board and Management

The Board retains full and effective control over the affairs of the Company and the Group. This includes responsibility for determining the Company’s and the Group’s development and overall strategic direction which are as follows:

- a. Reviewing and providing guidance on the Company’s and Group’s corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long range business plans, reviewing major capital expenditures, acquisitions and disposals and any material agreements.
- b. Monitoring corporate performance and the conduct of the Group’s business and to ensure compliances to best practices and principles of corporate governance.
- c. Identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Audit Committee and the Steering Committee.
- d. Ensuring and reviewing the adequacy and soundness of the Group’s financial system, internal control systems and management information system that they are in compliance with the applicable standards, laws and regulations.
- e. Ensuring a transparent Board nomination and remuneration process ensuring the skills and experiences of the Directors are adequate for the discharge of their responsibilities whilst the caliber of the Non-Executive Directors bring an independent judgment in the decision making process.

In normal course of events, day to day management of the Company will be in the hands of Management and under the stewardship of the Executive Chairman.

The following matters which are not exhaustive, require approval from the Board, except where they are expressly delegated by the Board to the respective Committees, the Executive Chairman or another nominated member of the Management team:-

- Approval of corporate strategic plans and directions;
- Expansion of the Group’s activities into new business;
- Approval of material acquisitions, and disposal of undertakings and properties that exceed the authority limits delegated to members of management;
- Recommendation to shareholders for approval on authority for share buy back;
- Approval of major capital commitments and capital expenditure;
- Appointment of Board members, Board Committee members and the Company Secretary;
- Appointment, reappointment of the external auditors to be put to the shareholders for approval in general meeting, following the recommendation of the audit committee;
- Approval of policies such as Code of Conduct, Whistleblowing policy;
- Any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act, 2016, the Main Market Listing Requirements, the Company’s Articles of Association, terms of reference of the Board Charter and any other applicable rule.

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES Cont'd

Board Charter

The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with its management and shareholders. The Board Charter is reviewed periodically. The Directors had on 27 June 2016 conducted a review on the Board Charter to ensure that the updates on relevant laws and regulations are duly incorporated. More information on the Board Charter can be found on the Company's website at www.analabs.com.my.

Code of Ethics and Conduct

The Board is committed to the highest ethical standards and is expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. The Code of Ethics and Conduct can be viewed at the Company's website at www.analabs.com.my.

Whistle Blowing Policy

Employees or persons who have been aggrieved or have concerns to raise can raise them to their immediate superior, Executive Chairman or the Senior Independent Non-Executive Director. The Whistle Blowing Policy can be viewed at the Company's website at www.analabs.com.my.

Succession Planning

The Board recognizes that succession planning is an ongoing process designed to ensure that the Group identifies and develops a talent pool of personnel through mentoring and training for management positions that become vacant due to retirement, resignation, death or disability and/new business opportunities.

Sustainability of Business

The Board is mindful of the importance of business sustainability and in developing the corporate strategy of the Group, its impact on the environment, social and governance aspects are taken into consideration.

Supply of Information and Advice

The Board meets at least four (4) times a year to consider the quarterly financial results and to review operational performance. Additional meetings are convened as and when necessary. Directors are given due notice of proposed meetings to allow them to plan ahead and to maximize their participation. The relevant Board Papers are disseminated electronically to the Board members in advance to facilitate active participation and informed decision making. The Directors may participate in meetings via audio or video conference.

The Board has unrestricted and immediate access to Management and information on the affairs of the Group, including but not limited to business and operations of the Group and governance matters. All Directors have access to the advice of the Company Secretary, Independent Professional Advisors and Internal/External Auditors in appropriate circumstances at the Company's expense. The Directors may convey their request to key senior management or the Company.

Company Secretary

The Company has appointed qualified named secretaries for the Group who possess the requisite qualification and they play a supportive role by ensuring adherence to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time.

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD

Board Composition and Balance

The Board of Directors consists of 7 members comprising:

- 1 Executive Chairman
- 2 Executive Directors
- 4 Independent Non-Executive Directors

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD Cont'd

Board Composition and Balance Cont'd

The Company complies with the criteria of Bursa Malaysia's Listing Requirements of having at least one third or two of the board members as Independent Non-Executive Directors and the Principle 4.1 of the Code which states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The profile of each of the Directors is presented on page 5 to page 7 of this Annual Report.

Clear Roles and Responsibilities

The Board has delegated to the Executive Chairman, the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time to time. The Board is mindful that Executive Chairman is responsible for the overall leadership and efficient functioning of the Board and day-to-day management of the Company and its subsidiaries (Group) but is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient check and balance. Given that there are four experienced Independent Directors representing more than 50% of the Board, the Board collectively would be able to function independently of management. The Board is of the view that it is in the interest of the Company to maintain the above arrangement so that the Board could have the benefit of a chairman who is knowledgeable about the businesses of the Group, capable of guiding discussions at Board meetings and who is able to brief the Board in a timely manner on key issues and developments.

The Independent Directors are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They are actively involved in various Board Committees and provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

It is a mandatory practice to have the Directors concerned to declare their interests and abstain from the decision making when a potential conflict of interest arises.

Board Committees

The Board has delegated certain responsibilities to several Committees, which operate within the clearly defined terms of reference. The Chairman of the various committees will report the outcome of the committee meetings to the Board and such reports are incorporated in the minutes of meeting. The various committees are as follows:-

Committee	Chairman
Audit Committee	Mr. Low Chin Ann @ Han Chin Ann
Nomination Committee	Mr. Low Chin Ann @ Han Chin Ann
Remuneration Committee	Mr. Low Chin Ann @ Han Chin Ann

Audit Committee

The composition, responsibilities and the activities of the Audit Committee during the financial year are set out separately in the Audit Committee Report on page 30 to page 33 of this Annual Report. The detailed terms of reference can be viewed at the Company's website at www.analabs.com.my.

Nomination Committee

(a) Constitution, Purpose and Terms of Reference

The Nomination Committee was established on 25 June 2001. The Nomination Committee's primary function among others is to consider suitable new nominees for appointment as Directors of the Company. The Committee assesses the performance of the Directors on an on-going basis. The actual decision stipulating who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Nomination Committee. The terms of reference of the Nomination Committee can be viewed at the Company's website at www.analabs.com.my.

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD Cont'd

Nomination Committee Cont'd

(b) Composition

The Nomination Committee comprises three (3) members who are exclusively Independent Non-Executive Directors.

The present members of the Nomination Committee of the Company are:

- (i) Mr. Low Chin Ann @ Han Chin Ann (Senior Independent Non-Executive Director; Chairman)
- (ii) Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
- (iii) Mr. Clifton Heath Fernandez (Independent Non-Executive Director; Member)

(c) The Nomination and Election Process of Board Members are as follows:-

Appointment of New Directors

The Board does not set specific criteria for the assessment and selection of candidate for appointment as director. Consideration would be taken on the need to meet the regulatory requirement such as the Companies Act, 2016 and Main Market Listing Requirements, the experience, integrity, wisdom, independence of the candidate, ability to make analytical enquiries, ability to work as a team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

The Nomination Committee is responsible to recommend candidates to the Board to fill vacancies arising from resignation, retirement or other reasons or if there is a need to appoint additional directors with the required skill or profession to the Board in order to close the competency gap in the Board identified by the Nomination Committee. The potential candidate may be proposed by existing directors, senior management, shareholders or third party referrals.

Upon receipt of the proposal, the Nomination Committee is responsible to conduct an assessment and evaluation on the proposed candidate.

The assessment/evaluation process may include among others, a review of the candidate's resume, curriculum vitae and qualification. The Nomination Committee would also assess the candidate's integrity, wisdom, independence, ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

Upon completion of the assessment and evaluation of the proposed candidate, the Nomination Committee would make its recommendation to the Board. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Annual Assessment of Existing Directors and Board Committees

The directors who are subject to re-election and/or re-appointment at the next Annual General Meeting shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for their re-election and/or re-appointment.

The Nomination Committee had met two times during the financial year and had carried out an assessment of the performance of the Directors and the Board Committees including the Audit Committee and its members, evaluation of independence of its Independent Directors, reviewed the retirement of directors by rotation and eligible for re-election at the forthcoming Annual General Meeting as well as assessed and evaluated the suitability of the proposed candidate, namely Mr MH Kan as Director of the Company.

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD Cont'd

Nomination Committee Cont'd

(c) The Nomination and Election Process of Board Members are as follows:- Cont'd

Annual Assessment of Existing Directors and Board Committees Cont'd

The Nomination Committee had adopted the recommended evaluation criteria from the Corporate Governance Guide ("CG Guide") issued by the Bursa Malaysia Berhad to assess the effectiveness of the Board and its Committees. The criteria includes board mix and composition, quality of information and decision making and boardroom activities.

In addition, a review of the performance of the each individual director were carried out by the Nomination Committee based on the recommended criteria adopted from the CG Guide which include among others, calibre and personality of the Directors as well as their contribution.

As for the performance evaluation of the Nomination Committee and Remuneration Committee, the assessment criteria includes the committees' composition, contribution to the board's decision making, expertise, appointment as well as timeliness and quality of communication to determine the effectiveness of the Board Committees.

In respect of the assessment for the financial year ended 30 April 2017, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director, including the Executive Chairman are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate.

Re-election

In accordance with the Articles of Association, all Directors shall retire from office at each Annual General Meeting and may offer themselves for re-election. The Articles of Association also provide that all newly appointed Directors will be subject to retirement at the next Annual General Meeting and is eligible for re-election.

Remuneration Committee

(a) Constitution, Purpose and Terms of Reference

The Remuneration Committee was established on 25 June 2001.

Its primary function is to set the policy framework and to recommend to the Board on remuneration packages and benefits extended to Directors and key senior management of the Group, drawings from outside advice as necessary.

The Committee must moreover ensure that rewards and remuneration packages commensurate with each of their expected responsibilities and contribution to growth and profitability. This review process is conducted annually and appropriate recommendations are made to the Board for approval.

The determination of the remuneration package for Non-Executive Directors shall be a matter for the Board as a whole. The Director concerned shall abstain from deliberations and voting on decisions in respect of his individual remuneration package.

(b) Composition

The Remuneration Committee comprises three (3) Independent Non-Executive Directors.

The present members of the Remuneration Committee of the Company are:

- (i) Mr. Low Chin Ann @ Han Chin Ann (Senior Independent Non-Executive Director; Chairman)
- (ii) Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
- (iii) Mr. Clifton Heath Fernandez (Independent Non-Executive Director; Member)

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD Cont'd

Remuneration Committee Cont'd

(b) Composition Cont'd

The Chairman of the Remuneration Committee is elected among the Independent Non-Executive Directors. The Chairman shall attend all meetings of the Committee other than when matters concerning himself are under discussion.

The Company Secretary is the secretary of the Remuneration Committee. The Secretary shall maintain minutes of the proceeding of the Committee and circulate such minutes to all members of the Board.

(c) Rights

The Board must ensure that whenever necessary and reasonable for the performance of its function, the Remuneration Committee has the following rights:

- (i) to resource which are required to perform its duties;
- (ii) full and unrestricted access to any information pertaining to the Executive Directors;
- (iii) direct communication channels with key management staff such as personnel, accounts or independent consultants engaged by the Company; and
- (iv) to obtain independent professional or other advice.

The Remuneration Committee has the right to propose a remuneration package for the Directors; however, the Board shall have the ultimate authority to approve the remuneration package of the Director concerned.

(d) Functions

The functions of the Remuneration Committee include:-

- (i) to adopt a formal and transparent procedures for developing the policy on remuneration package; and
- (ii) to ensure the remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The remuneration package should comprise a number of elements, which include basic salary, bonus arrangement and certain non-cash benefits. In the case of Executive Directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the Board will take into consideration the level of remuneration based on their experience and level of responsibilities undertaken by particular Non-Executive Directors concerned.

(e) Meetings

Meetings of the Remuneration Committee shall be held at least once a year or more frequently as circumstances require to review the remuneration package of the Executive Directors. At least two (2) members must attend each meeting and the Chairman should attend all meetings of the Committee other than when matters concerning himself are under discussion.

There was one (1) meeting held during the financial year 2017.

Gender, Ethnicity and Age Group Diversity Policy

The Group does not practice discrimination on any form of gender, ethnicity and age group as the Group is an equal opportunity employer and in its selection for Board representation, the Company believes in, and provides equal opportunity to candidates based strictly on merits and are not driven by any gender, ethnicity or age bias.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD Cont'd

Directors' Remuneration

The Remuneration Committee will review and propose the remuneration of the Executive Directors to the Board. To assist the Committee in its function, the Committee may obtain the services of external parties in order to provide a fair determination of the salary. The remuneration that is proposed is based on industry standards and job responsibilities. The respective Director shall abstain from deliberating and voting on his/her own remuneration at the Board and Remuneration Committee meetings. The Directors' fees would be tabled to the shareholders for approval at the forthcoming Annual General Meeting.

The details of the remuneration of the Directors of Company and on Group basis are as follows:

Company	Salaries, bonuses and other benefits RM	Fees RM	Defined contribution benefits RM	Benefits-in-kind RM
Executive Directors	101,715	24,000	6,259	-
Non-Executive Directors	-	40,000	-	-
Total	101,715	64,000	6,259	-

Group	Salaries, bonuses and other benefits RM	Fees RM	Defined contribution benefits RM	Benefits-in-kind RM
Executive Directors	265,337	606,500	25,699	-
Non-Executive Directors	-	40,000	-	-
Total	265,337	646,500	25,699	-

The number of Directors whose remuneration falls into the following bands is as follows:-

Company	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	2	5
RM50,001 - RM 100,000	1	-	-	-

Group	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	1	5
RM50,001 - RM 100,000	1	-	-	-
RM150,001 - RM 200,000	1	-	1	-
RM350,001 - RM400,000	-	-	1	-

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 3: REINFORCE INDEPENDENCE

The Board consists of seven (7) members comprising the Executive Chairman, two (2) Executive Directors and four (4) Independent Non-Executive Directors.

The Board has complied with Paragraph 15.02 of the Main Market Listing Requirements which requires at least two directors or one-third of the Board, (whichever is the higher) to be Independent Directors. The presence of Independent Directors provides objectivity and independent judgment to decision making.

Principle 4 of the Code states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years tenure, the Independent Director may continue to serve on the Board subject to re-designation as Non-Independent Director. In exceptional circumstances, the shareholders may decide that an Independent Director can remain beyond the cumulative term of nine (9) years, subject to the Nomination Committee's assessment, Board's recommendation as well as strong justification to be provided to the shareholders at a general meeting. The Board composition was reviewed in line with the aforesaid principle and it was noted that none of its Independent Directors has reached the nine (9) years cumulative term in the Company.

Assessment on Independence of Directors

Criteria have been set to assess the independence of candidate for directors and existing directors based on the guidelines set out in the Main Market Listing Requirements.

On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

During the financial year, the Nomination Committee had carried out an annual assessment on the independence of the Independent Directors to ensure that the Board would be able to discharge its duties and responsibilities effectively. All the Independent Directors have fulfilled the independent criteria set by Bursa and confirmed that they are able to exercise independent judgment under all circumstances.

SECTION 4: FOSTER COMMITMENT

In accordance with the Listing Requirements, each member of the Board holds not more than five directorships in public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the group, thereby enabling them to discharge their duties effectively.

Board Meetings

The Board met 5 times during the financial year ended 30 April 2017.

The number of Board meetings held during the financial year 2017 and the attendance of the Board at the Board Meeting.

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
Kan Yow Kheong <i>Executive Chairman</i>	5/5	100
Lim Yoke Soo <i>Executive Director</i>	5/5	100
Kan Mun Hoow <i>Executive Director</i> <i>(Appointed w.e.f. 9 March 2017)</i>	1/1	100
Low Chin Ann @ Han Chin Ann <i>Senior Independent Non-Executive Director</i>	5/5	100

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 4: FOSTER COMMITMENT Cont'd

Board Meetings Cont'd

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
Lai Yew Choong <i>Independent Non-Executive Director</i>	5/5	100
Tan Suat Eam <i>Independent Non-Executive Director</i>	5/5	100
Clifton Heath Fernandez <i>Independent Non-Executive Director</i>	5/5	100
Lim Chee Beng <i>Independent Non-Executive Director</i> <i>(Resigned w.e.f. 22 June 2017)</i>	5/5	100

Directors' Training

On joining, new Directors are given background information on the Company and its activities. The Directors are also encouraged to attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates. All the Directors have completed the Mandatory Accreditation Programme pursuant to the Listing Requirements of Bursa Securities.

During the financial year, the Directors had attended a seminar relating to risk management ISO 37001:2016 anti-bribery management systems. In addition, Directors continuously receive briefings and updates on the Group's business and operations, finance, corporate governance, new regulations and statutory requirements.

The Company recognizes the importance of the continuous professional development and training for its Directors and the Directors will continue to evaluate and determine the other relevant training programmes to further enhance their knowledge in the latest statutory and regulatory developments as well as to keep abreast with developments in the business environment to enable them to discharge their responsibilities more effectively.

SECTION 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual reports and quarterly reports. The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors prior to submission to Bursa Securities.

The details of the Company and the Group's financial statements for the financial year ended 30 April 2017 can be found on pages 44 to 109 of the Annual Report.

Relationship with the Auditors

The Company always maintain a formal and transparent relationship with its external auditors in seeking their professional advice and ensuring compliance with the accounting standards in Malaysia. The Company's external auditors has and will continue to report to shareholders of the Company on their findings with respect to each year's Audit which are included in the Company's statutory financial statements. From time to time, the auditors highlight to the Audit Committee and Board of Directors on matters that require Board's attention through the issuance of management letters and reports.

The Audit Committee met up twice with the External Auditors without the presence of the Executive Chairman and Management during the financial year ended 30 April 2017.

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING Cont'd

Directors' Responsibility Statement for the Annual Audited Financial Statements

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 as to give a true and fair view of the state of affairs and the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements of the Group for the year ended 30 April 2017, the Directors have adopted appropriate accounting policies and applied them consistently, made prudent and reasonable judgments and estimates and ensured the applicable accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been followed. The financial statements have been prepared on a going concern basis.

The Directors acknowledge and are responsible for ensuring that proper accounting records are kept to reflect the reasonable accuracy of the financial position of the Company and the Group and to ensure the financial statements comply with all relevant rules and regulations.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Assessment of Suitability and Independence of External Auditors

The Audit Committee has formalized the procedures to assess the suitability and independence of the External Auditors vide an annual assessment of the suitability and independence of the External Auditors.

The Audit Committee considered, inter alia, the following factors:-

- The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- The engagement partner has not served for a continuous period of more than five (5) years with the Company;
- The external audit firm advises the Audit Committee on significant issues and new developments pertaining to risk management, corporate governance, financial reporting standards, and internal controls on a timely basis;
- The external audit firm consistently meets the deadlines set by the Company.

The Audit Committee noted for the financial year ended 30 April 2017, Messrs Crowe Horwath, the External Auditors of the Company had provided a written assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.

Upon completion of its assessment, the Committee was satisfied with Messrs Crowe Horwath's technical competency and audit independence during the financial year under review and recommended to the Board the re-appointment of Messrs Crowe Horwath as External Auditors for the financial year ending 30 April 2018. The Board has in turn, has recommended the same for shareholders' approval at the forthcoming Nineteenth Annual General Meeting.

SECTION 6: RECOGNISE AND MANAGE RISKS

Internal Control and Risk Management

The Group is committed to managing risk by identifying, analysing, evaluating and treating exposures that are likely to have an adverse impact on the operational performance and/or continued effectiveness of its operations. The Board views Enterprise Risk Management as the logical step in the pursuit of its corporate governance agenda and the fulfillment of its long-term corporate objectives towards protecting shareholders' investment and safeguarding organisational assets. Therefore, the Board has engaged a professional firm to conduct a risk assessment on the Group and to establish and formalise the risk management framework.

Information on the Group's internal control and the risk management framework is disclosed under the Statement on Risk Management & Internal Control on pages 27 to 29.

STATEMENT ON **CORPORATE GOVERNANCE**

Cont'd

SECTION 7: TIMELY AND QUALITY DISCLOSURE

Corporate Disclosure Policy

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Board observes the Corporate Disclosure Guide issued by the Bursa Securities which can be viewed from Bursa Securities' website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

SECTION 8: RELATIONSHIP BETWEEN THE COMPANY AND THE SHAREHOLDERS

Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and other stakeholders are well informed of all important issues and major developments of the Company and the information is communicated to them through the following documents:-

- I. Annual Report;
- II. The various disclosures and announcements made to Bursa Malaysia including the Quarterly Results and Annual Results; and
- III. Shareholders may obtain the Company's latest announcements via the Bursa Malaysia's website at www.bursamalaysia.com.my and the Company's website at www.analabs.com.my.

The Annual General Meeting ("AGM")

The notice of AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. There will be a commentary by the Chairman at the AGM regarding the Company's performance for each financial year and a brief review on current trading conditions. At each AGM, a platform is available to shareholders to participate in the question and answer session. Extraordinary General Meetings are held when required.

COMPLIANCE WITH THE CODE

The Company has substantially complied with the best practices of the Code during the financial year ended 30 April 2017.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 27 July 2017.

ADDITIONAL **COMPLIANCE INFORMATION**

The following disclosures are made in accordance with Part A of Appendix 9C of the Main Market Listing Requirement of Bursa Securities.

AUDIT FEES AND NON AUDIT FEES

The audit fees paid for the Company and on the Group basis for the financial year ended 30 April 2017 were RM66,000.00 and RM312,833.05 respectively.

There were no non-audit fees paid by the Company and on the Group basis to the external auditors or affiliates of auditors' firm for the financial year ended 30 April 2017.

UTILIZATION OF PROCEEDS

There were no proceeds raised from any corporate proposal or any utilization of such for the financial year ended 30 April 2017.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest either subsisting at the end of the financial year ended 30 April 2017 or enter into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

There were no Recurrent Related Party Transactions of a revenue or trading nature between the Company and its related parties.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance promulgates, inter-alia, the need for listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investment and Group's assets. The Board of Directors ("Board") of Analabs Resources Berhad is pleased to present the Statement on Risk Management & Internal Control (the "Statement") which is in compliance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and has taken into account the guidelines mentioned in the Statement on Risk Management & Internal Control (Guidelines for Directors of Listed Issuers).

RESPONSIBILITIES OF THE BOARD

The Board acknowledges its responsibility for ensuring the adequacy and effectiveness of the Group's Risk Management and Internal Control System. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets.

Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any systems of internal control and risk management where such systems being designed to manage, rather than eliminate, the risks that may impede the achievement of the Group's business objectives. Accordingly, it can only provide a reasonable, but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations.

The Group has established an ongoing process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. Any issue that affects the Group from achieving its business objectives are discussed in the Steering Committee meetings held during the financial year. Management is responsible for assisting the Board in implementing the processes for identifying, evaluating, monitoring and reporting risks and internal controls throughout the period.

For the financial year under review, the Board has received assurance from the Executive Director and Finance Manager that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the Group's risk management and internal control framework and systems are in place for the financial year under review and up to the date of issuance of the financial statements for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

The key elements of the Group's risk management and internal control system are described under the following headings:

INTERNAL CONTROL ENVIRONMENT

In striving to operate a sound system of risk management and internal control that drives the Group towards achieving its goals, the Board of Directors has put in place an organisation structure with formally defined lines of responsibility and delegation of authority.

The Board is responsible towards the overall effectiveness of the Group's risk management and internal control systems through establishing, directing and supervising the operation of a risk framework that adequately manages the various risks faced by the Group whilst the Audit Committee is overall responsible for providing assurance to the Board of Directors, as an independent party, on the effectiveness of the internal control systems and risk management in the Group.

The daily running of business is entrusted to the Executive Chairman and the management team. This close-to-operations management style enables timely identification and reporting of significant matters.

In order to inculcate a standard of ethical behaviour for directors and employees of the Group, a Code of Ethics & Conduct has been established and communicated to all directors and employees of the Group. The Group's Code of Ethics & Conduct is included in the Company's Board Charter.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Cont'd

RISK MANAGEMENT FRAMEWORK

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risk that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner. Management staffs are delegated with the responsibility of managing identified risks within defined parameters and standards.

The risk management process can be briefly summarised as follows:



This framework identifies the risks affecting the Group and forms the foundation in developing the audit plan for the Group. The internal audit plan is continuously reviewed by the Audit Committee and revised based on changes to the Group's business units/ functions.

INFORMATION AND COMMUNICATION

Following from a clear organisational reporting structure, information are communicated and disseminated to key management within the Group. Information critical to the achievement of the Group's business objectives are communicated through established reporting lines across the Group via the Steering Committee meeting. This is to ensure that matters that require the Board and Management's attention are highlighted for review, deliberation and decision on a timely basis.

The Audit Committee holds meetings to deliberate on the findings and recommendations for improvement by the internal auditor on the state of the internal control system and reports to the Board. The Audit Committee also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Cont'd

CONTROL AND MONITORING PROCESS

The Group's practice is guided by the Code of Ethics & Conduct. The Board is responsible for setting the Group's long-term business objectives and monitors the conduct of the Group's operations through various Board Committees. The processes adopted by the Board to monitor the effectiveness of the Group's internal control system are as follow:

- The Board and the Audit Committee meet to discuss matters raised by Management, Internal Auditors and External Auditors on business and operational matters.
- The Board has delegated the responsibilities to Management of the Group to implement and monitor the Board's policies on control.
- Delegation of authority is designed to ensure accountability and responsibility.
- Internal procedures and policies are documented.
- Steering Committee meetings are held during the financial year in order to assess the performance of the Group.

The monitoring, review and reporting arrangements in place give reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangement, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

Periodic reviews of adequacy and integrity of selected areas of internal control system are carried out by the internal audit function and results of such reviews are reported to the Audit Committee. The internal audit function thereby provides independent assurance on the areas reviewed by the internal audit function to the Board on the effectiveness of the Group's internal control system.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. There were no material losses that have arisen from any inadequacy or failure of the Group's system of internal control which required additional disclosure in the financial statements.

The improvement of the system of internal controls is an on-going process and the Board maintains on-going commitment to strengthen the Group's control environment and processes.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Internal Control Statement. Their review was performed in accordance with Recommended Practice Guide (RPG) 5: Guidance for Auditors on the Review of Directors' Statement on Internal Control, issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control of the Group. RPG 5 does not require the external auditors to, and they did not, consider whether this statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

This Statement is made in accordance with the resolution of the Board of Directors dated 27 July 2017.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The present members of the Audit Committee of the Company are:

1. Mr. Low Chin Ann @ Han Chin Ann (Senior Independent Non-Executive Director; Chairman)
2. Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
3. Mr. Clifton Heath Fernandez (Independent Non-Executive Director; Member)

The composition of the Audit Committee (“AC” or “Committee”) meets the requirements of paragraph 15.09 (1)(a) and (b) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”).

Mr. Low Chin Ann @ Han Chin Ann is a member of the Malaysian Institute of Accountants and fulfill the requirement under paragraph 15.09 (1)(c)(i) of the MMLR.

ATTENDANCE

The AC met five times during the year and twice with the External Auditors without the presence of the Executive Management.

The details of attendance of each AC Member in the AC meetings held during the financial year ended 30 April 2017 are as follows:

Directors	Meetings Attended by the Members/ Total Number of Meetings held During the Financial Year Ended 30 April 2017	% of Attendance
Mr. Low Chin Ann @ Han Chin Ann	5/5	100
Mr. Lai Yew Choong	5/5	100
Mr. Lim Chee Beng (<i>Resigned on 22 June 2017</i>)	5/5	100

Mr. Clifton Heath Fernandez was appointed a member of Audit Committee on 22 June 2017.

The Executive Chairman and other Senior Management of the Group were invited to the meetings to provide inputs on the Group’s operations, key audit matters as well as response on internal audit findings.

MINUTES OF MEETINGS

Minutes of meetings are circulated to all members and tabled for confirmation at the following meeting and subsequently presented to the Board for notation.

During the financial year, the AC Chairman presented to the Board the Committee’s recommendation to approve the quarterly financial statements, annual audited financial statements and re-appointment of Auditors. Relevant issues highlighted by the External Auditors and Internal Auditors were escalated to the Board.

TERMS OF REFERENCE

The terms of reference of the AC is accessible on the Company’s website at www.analabs.com.my.

On 27 June 2016, revisions were made to the Terms of Reference to incorporate disclosure and corporate governance amendments in line with the amendments to the Listing Requirements by Bursa Malaysia.

AUDIT COMMITTEE REPORT

Cont'd

ASSESSMENT

On 21 March 2017, the Nomination Committee (“NC”) reviewed the term of office of the AC members and assessed their performance through a formal evaluation process. The NC was satisfied that the AC members had all discharged their duties in accordance with their terms of reference. The Board having taken into consideration of the recommendation of the NC, approved the extension of the term of office of the AC for a further period of one year.

SUMMARY OF WORKS DURING THE YEAR

The works carried out by the AC during the financial year ended 30 April 2017 include the following:

(a) Financial Reporting

In fulfilling its oversight responsibilities, the AC reviewed and discussed the audited financial statements with the Company’s management and External Auditors, including a discussion on salient accounting and audit issues, strengthening internal control where there are deficiencies, matters required under the International Standard on Auditing, acceptability of accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Auditors concurred with the accounting policies adopted by Management and that there were in conformity with the relevant accounting standards in particular sufficiency of impairment of investment in quoted securities, the carrying value of investment in subsidiaries, impairment loss on trade receivables and allowances for slow moving/obsolete inventories. Goodwill on consolidation was reviewed by the External Auditors and no further impairment adjustment had been recommended for the year.

The Committee reviewed the Group’s quarterly financial statements before presenting to the Board for approval and public release.

(b) External Audit

The External Audit Plan encompassing the scope and timing for the year’s audit was reviewed by the Committee prior to commencement of the audit.

Salient areas of audit emphasis and audit approach, amongst others, were discussed and brought to the attention of the AC.

The AC was also updated on the significant changes to the reporting contents of the audit report in line with the new (ISA701) and revised Auditor Reporting standards (ISA700) issued by the Malaysian Institute of Accountants. In addition to the above, the AC was updated of the requirement for disclosure of key audit matters and additional auditor responsibilities on other information under the amendments to the Listing Requirements of Bursa Malaysia.

The Committee reviewed the External Auditors’ Report prepared in conjunction with the Annual Audited Financial Statements of the Company and Group and relevant disclosures.

The Statement of Risk Management and Internal Control was reviewed by the External Auditors before inclusion in the Annual Report.

With regard to strengthening deficiencies in internal control highlighted by the External Auditors during the previous audit covering areas of documentation and tracking activities, the Committee took note there was improvement on some of the areas highlighted and Management’s plan to remediate those control deficiencies. The Committee will monitor the status on an on-going basis.

AUDIT COMMITTEE REPORT

Cont'd

SUMMARY OF WORKS DURING THE YEAR Cont'd

(b) External Audit Cont'd

For the financial year ended 30 April 2017, the Committee has formalized the procedures to assess the suitability and independence of the External Auditors vide an annual assessment of the suitability and independence of the External Auditors.

The Committee considered, inter alia, the following factors:-

- The External Auditors have the adequate resources, skills, knowledge and experience to perform their duties with professional competence and due care in accordance with approved professional auditing standards and applicable regulatory and legal requirements;
- The engagement partner has not served for a continuous period of more than five (5) years with the Company;
- The external audit firm advises the Committee on significant issues and new developments pertaining to risk management , corporate governance, financial reporting standards, and internal controls on a timely basis;
- The external audit firm consistently meets the deadlines set by the Company.

The Committee noted for the financial year ended 30 April 2017, Messrs Crowe Horwath, the External Auditors of the Company had provided a written assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.

Upon completion of its assessment, the Committee was satisfied with Messrs Crowe Horwath's technical competency and audit independence during the financial year under review and recommended to the Board the re-appointment of Messrs Crowe Horwath as External Auditors for the financial year ending 30 April 2018. The Board has in turn, has recommended the same for shareholders' approval at the forthcoming Nineteenth Annual General Meeting.

During the year, the AC met twice with the External Auditors without the presence of the Executive Directors and Management at the AC meetings held on 27 July 2016 and 21 March 2017 to understand if they had encountered issues during their audit that needed to be brought to the attention of the AC.

(c) Internal Control and Risk Management

During the year, the AC met two times with the Internal Auditors to carry out its responsibility in reviewing the internal audit function and to assure itself on the soundness of internal control system.

The AC reviewed the risk-based Internal Audit Plan covering the scope of work for year 2016/2017, timing for commencement and completion of audit as well as on key areas of audit focus.

The AC had also reviewed the findings, recommendations and Management's response presented by the Internal Auditors covering the audit areas conducted in Lux Distributor Sdn Bhd ("Lux"), Resources Conservation Sdn Bhd ("RCSB") and Syntax System Solutions Sdn Bhd ("SSS") assessing the adequacy and effectiveness in the areas of Sales to Receivables and Inventory Management. Follow up reviews from previous audit was also updated to the Committee to track on whether the findings had been resolved.

(d) The Statement on Risk Management and Internal Control was reviewed by the Internal Auditors and External Auditors for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT

Cont'd

INTERNAL AUDIT FUNCTION

The Group's internal audit function is currently outsourced to RSM Corporate Consulting (Malaysia) Sdn Bhd (RSM), a professional firm and this mitigates the risk of factors affecting the independence of Internal Auditors as it has no involvement in the operations of the Group. The outsourced Internal Auditors, who is responsible for the review and appraisal of the effectiveness of internal controls in the Group reports directly to the Audit Committee.

The AC has full and direct access to the outsourced Internal Auditors, review the reports on all audit performed and monitors its performance. The AC also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions.

The outsourced internal auditors carried out internal audits within the Group based on a risk-based audit plan approved by the AC. Based on these audits, the outsourced internal auditors provided the AC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

During the financial period, the outsourced Internal Auditors had conducted audit on three subsidiaries ie Lux, RCSB and SSS.

For Lux, the internal audit examination focusing on:-


- i) Sales to Receivables; and
- ii) Inventory Management.

For RCSB and SSS, the internal audit examination focusing on Sales to Receivables.

The findings, recommendations and management's response were reviewed by the AC.

Follow up reviews from previous audit conducted on Lux was also updated to the AC to ascertain if the findings had been resolved.

The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM32,798.50 (exclusive of GST).



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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management services.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	11,190	2,076
Attributable to:-		
Owners of the Company	11,108	2,076
Non-controlling interests	82	-
	11,190	2,076

DIVIDENDS

The Company paid an interim single tier tax-exempt dividend of 3.25 sen per ordinary share amounting to RM1,823,400 for the current financial year on 22 March 2017.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 60,000 of its issued ordinary shares from the open market at a price of approximately RM2.37 per share. The total consideration paid for the purchase was RM142,000 excluding transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 April 2017, the Company held as treasury shares a total of 3,919,400 of its 60,024,000 issued and fully paid up ordinary shares. The treasury shares are held at a carrying amount of RM5,888,047. Relevant details on the treasury shares are disclosed in Note 18 to the financial statements.

DIRECTORS' REPORT

Cont'd

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 42 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

Cont'd

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The name of directors of the Company who served during the financial year until the date of this report are as follows:-

Kan Yow Kheong
 Lim Yoke Soo
 Lai Yew Choong
 Low Chin Ann @ Han Chin Ann
 Clifton Heath Fernandez
 Tan Suat Eam
 Kan Mun Hoow (Appointed on 9 March 2017)
 Lim Chee Beng (Resigned on 22 June 2017)

The name of directors of the Company's subsidiaries who served during the financial year until the date of this report, not including those directors mentioned above, are as follows:-

Kan Mun Foo
 Lai Nyuk Moi
 Lee Guat Khuan
 Lee Lin Lian
 Muhamad Hanis Bin Baharuddin
 Wan Mei Yi
 Woo Pek Chuan
 Tan Cher Heng (Appointed on 6 January 2017)
 Lim Hock Hwa (Appointed on 6 January 2017)
 Toh Kian Foo (Resigned on 6 January 2017)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number Of Ordinary Shares →			At 30.4.2017
	At 1.5.2016	Bought	Sold	
<i>Direct Interests In The Company</i>				
Kan Yow Kheong	31,544,552	130,000	-	31,674,552
Lim Yoke Soo	212,277	-	-	212,277
Kan Mun Hoow	1,177,500	-	-	1,177,500
<i>Indirect Interest In The Company</i>				
Kan Yow Kheong*	9,000	-	-	9,000

* Deemed interested through spouse's shareholding in the Company.

DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS Cont'd

By virtue of his shareholdings in the Company, Kan Yow Kheong is deemed to have interests in shares in the subsidiaries during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016 in Malaysia.

The other directors holding office at the end of the financial year did not have any interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group and the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the director's remuneration paid or payable to the director of the Company during the financial year are disclosed in Note 38 to the financial statements.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 31 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against any claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

Signed in accordance with a resolution of the directors dated 27 July 2017.

Kan Yow Kheong

Lim Yoke Soo

STATEMENT BY **DIRECTORS**

Pursuant to Section 251(2) of the Companies Act 2016

We, Kan Yow Kheong and Lim Yoke Soo, being two of the directors of Analabs Resources Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 109 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Groups and of the Company as of 30 April 2017 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 45, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 July 2017

Kan Yow Kheong

Lim Yoke Soo

STATUTORY **DECLARATION**

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lai Nyuk Moi, I/C No. 681125-05-5096, being the officer primarily responsible for the financial management of Analabs Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 109 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Lai Nyuk Moi, I/C No. 681125-05-5096
at Klang in the State of Selangor Darul Ehsan
on this 27 July 2017

Lai Nyuk Moi

Before me

Liow Siew San, PPC
No. B464
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of ANALABS RESOURCES BERHAD
(Incorporated in Malaysia)
Company No : 468971 - A

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Analabs Resources Berhad., which comprise the statements of financial position as at 30 April 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 44 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Goodwill impairment Refer to Note 8 in the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>We focused on this area because the Group carries significant goodwill. The impairment assessment for goodwill is significant to our audit as it involves significant management judgement and is based on assumptions that are affected by expected future market and economic conditions.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> ■ Tested the value-in-use model for goodwill including challenging management forecast and other assumptions including discount rate and long-term growth rates. ■ Compared previous cash flow projections to actual results to assess the reasonableness of assumptions used in the cash flow projections. ■ Performed a sensitivity analysis over revenue growth rate and discount rate used in deriving the value-in-use to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of goodwill.

INDEPENDENT AUDITORS' REPORT

To the Members of ANALABS RESOURCES BERHAD

(Incorporated in Malaysia)

Company No : 468971 - A

Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS Cont'd

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

To the Members of ANALABS RESOURCES BERHAD

(Incorporated in Malaysia)

Company No : 468971 - A

Cont'd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS Cont'd

Auditors' Responsibilities for the Audit of the Financial Statements Cont'd

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-
Cont'd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT **AUDITORS' REPORT**

To the Members of ANALABS RESOURCES BERHAD

(Incorporated in Malaysia)

Company No : 468971 - A

Cont'd

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Firm No. : AF 1018

Chartered Accountants

Ong Beng Chooi

Approval No. : 03155/05/2019 J

Chartered Accountant

15 August 2017

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

At 30 April 2017

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	78,409	78,409
Investment in an associate	6	-	-	-	-
Property, plant and equipment	7	147,030	150,115	-	-
Goodwill	8	10,022	9,915	-	-
Investment in quoted shares	9	42,229	30,062	488	795
Other investments	10	1,690	1,364	1,510	1,184
Amount owing by subsidiaries	11	-	-	-	1,000
		200,971	191,456	80,407	81,388
CURRENT ASSETS					
Inventories	12	18,562	21,587	-	-
Amount owing by contract customers	13	33	126	-	-
Trade receivables	14	29,870	34,278	-	-
Other receivables, deposits and prepayments	15	1,906	2,153	1	2
Amount owing by subsidiaries	11	-	-	78	3
Current tax assets		1,031	932	155	147
Fixed deposits with licensed banks	16	4,491	4,306	82	80
Cash and bank balances		40,226	34,749	550	169
		96,119	98,131	866	401
TOTAL ASSETS		297,090	289,587	81,273	81,789

The annexed notes form an integral part of these financial statements.

STATEMENTS OF **FINANCIAL POSITION**

At 30 April 2017

Cont'd

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17(A)	66,272	60,024	66,272	60,024
Treasury shares	18	(5,888)	(5,746)	(5,888)	(5,746)
Share premium	17(B)	-	6,248	-	6,248
Revaluation reserve	19	47,194	47,194	-	-
Foreign exchange translation reserve	20	5,503	3,940	-	-
Fair value reserve	21	2,076	(1,423)	458	165
Retained profits		122,382	113,097	20,223	19,970
Equity attributable to owners of the Company		237,539	223,334	81,065	80,661
Non-controlling interests		(2,145)	(2,082)	-	-
TOTAL EQUITY		235,394	221,252	81,065	80,661
NON-CURRENT LIABILITIES					
Deferred tax liabilities	22	17,820	17,501	-	-
Hire purchase payables	23	944	637	-	-
Term loans	24	4,023	9,457	-	-
		22,787	27,595	-	-
CURRENT LIABILITIES					
Amount owing to contract customers	13	266	-	-	-
Trade payables	25	12,885	13,638	-	-
Other payables and accruals	26	13,272	14,799	178	188
Amount owing to subsidiaries	11	-	-	30	940
Derivative liability		-	86	-	-
Hire purchase payables	23	745	256	-	-
Bankers' acceptances	27	5,836	5,085	-	-
Term loans	24	5,905	5,219	-	-
Bank overdrafts	28	-	1,657	-	-
		38,909	40,740	208	1,128
TOTAL LIABILITIES		61,696	68,335	208	1,128
TOTAL EQUITY AND LIABILITIES		297,090	289,587	81,273	81,789
NET ASSETS PER SHARE (RM)	29	4.23	3.98		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 April 2017

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
REVENUE	30	149,763	155,176	2,297	38,351
COST OF SALES		(120,704)	(122,509)	-	-
GROSS PROFIT		29,059	32,667	2,297	38,351
OTHER INCOME		5,791	6,975	229	1,300
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(19,357)	(23,744)	(346)	(39,893)
FINANCE COSTS		(552)	(617)	-	-
PROFIT/(LOSS) BEFORE TAXATION	31	14,941	15,281	2,180	(242)
INCOME TAX EXPENSE	32	(3,751)	(2,926)	(104)	(58)
PROFIT/(LOSS) AFTER TAXATION		11,190	12,355	2,076	(300)
OTHER COMPREHENSIVE INCOME/ (EXPENSES)	33				
<u>Items that may be reclassified subsequently to Profit or Loss</u>					
- fair value changes of available-for-sale financial assets		3,499	(777)	293	(243)
- foreign currency translation differences		1,418	1,726	-	-
TOTAL OTHER COMPREHENSIVE INCOME/ (EXPENSES)		4,917	949	293	(243)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		16,107	13,304	2,369	(543)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		11,108	13,254	2,076	(300)
Non-controlling interests		82	(899)	-	-
		11,190	12,355	2,076	(300)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		16,170	14,281	2,369	(543)
Non-controlling interests		(63)	(977)	-	-
		16,107	13,304	2,369	(543)
EARNINGS PER SHARE (SEN)					
Basic	34	19.79	23.57		
Diluted	34	19.79	23.57		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2017

	Note	Non-Distributable			Distributable			Equity Attributable to Owners of the Company			Non-controlling Interests	Total Equity
		Share Capital	Treasury Shares	Share Premium	Share Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Retained Profits	RM'000	RM'000		
The Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.5.2015		60,024	(5,465)	6,248	47,194	2,136	(646)	101,528	211,019	(1,105)	209,914	
Profit/(Loss) after taxation for the financial year		-	-	-	-	-	-	13,254	13,254	(899)	12,355	
Other comprehensive (expenses)/income for the financial year:	33											
- fair value changes of available-for-sale financial assets		-	-	-	-	-	(777)	-	(777)	-	(777)	
- foreign currency translation differences		-	-	-	-	1,804	-	-	1,804	(78)	1,726	
Total comprehensive income for the financial year		-	-	-	-	1,804	(777)	13,254	14,281	(977)	13,304	
Contributions by and distributions to owners of the Company:												
- purchase of treasury shares	18	-	(281)	-	-	-	-	-	(281)	-	(281)	
- dividend	35	-	-	-	-	-	(1,685)	(1,685)	(1,685)	-	(1,685)	
Total transactions with owners		-	(281)	-	-	-	(1,685)	(1,685)	(1,966)	-	(1,966)	
Balance at 30.4.2016		60,024	(5,746)	6,248	47,194	3,940	(1,423)	113,097	223,334	(2,082)	221,252	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2017

Cont'd

The Group	Note	Non-Distributable				Distributable				Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
		Share Capital	Treasury Shares	Share Premium	Share Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Retained Profits	Equity Attributable to Owners of the Company			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 30.4.2016/1.5.2016		60,024	(5,746)	6,248	47,194	3,940	(1,423)	113,097	223,334	(2,082)	221,252	
Profit/(Loss) after taxation for the financial year		-	-	-	-	-	-	11,108	11,108	82	11,190	
Other comprehensive (expenses)/income for the financial year:	33											
- fair value changes of available-for-sale financial assets		-	-	-	-	-	3,499	-	3,499	-	3,499	
- foreign currency translation differences		-	-	-	-	1,563	-	-	1,563	(145)	1,418	
Total comprehensive income for the financial year		-	-	-	-	1,563	3,499	11,108	16,170	(63)	16,107	
Contributions by and distributions to owners of the Company:												
- purchase of treasury shares	18	-	(142)	-	-	-	-	-	(142)	-	(142)	
- dividend	35	-	-	-	-	-	-	(1,823)	(1,823)	-	(1,823)	
Total transactions with owners		-	(142)	-	-	-	-	(1,823)	(1,965)	-	(1,965)	
Effect from adoption of Companies Act 2016		6,248	-	(6,248)	-	-	-	-	-	-	-	
Balance at 30.4.2017		66,272	(5,888)	-	47,194	5,503	2,076	122,382	237,539	(2,145)	235,394	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2017

Cont'd

The Company	Note	← Non-Distributable →			Distributable		Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	
Balance at 1.5.2015		60,024	(5,465)	6,248	408	21,955	83,170
Loss after taxation for the financial year		-	-	-	-	(300)	(300)
Other comprehensive expenses for the financial year:	33						
- fair value changes of available-for-sale financial assets		-	-	-	(243)	-	(243)
Total comprehensive expenses for the financial year		-	-	-	(243)	(300)	(543)
Distributions to owners of the Company:							
- purchase of treasury shares	18	-	(281)	-	-	-	(281)
- dividend	35	-	-	-	-	(1,685)	(1,685)
Total transactions with owners		-	(281)	-	-	(1,685)	(1,966)
Balance at 30.4.2016/1.5.2016		60,024	(5,746)	6,248	165	19,970	80,661
Profit after taxation for the financial year		-	-	-	-	2,076	2,076
Other comprehensive expenses for the financial year:	33						
- fair value changes of available-for-sale financial assets		-	-	-	293	-	293
Total comprehensive expenses for the financial year		-	-	-	293	2,076	2,369
Distributions to owners of the Company:							
- purchase of treasury shares	18	-	(142)	-	-	-	(142)
- dividend	35	-	-	-	-	(1,823)	(1,823)
Total transactions with owners		-	(142)	-	-	(1,823)	(1,965)
Effect from adoption of Companies Act 2016		6,248	-	(6,248)	-	-	-
Balance at 30.4.2017		66,272	(5,888)	-	458	20,223	81,065

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2017

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	14,941	15,281	2,180	(242)
Adjustments for:-				
Amount owing by subsidiaries written off	-	-	-	37,780
Bad debts written off	51	83	-	-
Depreciation of property, plant and equipment	7,905	8,332	-	-
Dividend income from investments:				
- investments in subsidiaries	-	-	(1,800)	(37,966)
- quoted shares	(1,663)	(1,301)	(8)	(25)
- unit trusts	(9)	(86)	(9)	(86)
Fair value loss on derivatives	-	86	-	-
Unrealised foreign exchange gain	(259)	(1,049)	-	-
Loss/(Gain) on disposal of equipment	61	(639)	-	-
Gain on disposal of investment in quoted shares	(171)	-	(186)	-
Impairment loss:				
- investment in subsidiaries	-	-	-	1,077
- trade receivables	540	197	-	-
- quoted shares	-	1,063	-	364
Interest expense	667	862	-	-
Interest income	(254)	(434)	(2)	(148)
Inventories written down	101	276	-	-
Investment in subsidiary written off	-	-	-	301
Equipment written off	11	-	-	-
Reversal of impairment loss on trade receivables	(21)	(291)	-	-
Waiver of debt by subsidiaries	-	-	-	(1,076)
Operating profit/(loss) before working capital changes	21,900	22,380	175	(21)
Decrease in inventories	3,035	2,126	-	-
Decrease in trade and other receivables	5,230	2,664	1	3
(Decrease)/Increase in trade and other payables	(2,846)	5,631	(10)	(19)
CASH FROM/(FOR) OPERATIONS	27,319	32,801	166	(37)
Income tax paid	(3,786)	(3,792)	(112)	(148)
Interest paid	(667)	(862)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD	22,866	28,147	54	(185)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2017

Cont'd

	Note	The Group		The Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
BALANCE BROUGHT FORWARD		22,866	28,147	54	(185)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		1,672	1,387	1,817	38,077
Interest received		254	434	2	148
Purchase of other investments		(41)	(86)	(41)	(86)
Repayment from/(Advances to) subsidiaries		-	-	15	(5,373)
Amount owing by subsidiaries written off		-	-	-	(37,780)
Repayment from subsidiaries		-	-	-	5,107
Proceeds from disposal of equipment		68	1,391	-	-
Proceeds from disposal of investments in quoted shares		582	-	518	-
Purchase of quoted shares		(9,346)	(10,431)	(17)	(10)
Purchase of plant and equipment	36	(1,579)	(1,382)	-	-
Increase in fixed deposits under lien with licensed banks		(52)	(69)	(2)	(4)
Waiver of debt by subsidiaries		-	-	-	1,076
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(8,442)	(8,756)	2,292	1,155
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid	35	(1,823)	(1,685)	(1,823)	(1,685)
Purchase of treasury shares	18	(142)	(281)	(142)	(281)
Repayment of term loan		(5,700)	(5,253)	-	-
Increase/(Decrease) of bankers' acceptances		830	(9,788)	-	-
Repayment of hire purchase obligations		(465)	(544)	-	-
(Repayment to)/Advances from subsidiaries		-	-	-	1,084
(Repayment to)/Advances from a director		(348)	899	-	-
NET CASH FOR FINANCING ACTIVITIES		(7,648)	(16,652)	(1,965)	(882)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,776	2,739	381	88
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCES		491	1,459	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		33,092	28,894	169	81
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37	40,359	33,092	550	169

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Unit 621, 6th Floor, Block A,
Kelana Centre Point,
No. 3, Jalan SS7/19, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : Lot 750, Jalan Haji Sirat,
42100 Klang,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 July 2017

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management services.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

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

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities - Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

3. BASIS OF PREPARATION Cont'd

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 - Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014- 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017
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	1 January 2018

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.
- (b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

3. BASIS OF PREPARATION Cont'd

3.2 The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon its application except as follows:- Cont'd

- (b) The core principal of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfy a performance obligations.

Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Construction Contracts

The Group recognises contract revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred; the estimated total contract revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Impairment of Trade Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS Cont'd

(c) Revaluation of Properties

Properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining the factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(d) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(e) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.2 BASIS OF CONSOLIDATION Cont'd

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity-accounted associates.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rate at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.4 FUNCTIONAL AND FOREIGN CURRENCIES Cont'd

(c) Foreign Operations Cont'd

On the disposal of a foreign operations (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operations, or a partial disposal of an interest in an associate that includes a foreign operations of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operations attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operations while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operations and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.5 FINANCIAL INSTRUMENTS Cont'd

(a) Financial Assets Cont'd

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.5 FINANCIAL INSTRUMENTS Cont'd

(a) Financial Assets Cont'd

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

As at the end of the reporting period, there were no financial liabilities classified under this category.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary shares

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.5 FINANCIAL INSTRUMENTS Cont'd

(c) Equity Instruments Cont'd

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares repurchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are subsequently sold or reissued, the difference between the sales consideration and the carrying amount of the treasury shares are shown as a movement in equity. When the consideration received is more than the carrying amount, the credit difference arising is taken to the share premium account. Where the consideration received is less than the carrying amount, the debit difference is offset against reserves.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 INVESTMENT IN AN ASSOCIATE

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in associate is stated at cost in the statement of financial position of the Company, and is reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method based on the financial statements of the associate made up to end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.7 INVESTMENT IN AN ASSOCIATE Cont'd

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land is stated at valuation less any impairment losses recognised after the date of the revaluation. Leasehold land and buildings are stated at revalued amount less accumulated depreciation and any impairment losses recognised after the date of the revaluation.

Freehold land, leasehold land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease periods
Buildings	20 - 50 years
Plant and machinery	5 - 10 years
Renovation	5 - 10 years
Office equipment	5 years
Furniture and fittings	5 - 10 years
Laboratory equipment	5 - 10 years
Motor vehicles	4 - 5 years

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.8 PROPERTY, PLANT AND EQUIPMENT Cont'd

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or losses arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investments in subsidiaries and investment in associates), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.9 IMPAIRMENT Cont'd

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 LEASED ASSETS

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.12 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets recognised are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST. However, when the GST incurred is related to purchases of assets or services which is not recoverable from the taxation authorities, the GST is included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

Receivables and payables are stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables respectively.

4.13 AMOUNT OWING BY/(TO) CONTRACT CUSTOMERS

The amount owing by/(to) contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes all expenditure related to specific projects and an allocation of fixed and variable overhead incurred in the Group's contract activities based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities.

4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.17 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.17 RELATED PARTIES Cont'd

- (b) An entity is related to a reporting entity if any of the following conditions applies:-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.18 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.20 EARNINGS PER SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.21 BORROWING COSTS

Borrowing costs that directly attributable to the acquisition, construction or production of a qualifying asset that are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.22 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable, net of returns, goods and services tax, cash and trade discounts.

(a) Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. When the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.23 REVENUE AND OTHER INCOME Cont'd

(c) Contract Revenue

Revenue from long-term contract is recognised on the percentage of completion method when the outcome of a project can be estimated reliably.

The stage of completion is measured by either:-

- (a) when services rendered representing part of a contract are delivered, certified or acceptance by the customer; or
- (b) upon completion of designated phases of a contract.

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(f) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2017	2016
	RM'000	RM'000
Unquoted shares, at cost		
- in Malaysia	79,543	79,543
- outside Malaysia	6,828	6,828
	86,371	86,371
Accumulated impairment losses:-		
At 1 May 2016/2015	(7,962)	(10,684)
Addition during the financial year (Note 31)	-	(1,077)
Investment written off during the financial year	-	3,799
At 30 April	(7,962)	(7,962)
Net carrying amount	78,409	78,409

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

5. INVESTMENTS IN SUBSIDIARIES Cont'd

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2017 %	2016 %	
Subsidiaries of the Company				
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Industrial consultancy and analytical chemists.
Masmeru Sdn. Bhd.	Malaysia	100	100	Investment holding.
Centralised Waste Treatment Plant Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
M-Field Sdn. Bhd.	Malaysia	100	100	Property letting and investment holding.
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Inagro Sdn. Bhd.	Malaysia	100	100	Formulation and repackaging of agricultural chemical products and the provision of storage handling services for these products.
Syntax System Solutions Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery of industrial waste and sale of recycled products.
Striketech Sdn. Bhd.	Malaysia	100	100	Culture and sale of prawn, and collection, treatment, recovery and recycling of organic waste.
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Trading in industrial chemical and its related products.
AL Resources Pte. Ltd.*	Singapore	99.99	99.99	Manufacture and trading in paint and its related products.
Global Pacific Petroleum Sdn. Bhd. ("GPP")	Malaysia	100	100	Manufacturing and trading in lubricant products.
Cleanway Disposal Services Pte. Ltd. ("CDS")*	Singapore	100	100	Providing containerised waste disposal services.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

5. INVESTMENTS IN SUBSIDIARIES Cont'd

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2017 %	2016 %	
Subsidiaries of the Company				
Cont'd				
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.
Lux Distributor Sdn. Bhd.	Malaysia	100	100	Trading, importing and distribution of ceramic tiles and building materials.
Sapphire Lifestyle Sdn. Bhd. ("SLSB")	Malaysia	100	100	Dormant.
Subsidiary of GPP				
Hysper Manufacturing (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiary of CDS				
Singapore Analabs Pte. Ltd. ("SAPL")*	Singapore	63	63	Investment holding company.
Subsidiaries of SAPL				
Toh Ban Seng Contractor Pte. Ltd. ("TBS")*	Singapore	63	63	Contract work, pipe laying and rehabilitation.
Ban Tiong Soon Contractor Pte.Ltd. ("BTS")*	Singapore	63	63	Contract work, pipe laying and rehabilitation.

* These subsidiaries were audited by other firms of chartered accountants.

The summarised financial information for SAPL, TBS and BTS is not presented as the non-controlling interests are not significant to the Group.

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares, at cost	#	#	#	#
Accumulated impairment losses	-	-	(#)	(#)
	#	#	-	-
Share of post-acquisition losses	(#)	(#)	-	-
	-	-	-	-

denotes RM40.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

6. INVESTMENT IN AN ASSOCIATE Cont'd

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activity
		2017 %	2016 %	
Titan Crest Sdn. Bhd.	Malaysia	40	40	Dormant.

Equity accounting ceased with effect from financial year ended 30 April 2004 when the Group's share of cumulative losses in the associate exceeded the carrying amount of its investment in the associate. The associate has been dormant throughout the year.

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.5.2016 RM'000	Additions RM'000	Written Off RM'000	Disposals RM'000	Depreciation Charges RM'000	Translation Differences RM'000	At 30.4.2017 RM'000
2017							
<i>Net Book Value</i>							
Freehold land	50,315	-	-	-	-	-	50,315
Leasehold land	31,241	-	-	-	(525)	-	30,716
Buildings	50,145	-	-	-	(2,351)	1,575	49,369
Plant and machinery	13,686	173	-	(43)	(3,443)	328	10,701
Renovation	55	-	-	-	(6)	-	49
Office equipment	459	10	-	-	(193)	23	299
Furniture and fittings	91	-	-	-	(29)	4	66
Laboratory equipment	315	168	(8)	-	(123)	23	375
Motor vehicles	3,808	2,424	(3)	(86)	(1,235)	232	5,140
	150,115	2,775	(11)	(129)	(7,905)	2,185	147,030

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT Cont'd

The Group	At 1.5.2015 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charges RM'000	Translation Differences RM'000	At 30.4.2016 RM'000
2016						
<i>Net Book Value</i>						
Freehold land	50,315	-	-	-	-	50,315
Leasehold land	31,783	-	-	(542)	-	31,241
Buildings	50,696	-	-	(2,299)	1,748	50,145
Plant and machinery	16,158	525	-	(3,517)	520	13,686
Renovation	79	-	-	(24)	-	55
Office equipment	629	38	-	(247)	39	459
Furniture and fittings	115	-	-	(31)	7	91
Laboratory equipment	332	73	-	(116)	26	315
Motor vehicles	5,020	746	(752)	(1,556)	350	3,808
	155,127	1,382	(752)	(8,332)	2,690	150,115

The Group	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
2017				
Freehold land	-	50,315	-	50,315
Leasehold land	-	32,743	(2,027)	30,716
Buildings	-	54,293	(4,924)	49,369
Plant and machinery	122,854	-	(112,153)	10,701
Renovation	1,321	-	(1,272)	49
Office equipment	6,248	-	(5,949)	299
Furniture and fittings	1,094	-	(1,028)	66
Laboratory equipment	3,450	-	(3,075)	375
Motor vehicles	22,121	-	(16,981)	5,140
	157,088	137,351	(147,409)	147,030

2016				
Freehold land	-	50,315	-	50,315
Leasehold land	-	32,743	(1,502)	31,241
Buildings	-	54,293	(4,148)	50,145
Plant and machinery	123,133	-	(109,447)	13,686
Renovation	1,319	-	(1,264)	55
Office equipment	6,145	-	(5,686)	459
Furniture and fittings	1,082	-	(991)	91
Laboratory equipment	3,195	-	(2,880)	315
Motor vehicles	22,338	-	(18,530)	3,808
	157,212	137,351	(144,448)	150,115

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT Cont'd

- (a) Certain land and buildings of the Group with a net carrying value amounting to RM31,751,284 (2016 - RM31,474,779) have been pledged to licensed banks as security for banking facilities granted to certain subsidiaries.
- (b) Included in the property, plant and equipment of the Group at the end of the reporting period were motor vehicles with a total net book value of RM2,041,080 (2016 - RM1,020,432), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.
- (c) During the financial year ended 30 April 2014, the Group's land and buildings were revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.
- (d) The details of the Group's lands and buildings carried at fair value are analysed as follows:

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2017				
Freehold land	-	50,315	-	50,315
Leasehold land	-	30,716	-	30,716
Buildings	-	28,425	20,944	49,369
	-	109,456	20,944	130,400
2016				
Freehold land	-	50,315	-	50,315
Leasehold land	-	31,241	-	31,241
Buildings	-	28,393	21,752	50,145
	-	109,949	21,752	131,701

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The level 3 fair value of buildings has been determined using the depreciated replacement cost approach performed by independent valuers.

There were no transfers between level 1 and level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT Cont'd

- (e) If the revalued properties were measured using the cost model, the carrying amounts would be as follows:-

	The Group	
	2017	2016
	RM'000	RM'000
Freehold land	16,773	16,773
Leasehold land	21,368	21,652
Buildings	20,960	21,366
	59,101	59,791

8. GOODWILL

	The Group	
	2017	2016
	RM'000	RM'000
At 1 May 2016/2015	9,915	9,804
Foreign exchange translation differences	107	111
At 30 April	10,022	9,915

- (a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2017	2016
	RM'000	RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	7,704	7,704
Recovery and sale of recycled products	279	279
Culture and sale of prawns	2	2
Investment holding and property letting	412	412
Contract work, pipe laying and rehabilitation	1,625	1,518
	10,022	9,915

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

8. GOODWILL Cont'd

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2017	2016	2017	2016	2017	2016
Manufacturing, formulation and sale of resin, chemicals and building materials	22%	21%	2% to 11%	2% to 10%	10%	9%

- (i) Budgeted gross margin The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.
- (ii) Growth rate Based on the expected projection of the relevant operating segments.
- (iii) Discount rate (pre-tax) The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on with external sources and internal sources (historical data).

The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to be exceeded its recoverable amount.

9. INVESTMENT IN QUOTED SHARES

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
At fair value:				
- Quoted shares in Malaysia	40,846	28,629	476	385
- Quoted shares outside Malaysia	1,383	1,433	12	410
	42,229	30,062	488	795

Investments in quoted shares of the Group are designated as available-for-sale financial assets and are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

10. OTHER INVESTMENTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Club membership	180	180	-	-
Investments in unit trusts	1,510	1,184	1,510	1,184
	1,690	1,364	1,510	1,184
Represented by:-				
At cost	180	180	-	-
At fair value	1,510	1,184	1,510	1,184
	1,690	1,364	1,510	1,184

(a) Investments in unit trusts of the Group are designated as available-for-sale financial assets and are measured at fair value.

(b) Investment in club membership of the Group is designated as available-for-sale financial asset but is stated at cost as its fair value cannot be reliably measured using valuation techniques due to the lack of marketability of the club membership.

11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2017 RM'000	2016 RM'000
Amount Owing by Subsidiaries		
<i>Non-current</i>		
Non trade balances	-	1,000
<i>Current</i>		
Non-trade balances	78	3
	78	1,003
Amount Owing to Subsidiaries		
<i>Current</i>		
Non-trade balances	(30)	(940)

The non-trade balance represent unsecured interest-free advances and payments made on behalf. The amounts owing are receivable/repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

11. AMOUNTS OWING BY/(TO) SUBSIDIARIES Cont'd

The foreign currency exposure profile of the amounts owing by/(to) the subsidiaries at the end of the reporting period is as follows:-

	The Company	
	2017	2016
	RM'000	RM'000
Singapore Dollar	43	65

12. INVENTORIES

	The Group	
	2017	2016
	RM'000	RM'000
Livestocks	120	102
Raw materials	12,158	14,853
Packing materials	16	8
Finished goods	5,320	5,652
Goods-in-transit	948	972
	18,562	21,587
Recognised in profit or loss:-		
Inventories recognised as cost of sales	120,704	122,509
Amount written down to net realisable value (Note 31)	101	276

13. AMOUNT OWING BY/(TO) CONTACT CUSTOMERS

	The Group	
	2017	2016
	RM'000	RM'000
Cost incurred on contracts to date	2,196	1,858
Attributable profits	2,251	1,643
	4,447	3,501
Progress billings	(4,680)	(3,375)
Net amount owing (to)/by contract customers	(233)	126
Represented by:-		
Amount owing by contract customers	33	126
Amount owing to contract customers	(266)	-
	(233)	126

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

14. TRADE RECEIVABLES

	The Group	
	2017 RM'000	2016 RM'000
Trade receivables	30,608	34,625
Allowance for impairment losses	(738)	(347)
	29,870	34,278
Allowance for impairment losses:-		
At 1 May 2016/2015	(347)	(463)
Addition during the financial year (Note 31)	(540)	(197)
Reversal during the financial year (Note 31)	21	291
Bad debts written off	149	39
Foreign exchange translation differences	(21)	(17)
At 30 April	(738)	(347)

The Group's normal trade credit terms range from 30 to 90 days (2016 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other receivables:-				
Third parties	614	159	-	1
Advances to suppliers	246	578	-	-
Deposits	671	758	1	1
Prepayments	255	423	-	-
GST refundable	120	235	-	-
	1,906	2,153	1	2

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.05% to 3.30% (2016 - 0.05% to 3.30%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (2016 - 1 to 12 months).

Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM4,357,680 (2016 - RM4,305,862) and RM81,979 (2016 - RM79,480) respectively which have been pledged to licensed banks as securities for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

17. SHARE CAPITAL AND SHARE PREMIUM

(A) SHARE CAPITAL

	The Company			
	2017	2016	2017	2016
	Number of Shares		RM'000	RM'000
	'000	'000		
Authorised				
Ordinary shares of RM1 each	N/A	100,000	N/A	100,000

N/A - Not applicable due to the adoption of the Companies Act 2016 as disclosed in item 17(B) below.

Issued and Fully Paid Up

Ordinary shares with no par value (2016 -
Par value of RM1 each)

At 1 May 2016/2015	60,024	60,024	60,024	60,024
Transfer from share premium account	-	-	6,248	-
At 30 April	60,024	60,024	66,272	60,024

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.

(B) SHARE PREMIUM

	The Company	
	2017	2016
	RM'000	RM'000
At 1 May 2016/2015	6,248	6,248
Transition to no-par value regime on 31 January 2017 under the Company Act 2016 (Note 17(A))	(6,248)	-
At 30 April	-	6,248

Prior to 31 January 2017, the application of the share premium account was governed by Section 60 and section 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM6,248,517 for purposes as set out in Section 618(3) of the Act.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

18. TREASURY SHARES

During the financial year, the Company purchased its issued ordinary shares from the open market under the share buy-back scheme. Details are as follows:-

	The Group/ The Company	
	No. of Shares	Total Consideration RM'000
Balance at 1 May 2015	3,699,700	5,465
Purchased during the financial year	159,700	281
Balance at 30 April 2016/1 May 2016	3,859,400	5,746
Purchased during the financial year	60,000	142
Balance at 30 April 2017	3,919,400	5,888

The share buy-back scheme was financed by internally generated funds. The ordinary shares repurchased were held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 in Malaysia and are presented as a deduction from shareholders' equity.

As at 30 April 2017, the Company held 3,919,400 repurchased shares as treasury shares out of its total issued and paid up share capital of 60,024,000 ordinary shares. None of the treasury shares were resold or cancelled during the financial year.

19. REVALUATION RESERVE

The revaluation reserve represents the increase in the fair value of freehold land, leasehold land and buildings of the Group (net of deferred tax, where applicable) presented under property, plant and equipment.

20. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of its foreign subsidiaries.

21. FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

22. DEFERRED TAX LIABILITIES

	The Group	
	2017 RM'000	2016 RM'000
At 1 May 2016/2015	17,501	18,400
Recognised in profit or loss (Note 32)	83	(1,187)
Foreign exchange translation differences	236	288
At 30 April 2017/2016	17,820	17,501

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

22. DEFERRED TAX LIABILITIES Cont'd

The components of the deferred tax assets and liabilities at the end of the reporting period prior to offsetting are as follows:-

	The Group	
	2017 RM'000	2016 RM'000
Accelerated capital allowances over depreciation	5,287	4,664
Provisions	(1,502)	(1,233)
Revaluation of land and buildings	14,035	14,205
Unabsorbed capital allowances	-	(67)
Unutilised tax losses	-	(68)
	17,820	17,501

23. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2017 RM'000	2016 RM'000
Minimum hire purchase payments:		
- not later than 1 year	780	284
- later than 1 year and not later than 5 years	975	634
- later than 5 years	-	35
	1,755	953
Less: Future finance charges	(66)	(60)
Present value of hire purchase payables	1,689	893
<u>Current</u>		
Not later than 1 year	745	256
<u>Non-current</u>		
Later than 1 year and not later than 5 years	944	602
Later than 5 years	-	35
	944	637
	1,689	893

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase.
- (b) The hire purchase payables bore effective interest rates ranging from 3.52% to 5.30% (2016 - 3.53% to 5.30%) per annum at the end of the reporting period. The interest rates are fixed at the inception of the hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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24. TERM LOANS (SECURED)

	The Group	
	2017 RM'000	2016 RM'000
<u>Current</u>		
Not later than 1 year	5,905	5,219
<u>Non-current</u>		
Later than 1 year and not later than 5 years	1,796	6,991
Later than 5 years	2,227	2,466
	4,023	9,457
	9,928	14,676

- (a) The term loans bore effective interest rates ranging from 2.80% to 5.85% (2016 - 2.80% to 5.85%) per annum at the end of the reporting period.
- (b) The terms loans are secured by:-
- (i) a first party legal charge over the lands and buildings of the Group as disclosed in Note 7 to the financial statements;
 - (ii) a fixed and floating charge over all the present and future undertaking of the assets, revenue and rights of certain subsidiaries;
 - (iii) a corporate guarantee issued by the Company and a subsidiary respectively; and
 - (iv) a joint and several guarantee by two directors of the Company.

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 days (2016 - 30 to 120 days).

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other payables	1,306	1,836	17	38
Deposits	176	276	-	-
Accruals	3,659	4,767	135	128
Dividend payable	22	22	22	22
GST payable	99	84	4	-
Amount owing to a director of certain subsidiaries	4,756	5,104	-	-
Provisions	3,254	2,710	-	-
	13,272	14,799	178	188

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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26. OTHER PAYABLES AND ACCRUALS Cont'd

Included in the other payables and accruals of the Group is:-

- (a) an amount owing to a director of certain subsidiaries of SGD1,529,510 or equivalent to approximately RM4.8 million (2016 - SGD1,756,883 or approximately RM5.1 million). The amount owing to the said director is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.
- (b) a provision for claims and damages amounting to RM3,254,241 (2016 - RM2,710,568) in respect of complaints made by customers on defects of inventories sold. The claims are still under negotiation between a subsidiary and the said customers.

27. BANKERS' ACCEPTANCES (SECURED)

The bankers' acceptances of the Group at the end of the reporting period bore effective interest rates ranging from 3.05% to 4.77% (2016 - 2.65% to 5.13%) per annum.

The bankers' acceptances are secured by:-

- (i) first party legal charges over certain properties of the subsidiaries as disclosed in Note 7 to the financial statements;
- (ii) a corporate guarantee issued by the Company; and
- (iii) a pledge over certain of the Group's fixed deposits as disclosed in Note 16 to the financial statements.

28. BANK OVERDRAFTS (SECURED)

The bank overdrafts are secured by:-

- (a) first party legal charges over certain properties of the subsidiaries as disclosed in Note 7 to the financial statements;
- (b) a corporate guarantee issued by the Company;
- (c) a joint and several guarantee executed by directors of a subsidiary; and
- (d) a pledge over certain of the Group's fixed deposits as disclosed in Note 16 to the financial statements.

29. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value at the end of the reporting period of approximately RM237,539,000 (2016 - RM223,334,000) divided by the number of ordinary shares in issue at the end of the reporting period excluding treasury shares held by the Company of 56,104,600 (2016 - 56,164,600).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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30. REVENUE

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	91,582	101,500	-	-
Recovery and sale of recycled products	24,706	27,877	-	-
Contract work, pipe laying and work rehabilitation	32,501	24,467	-	-
Culture and sale of prawns	592	1,005	-	-
Dividend income from quoted investment	340	303	8	25
Dividend income from subsidiaries	-	-	1,800	37,966
Dividend income from unit trust	9	-	9	-
Rental income	33	24	-	-
Management fee from subsidiaries	-	-	480	360
	149,763	155,176	2,297	38,351

31. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- current financial year:				
- Crowe Horwath	211	220	70	67
- other firm	66	70	-	-
- under/(over)provision in the previous financial year:				
- Crowe Horwath	12	8	(1)	10
Bad debts written off	51	83	-	-
Depreciation of property, plant and equipment (Note 7)	7,905	8,332	-	-
Directors' remuneration (Note 38)	937	305	172	162
Fair value loss on derivatives	-	86	-	-
Allowance for impairment losses:				
- investment in subsidiaries (Note 5)	-	-	-	1,077
- trade receivables (Note 14)	540	197	-	-
- investments in quoted shares	-	1,063	-	364
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdrafts	81	59	-	-
- bankers' acceptances	201	245	-	-
- hire purchase	50	31	-	-
- term loans	335	527	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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31. PROFIT/(LOSS) BEFORE TAXATION Cont'd

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):- Cont'd				
Inventories written down (Note 12)	101	276	-	-
Equipment written off (Note 7)	11	-	-	-
Rental expense on:				
- equipment	321	8	-	-
- premises	544	752	-	-
Staff costs (including other key management personnel as disclosed in Note 38)	15,373	16,806	-	-
Amount owing by subsidiaries written off	-	-	-	37,780
Investment in subsidiary written off	-	-	-	301
Foreign exchange gain:				
- realised	(1,886)	(1,971)	-	-
- unrealised	(259)	(1,049)	-	-
Dividend income from investments:				
- investments in subsidiaries	-	-	(1,800)	(37,966)
- quoted investments in Malaysia	(1,578)	(1,186)	-	-
- quoted investments outside Malaysia	(85)	(115)	(8)	(25)
- unit trusts	(9)	(86)	(9)	(86)
Loss/(Gain) on disposal of equipment	61	(639)	-	-
Gain on disposal of investment in quoted shares	(171)	-	(186)	-
Interest income on financial assets not at fair value through profit or loss:				
- fixed deposits with licensed bank	(254)	(433)	(2)	(4)
- others	-	(1)	-	(144)
Waiver of debt by subsidiaries	-	-	-	(1,076)
Realised gain on derivative	(86)	-	-	-
Rental income	(191)	(185)	-	-
Reversal of impairment loss on trade receivables (Note 14)	(21)	(291)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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32. INCOME TAX EXPENSE

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax:				
- Malaysian tax	2,672	4,414	104	105
- foreign tax	304	208	-	-
	2,976	4,622	104	105
- under/(over)provision in the previous financial year	692	(509)	-	(47)
	3,668	4,113	104	58
Deferred tax (Note 22):				
- origination and reversal of temporary differences	(463)	(661)	-	-
- under/(over)provision in the previous financial year	546	(526)	-	-
	83	(1,187)	-	-
	3,751	2,926	104	58

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) before taxation	14,941	15,281	2,180	(242)
Tax at the statutory tax rate of 24% (2016 - 24%)	3,586	3,667	523	(58)
Tax effects of:-				
Non-deductible expenses	722	598	71	347
Tax-exempt income	(2)	(2)	-	-
Non-taxable income	(1,044)	(445)	(490)	(181)
Reversal of deferred tax assets during the financial year	-	(6)	-	-
Deferred tax assets not recognised during the financial year	1	110	-	-
Crystallisation of deferred tax liabilities on amortisation of revalued properties	(170)	(167)	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdiction	(85)	108	-	-
Effects of change in corporate income tax rate from 25% to 24% on deferred tax	-	67	-	(3)
Tax rebate	(290)	(29)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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32. INCOME TAX EXPENSE Cont'd

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Under/(over)provision in the previous financial year:				
- current tax	692	(509)	-	(47)
- deferred tax	546	(526)	-	-
Utilisation of deferred tax assets previously not recognised	(135)	-	-	-
Others	(70)	60	-	-
Income tax expense for the financial year	3,751	2,926	104	58

33. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Items that may be reclassified subsequently to Profit or Loss				
Fair value of available-for-sale financial assets:				
- changes during the financial year	3,580	(1,840)	379	(607)
- transfer to profit or loss on disposal	(81)	-	(86)	-
- transfer to profit or loss for impairment losses recognised for quoted shares	-	1,063	-	364
	3,499	(777)	293	(243)
Foreign currency translation differences:				
- changes during the financial year	1,418	1,726	-	-
	4,917	949	293	(243)

34. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation of approximately RM11,108,000 (2016 - RM13,254,000) by the weighted average number of ordinary shares in issue of 56,129,600 (2016 - 56,222,725) after taking into account the effects of treasury shares.

	The Group	
	2017	2016
Profit attributable to owners of the Company (RM'000)	11,108	13,254
Weighted average number of ordinary shares in issue ('000):-		
Ordinary shares at 1 May 2016/2015	56,165	56,393
Effects of treasury shares held	(35)	(170)
Weighted average number of ordinary shares at 30 April	56,130	56,223
Basic earnings per share (sen)	19.79	23.57

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

34. EARNINGS PER SHARE Cont'd

The diluted earnings per share is equal to the basic earnings per share as there are no outstanding potential dilutive instruments during the financial year.

35. DIVIDEND

	The Group/ The Company	
	2017 RM'000	2016 RM'000
Interim single tier tax-exempt dividend of 3.25 sen per ordinary share in respect of the financial year ended 30 April 2017	1,823	-
Interim tax-exempt dividend of 3 sen per ordinary share in respect of the financial year ended 30 April 2016	-	1,685

36. PURCHASE OF PLANT AND EQUIPMENT

	The Group	
	2017 RM'000	2016 RM'000
Cost of plant and equipment purchased (Note 7)	2,775	1,382
Amount financed through hire purchase	(1,196)	-
Cash disbursed for purchase of plant and equipment	1,579	1,382

37. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed deposits with licensed banks (Note 16)	4,491	4,306	82	80
Cash and bank balances	40,226	34,749	550	169
Bank overdrafts	-	(1,657)	-	-
	44,717	37,398	632	249
Less: Fixed deposits pledged to licensed banks (Note 16)	(4,358)	(4,306)	(82)	(80)
	40,359	33,092	550	169

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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38. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors				
<u>Directors of the Company</u>				
<i>Executive Directors:</i>				
Short-term employee benefits:				
- fee	606	167	24	24
- salaries, bonuses and other benefits	265	96	102	96
	871	263	126	120
Defined contribution benefits	26	6	6	6
	897	269	132	126
<i>Non-Executive Directors:</i>				
Short-term employee benefits:				
- fee	40	36	40	36
Total directors' remuneration	937	305	172	162
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors:</i>				
Short-term employee benefits:				
- fee	175	427	-	-
- salaries, bonuses and other benefits	643	1,606	-	-
	818	2,033	-	-
Defined contribution benefits	101	165	-	-
	919	2,198	-	-
Other Key Management Personnel				
Short-term employee benefits	355	620	-	-
Defined contribution benefits	43	42	-	-
Total compensation for other key management personnel	398	662	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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38. KEY MANAGEMENT PERSONNEL COMPENSATION Cont'd

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Company			
	2017		2016	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	5	-	5
RM50,001 - RM100,000	1	-	1	-
RM200,001 - RM250,000	-	-	1	-
RM350,001 - RM400,000	1	-	-	-
RM450,001 - RM500,000	1	-	-	-

39. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Company also carried out the following transactions with the related parties during the financial year:-

	The Company	
	2017	2016
	RM'000	RM'000
Advances to subsidiaries	5	5,010
Advances from subsidiaries	-	(651)
Dividend from subsidiaries	(1,800)	(37,966)
Interest charged to a subsidiary	-	144
Management fee charged to subsidiaries	480	360
Payment on behalf by subsidiaries	-	(433)
Payment on behalf for subsidiaries	2	3
Repayment from subsidiaries	(22)	(5,107)

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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40. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 5 main reportable segments as follows:-

Reportable segments	Description
Manufacturing, formulation and sale of resin, chemicals and building materials	Involved in manufacturing, formulation and sale of resin, chemicals and trading in tiles.
Recovery and sale of recycled products	Involved in collecting, treating, recovering and recycling of industrial waste and sale of recycled products.
Culture and sale of prawns	Involved in breeding and selling of prawns.
Investment holding and property letting	Involved in investment holding, management services and property letting.
Contract work, pipe laying and rehabilitation	General contractor.

- (a) The Group Executive Committee assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reporting segments.

- (b) Each reporting segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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40. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS

2017	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Revenue						
External revenue	91,582	24,706	592	382	32,501	149,763
Inter-segment revenue	926	411	303	2,371	7,742	11,753
	92,508	25,117	895	2,753	40,243	161,516
Consolidation adjustments						(11,753)
Consolidated revenue						149,763
Results						
Segment profit/(loss) before interest and taxation	9,879	4,651	137	2,064	562	17,293
Finance costs						(552)
Income tax expense						(3,751)
Consolidation adjustments						(1,800)
Consolidated profit after taxation						11,190
Segment profit/(loss) before interest and taxation includes the following:-						
Bad debts written off	(1)	(50)	-	-	-	(51)
Depreciation of property, plant and equipment	(2,446)	(2,123)	(262)	(464)	(2,610)	(7,905)
Dividend income from investments:						
- quoted shares	1,312	11	-	340	-	1,663
- unit trust	-	-	-	9	-	9
Foreign exchange gain/(loss):						
- realised	1,952	(33)	-	-	(33)	1,886
- unrealised	259	-	-	-	-	259
Loss on disposal of equipment	(36)				(25)	(61)
(Loss)/Gain on disposal of quoted shares	-	(15)	-	186	-	171
Impairment loss on trade receivables	(38)	-	-	-	(502)	(540)
Interest expense	(251)	(13)	-	(261)	(142)	(667)
Interest income	240	8	3	3	-	254
Inventories written down	(101)	-	-	-	-	(101)
Equipment written off	(3)	(8)	-	-	-	(11)
Rental expense	-	-	-	-	(865)	(865)
Rental income	-	90	-	33	68	191
Reversal of impairment loss on trade receivables	21	-	-	-	-	21
Staff costs	(2,576)	(3,346)	(119)	-	(9,332)	(15,373)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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40. OPERATING SEGMENTS Cont'd**BUSINESS SEGMENTS** Cont'd

2017	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Assets						
Segment assets	167,603	60,234	20,410	101,146	25,610	375,003
Unallocated assets:						
- current tax assets						1,031
Consolidation adjustments						(78,944)
Consolidated total assets						<u>297,090</u>
Additions to non-current assets other than financial instruments are:						
- property, plant and equipment	148	2,450	-	-	177	2,775
Liabilities						
Segment liabilities	17,093	4,146	49	31,370	14,525	67,183
Unallocated liabilities:						
- deferred tax liabilities						17,820
Consolidation adjustments						(23,307)
Consolidated total liabilities						<u>61,696</u>
2016						
Revenue						
External revenue	101,500	27,877	1,005	327	24,467	155,176
Inter-segment revenue	2,333	-	-	38,417	4,797	45,547
	<u>103,833</u>	<u>27,877</u>	<u>1,005</u>	<u>38,744</u>	<u>29,264</u>	<u>200,723</u>
Consolidation adjustments						(45,547)
Consolidated revenue						<u>155,176</u>
Results						
Segment profit/(loss) before interest and taxation	40,066	6,035	999	8,029	(2,177)	52,952
Finance costs						(617)
Income tax expense						(2,926)
Consolidation adjustments						(37,054)
Consolidated profit after taxation						<u>12,355</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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40. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS Cont'd

2016	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Segment profit/(loss) before interest and taxation includes the following:-						
Bad debts written off	(45)	-	-	-	(38)	(83)
Depreciation of property, plant and equipment	(2,630)	(1,989)	(270)	(459)	(2,984)	(8,332)
Dividend income from investments:						
- quoted shares	986	12	-	303	-	1,301
- unit trusts	-	-	-	86	-	86
Foreign exchange gain/(loss):						
- realised	1,842	-	-	-	129	1,971
- unrealised	1,055	(6)	-	-	-	1,049
Gain on disposal of equipment	4	-	-	-	635	639
Impairment loss on:						
- trade receivables	(103)	-	-	-	(94)	(197)
- quoted shares	(32)	(132)	-	(899)	-	(1,063)
Interest expense	(427)	-	-	(435)	-	(862)
Interest income	425	5	-	4	-	434
Inventories written down	(276)	-	-	-	-	(276)
Rental expense	(3)	-	-	-	(757)	(760)
Rental income	-	57	-	24	104	185
Reversal of impairment loss on trade receivables	235	-	-	-	56	291
Staff costs	(3,236)	(3,747)	(198)	-	(9,625)	(16,806)
Assets						
Segment assets	161,496	55,746	20,393	100,989	29,358	367,982
Unallocated assets:						
- current tax assets						932
Consolidation adjustments						(79,327)
Consolidated total assets						<u>289,587</u>
Additions to non-current assets other than financial instruments are:						
- property, plant and equipment	455	661	-	-	266	1,382
Liabilities						
Segment liabilities	21,510	3,166	47	31,793	13,095	69,611
Unallocated liabilities:						
- deferred tax liabilities						17,501
Consolidation adjustments						(18,777)
Consolidated total liabilities						<u>68,335</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

40. OPERATING SEGMENTS Cont'd

GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the business segments are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

Group	Revenue		Non-current Assets	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Singapore	48,858	39,707	33,377	32,977
Malaysia	100,905	115,469	123,675	127,053
	149,763	155,176	157,052	160,030

MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

41. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign exchange to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	2017	2016
	RM	RM
United States Dollar	4.3	3.9
Euro	4.7	4.4
Singapore Dollar	3.1	2.9

42. CONTINGENT LIABILITIES

(a) Litigation

On 28 November 2013, Analabs Resources Bhd. (1st Plaintiff) and Lux Distributor Sdn. Bhd. (2nd Plaintiff) filed a civil suit against Khor Siew Foo ("Mr. Khor") for an order that Mr. Khor specifically fulfil the Management Cum Profit Guarantee Agreement ("MPGA") dated 8 March 2012 by attending to his duties as CEO of Lux Distributor Sdn. Bhd. until 31 December 2013. Mr. Khor was requested to pay the 2nd Plaintiff the shortfall in the Net Profit After Taxation for the sum of RM1,500,000 pursuant to the MPGA.

On 26 December 2013, Mr. Khor filed his defence and counterclaim against the Plaintiffs. The judgement was delivered on 19 March 2015 in favour of Mr. Khor.

NOTES TO THE FINANCIAL STATEMENTS

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Cont'd

42. CONTINGENT LIABILITIES Cont'd

(a) Litigation Cont'd

Analabs Resources Berhad and Lux Distributor Sdn. Bhd. have filed an appeal against the decision of the High Court. On 19th and 20th January 2016, the Court of Appeal has decided as follows:

- (i) the Plaintiffs/Appellant's appeal was allowed in part;
- (ii) the High Court's declaration in favour of Mr. Khor that the Share Sale Agreement and the Management Cum Profit Guarantee Agreement as rescinded is set aside;
- (iii) the High Court's decision with regards to the dividend of RM1,000,000 was upheld and should still be paid to Mr. Khor by the Plaintiffs;
- (iv) that an independent auditor is to be appointed to perform an audit of Lux Distributor Sdn. Bhd. for the years 2012 and 2013 to ascertain the net profit of the Company over that 2 year periods;
- (v) that the RM750,000 escrow sum is to be applied in accordance with the findings of the independent audit;
- (vi) the parties are at liberty to apply to the High Court for directions;
- (vii) the High Court costs of RM40,000 was set aside; and
- (viii) parties bear their respective portion of costs.

On 15 July 2016, Mr. Khor filed an application (Enclosure 29) in the High Court, that the independent audit be based not on the accounting policy of Analabs Resources Berhad. but on the pre-2012 accounting policy of Lux Distributor Sdn. Bhd.. On 26 July 2016, the Plaintiffs filed the following two applications in the High Court as follows:-

- (i) Enclosure 31 - application for appointment of independent auditor and other related relief; and
- (ii) Enclosure 33 - to strike out Mr. Khor's Enclosure 29.

On 22 November 2016, a hearing of Enclosure 33 was heard. The High Court struck out Mr. Khor's Enclosure 29 with costs of RM5,000.

On 5 December 2016, Mr. Khor filed an appeal to the Court of Appeal against the High Court's decision on 22 November 2016 which struck out his enclosure 29. The Court of Appeal has not fixed a hearing date for the Mr. Khor's appeal as the High Court Judge has not delivered his written grounds of judgement. Enclosure 31 which filed by Plaintiffs on 26 July 2016 is pending the High Court until the Court of Appeal disposes the Defendant's appeal.

(b) Corporate guarantees

	The Company	
	2017 RM'000	2016 RM'000
Corporate guarantees issued to:		
- licensed banks for credit facilities granted to certain subsidiaries	39,615	57,429
- suppliers for purchases made by a subsidiary	850	850
	40,465	58,279

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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43. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Companies Act 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replace the existing Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Group and of the Company upon its initial adoption are:-

- (i) Removal of the authorised share capital;
- (ii) Ordinary shares ceased to have par value; and
- (iii) Share premium account became part of the share capital.

The adoption of the Companies Act 2016 has been applied prospectively and the impacts of adoption are disclosed in the respective notes to the financial statements.

44. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

44.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

- (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign Currency Exposure

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2017						
<u>Financial Assets</u>						
Investments in quoted shares	-	-	257	40,846	1,126	42,229
Other investments	-	-	-	1,690	-	1,690
Trade receivables	3,199	4,135	12,249	10,287	-	29,870
Other receivables	185	62	25	708	-	980
Fixed deposits with licensed banks	-	-	623	3,868	-	4,491
Cash and bank balances	3,791	7,943	5,565	22,927	-	40,226
	7,175	12,140	18,719	80,326	1,126	119,486
<u>Financial Liabilities</u>						
Trade payables	275	2,164	6,836	3,610	-	12,885
Other payables and accruals	19	-	7,167	2,656	-	9,842
Hire purchase payables	-	-	1,631	58	-	1,689
Bankers' acceptances	-	2,377	-	3,459	-	5,836
Term loans	-	-	9,928	-	-	9,928
	294	4,541	25,562	9,783	-	40,180
Net financial assets/ (liabilities)	6,881	7,599	(6,843)	70,543	1,126	79,306
Add/Less: Net financial liabilities/assets denominated in the respective entities' functional currencies	-	-	6,843	(70,543)	-	(63,700)
Currency Exposure	6,881	7,599	-	-	1,126	15,606

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

Foreign Currency Exposure Cont'd

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2016						
<u>Financial Assets</u>						
Investments in quoted shares	-	-	669	28,629	764	30,062
Other investments	-	-	-	1,364	-	1,364
Trade receivables	5,326	4,516	10,040	14,396	-	34,278
Other receivables	411	174	10	377	-	972
Fixed deposits with licensed banks	-	-	582	3,724	-	4,306
Cash and bank balances	13,480	8,986	5,899	6,381	3	34,749
	19,217	13,676	17,200	54,871	767	105,731
<u>Financial Liabilities</u>						
Trade payables	427	3,456	4,755	4,380	620	13,638
Other payables and accruals	12	-	6,331	5,470	-	11,813
Derivative liability	-	-	-	86	-	86
Hire purchase payables	-	-	771	122	-	893
Bankers' acceptances	-	2,210	152	2,723	-	5,085
Term loans	-	-	14,676	-	-	14,676
Bank overdrafts	-	-	1,354	303	-	1,657
	439	5,666	28,039	13,084	620	47,848
Net financial assets/(liabilities)	18,778	8,010	(10,839)	41,787	147	57,883
Add/Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	-	-	10,839	(41,787)	-	(30,948)
Less: Forward foreign currency contracts (contracted notional principal)	-	(2,210)	-	-	-	(2,210)
Currency Exposure	18,778	5,800	-	-	147	24,725

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2017	2016
	RM'000	RM'000
Effects on Profit After Taxation		
Euro/RM - strengthened by 10%	+523	+1,427
- weakened by 10%	-523	-1,427
USD/RM - strengthened by 10%	+578	+441
- weakened by 10%	-578	- 441

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk that is based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in respective notes to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2017	2016
	RM'000	RM'000
Effects on Profit After Taxation		
Increase of 100 basis points	-86	-163
Decrease of 100 basis points	+86	+163

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments and other investments as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2017	2016
	RM'000	RM'000
Effect on Other Comprehensive Income		
Increase of 5%	+2,187	+1,562
Decrease of 5%	-2,187	-1,562

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 to 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides corporate guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group major concentration of credit risk relates to the amount owing by a customer which constituted approximately 13% of its trade receivables at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(b) Credit Risk Cont'd

(i) Credit Risk Concentration Profile Cont'd

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2017 RM'000	2016 RM'000
Australia	162	2,577
Asia	17,216	15,748
Malaysia	11,454	14,396
Others	1,038	1,557
	29,870	34,278

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Ageing Analysis

The ageing analysis of the trade receivables is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2017			
Not past due	21,725	-	21,725
Past due:			
- less than 3 months	6,000	-	6,000
- 3 to 6 months	2,110	-	2,110
- more than 6 months	773	(738)	35
	30,608	(738)	29,870
2016			
Not past due	25,167	-	25,167
Past due:			
- less than 3 months	7,649	-	7,649
- 3 to 6 months	1,287	-	1,287
- more than 6 months	522	(347)	175
	34,625	(347)	34,278

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(b) Credit Risk Cont'd

(iii) Ageing Analysis Cont'd

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of these trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2017						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	12,885	12,885	12,885	-	-
Other payables and accruals	-	9,842	9,842	9,842	-	-
Hire purchase payables	3.52 - 5.30	1,689	1,755	780	975	-
Bankers' acceptances	3.05 - 4.77	5,836	5,836	5,836	-	-
Term loans	2.80 - 5.85	9,928	10,049	6,021	1,801	2,227
		40,180	40,367	35,364	2,776	2,227

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

Cont'd

44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(c) Liquidity Risk Cont'd

Maturity Analysis Cont'd

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2016						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	13,638	13,638	13,638	-	-
Other payables and accruals	-	11,813	11,813	11,813	-	-
Hire purchase payables	3.53 - 5.30	893	953	284	634	35
Bankers' acceptances	2.65 - 5.13	5,085	5,085	5,085	-	-
Term loans	2.80 - 5.85	14,676	15,038	5,574	6,998	2,466
Bank overdrafts	6.00 - 8.19	1,657	1,657	1,657	-	-
		47,762	48,184	38,051	7,632	2,501
<u>Derivative Financial Liability</u>						
Forward currency contracts (gross settled):						
- gross payments	-	86	86	86	-	-
		86	86	86	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(c) Liquidity Risk Cont'd

Maturity Analysis Cont'd

The Company	Contractual Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years	Over 5 Years
	%	RM'000	RM'000	RM'000	RM'000	RM'000
2017						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	178	178	178	-	-
Amount owing to a subsidiary	-	30	30	30	-	-
		208	208	208	-	-
2016						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	188	188	188	-	-
Amount owing to subsidiaries	-	940	940	940	-	-
		1,128	1,128	1,128	-	-

44.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Available-for-sale Financial Assets</u>				
Investments in quoted shares (Note 9)	42,229	30,062	488	795
Other investments (Note 10)	1,690	1,364	1,510	1,184
	43,919	31,426	1,998	1,979
<u>Loans and Receivables Financial Assets</u>				
Trade receivables (Note 14)	29,870	34,278	-	-
Other receivables (Note 15)	980	972	-	1
Amount owing by subsidiaries (Note 11)	-	-	78	1,003
Fixed deposits with licensed banks	4,491	4,306	82	80
Cash and bank balances	40,226	34,749	550	169
	75,567	74,305	710	1,253
Financial liabilities				
<u>Other Financial Liabilities</u>				
Trade payables	12,885	13,638	-	-
Other payables and accruals (Note 26)	9,842	11,813	178	188
Amount owing to subsidiaries (Note 11)	-	-	30	940
Hire purchase payables (Note 23)	1,689	893	-	-
Bankers' acceptances	5,836	5,085	-	-
Term loans (Note 24)	9,928	14,676	-	-
Bank overdrafts	-	1,657	-	-
	40,180	47,762	208	1,128
<u>Fair Value through Profit or Loss:</u>				
<u>Held-for-trading</u>				
Derivative liability	-	86	-	-
	-	86	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are repayable on demand terms maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The fair value of the Group's other investment with carrying amount of RM180,000 (2016 - RM180,000) is not presented due to the lack of marketability of the club membership and the fair value cannot be reliably measured.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Group								
2017								
<u>Financial Assets</u>								
Investments in quoted shares	42,229	-	-	-	-	-	42,229	42,229
Other investments	1,510	-	-	-	-	180	1,690	1,690
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	1,689	-	1,689	1,689
Term loans	-	-	-	-	9,928	-	9,928	9,928
2016								
<u>Financial Assets</u>								
Investments in quoted shares	30,062	-	-	-	-	-	30,062	30,062
Other investments	1,184	-	-	-	-	180	1,364	1,364
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	893	-	893	893
Term loans	-	-	-	-	14,676	-	14,676	14,676
Derivative liability	-	86	-	-	-	-	86	86

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2017

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44. FINANCIAL INSTRUMENTS Cont'd

44.4 FAIR VALUE INFORMATION Cont'd

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Company								
2017								
<u>Financial Assets</u>								
Investments in quoted shares	488	-	-	-	-	-	488	488
Other investments	1,510	-	-	-	-	-	1,510	1,510
2016								
<u>Financial Assets</u>								
Investments in quoted shares	795	-	-	-	-	-	795	795
Other investments	1,184	-	-	-	-	-	1,184	1,184

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- (i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.

There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of hire purchases payables are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows range from 3.52% to 5.30% (2016 - 3.53% to 5.30%) per annum.
- (ii) The carrying amounts of the term loans approximated their fair values as these are floating rate instruments that are repriced to market interest rates on or near the reporting date.

SUPPLEMENTARY INFORMATION

45. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Total retained profits of the Company and its subsidiaries:				
- realised	152,992	142,346	20,223	19,970
- unrealised	(3,526)	(2,247)	-	-
	149,466	140,099	20,223	19,970
Less: Consolidated adjustments	(27,084)	(27,002)	-	-
At 30 April	122,382	113,097	20,223	19,970

LIST OF PROPERTIES HELD BY THE GROUP

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2017 (RM)	Date of Revaluation
1	M-Field Sdn Bhd (Note: 1)	PN 5288 Lot No 55, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 34 years old	156	Owner Occupied 4 Storey Terrace Factory	624	630,886	Revalued on 02/04/2014
2	M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 34 years old	156	Owner Occupied 4 Storey Terrace Factory	616	647,727	Revalued on 02/04/2014
3	M-Field Sdn Bhd	HS (D) 23877, 25233, Lot No 33, 34, Seksyen 48, Nos 302 & 304, 2 1/2 Mile, Jalan Ipoh, 51200 Kuala Lumpur.	Freehold	Freehold Land & Buildings 36 years old	336	Owner Occupied 2 units of four- storey shop/offices (Intermediate unit)	1,323	6,286,003	Revalued on 9/8/2011
4	M-Field Sdn Bhd	HS (D) 4791 PT No 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 60 years expiring 4th June 2046	Leasehold Land & Buildings 27 years old	5,800	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	5,401,248	Revalued on 02/04/2014
5	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 19 years old	121	Owner Occupied Single Storey Terrace House	74	85,000	Revalued on 02/04/2014
6	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	2,285,000	Revalued on 02/04/2014
7	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 20 years old	17,626	Owner Occupied 2 Storey Office Block, Factory & Warehouse	5,982	14,940,041	Revalued on 02/04/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2017 (RM)	Date of Revaluation
8	Centralised Waste Treatment Plant Sdn Bhd	HS (M) 976, 980, 987, 988 and PT Nos 743, 747, 754, 755, Mukim of Setul, District of Seremban, Negeri Sembilan Darul Khursus	Leasehold for 99 years expiring 2nd October 2085	Leasehold Land & Building 24 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Storey Office Warehouse	3,162	4,009,410	Revalued on 02/04/2014
9	Resources Conservation Sdn Bhd	HS(D) 80016, PT No. 14329, Mukim Damansara, District of Petaling Selangor Darul Ehsan	Freehold	Leasehold Land & Building 18 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Storey Office Warehouse	1,682	6,322,921	Revalued on 02/04/2014
10	Resources Conservation Sdn Bhd	HS (D) 51801, PT No. 43449, Mukim and District of Klang, Selangor Darul Ehsan	Freehold	Freehold Land & Buildings 19 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Storey Office Warehouse	3,450	8,570,588	Revalued on 02/04/2014
11	Resources Conservation Sdn Bhd	GM 146, Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan	Freehold	Freehold Industrial Land 17 years old	2,300	Owner Occupied Industrial Land	n/a	2,600,000	Revalued on 02/04/2014
12	Striketech Sdn Bhd (Note 3)	HS (D) 26575 Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan	Leasehold for 99 years expiring 24th September 2094	Leasehold Land & Building 16 years old	1,035,187	Owner Occupied Buildings for Research & Development & Operations	1,975	19,672,404	Revalued on 02/04/2014
13	Cleanway Disposal Services Pte Ltd	Lot 7889L, Mukim 5 Bearing Postal Address 40 Penjuru Road Singapore	Leasehold for 30 years expiring 31st December 2031	Leasehold Building 14 years old	4,005	Owned Occupied A Part Single/ Part 3-Storey Single Factory	3,241,180	15,489,328 (exchange rate 3.1096)	Revalued on 23/01/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2017 (RM)	Date of Revaluation
14	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson Negeri Sembilan	Leasehold for 99 years expiring 1st April 2075	Leasehold Land & Building 29 years old	62,221	Owner Occupied Plant Tank Farm, Compressor Room, Drum Filling Station, Double Storey Warehouse cum administrative office, Single Storey Detached Factory & Laboratory	17,727	9,456,000	Revalued on 02/04/2014
15	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3 1/2 Mile, Kapar Road, Mukim Kapar, Klang, Selangor	Freehold	Freehold Industrial Land & Buildings 20 years old	19,450	Owner Occupied 3 Storey Office Block, Factory & Warehouse	9,140	18,464,391	Revalued on 02/04/2014
16	Lux Distributor Sdn Bhd	Lot 16435, Block 5, Jalan 4, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor.	Freehold	Freehold Industrial Land & Buildings 20 years old	3,006	Owner Occupied 3 Storey Office & Warehouse	2,706	6,481,579	Revalued on 02/04/2014
17	Lux Distributor Sdn Bhd	Lot 182924, Mukim of Plentong, District of Johor Bahru (A 1 1/2-storey Semi-Detached Factory Bearing Address No. 27, Jalan Sri Plentong 3, Taman Perindustrian Sri Plentong 81750 Masai)	Freehold	1 1/2-storey Semi-Detached Factory 26 years old	1,951	Owner Occupied 1 1/2 Storey Office & Warehouse	1,094	2,282,308	Revalued on 02/04/2014
18	Toh Ban Seng Contractor Pte Ltd	287 Kaki Bukit Avenue 1, Shun Li Industrial Park, Singapore 416078	Leasehold for 60 years expiring 30th Oct 2056	A 3-Storey Strata Terrace Factory 26 years old	643	Owner Occupied Dormitory, Office & Warehouse	643	7,498,070 (exchange rate 3.1096)	Revalued on 04/04/2014

Notes:

Notes 1 to 4 being list of properties that are affected by the internal rationalisation exercise of the Group announced in May 2004.

Note 1 : Property transferred from Masmeru Sdn. Bhd. to M-Field Sdn. Bhd.

Note 2 : Property transferred from Electronic Resource Sdn. Bhd. to M-Field Sdn. Bhd.

Note 3 : Property transferred from Analabs Biotech Sdn. Bhd. to Striketech Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

As at 26 July 2017

Class of shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Issued Share Capital	:	56,104,600 ordinary shares (excludes 3,919,400 ordinary shares bought back and retained as treasury shares as at 26 July 2017)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	37	2.78	696	0.00
100 - 1,000	210	15.77	155,490	0.28
1,001 - 10,000	905	67.94	3,188,040	5.68
10,001 - 100,000	152	11.41	4,192,522	7.47
100,001 to less than 5% of issued shares	26	1.95	16,893,300	30.11
5% and above of issued shares	2	0.15	31,674,552	56.46
Total	1,332	100.00	56,104,600	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	31,674,552	56.46	9,000*	0.02

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	31,674,552	56.46	9,000*	0.02
2	Lim Yoke Soo	212,277	0.38	-	0.00
3	Low Chin Ann @ Han Chin Ann	-	0.00	-	0.00
4	Lai Yew Choong	-	0.00	-	0.00
5	Kan Mun Hoow	1,177,500	2.10	-	0.00
6	Tan Suat Eam	-	0.00	-	0.00
7	Clifton Heath Fernandez	-	0.00	-	0.00

* Deemed interested by virtue of the shares held by his spouse pursuant to Section 221(9)(a) of the Companies Act 2016.

In the subsidiaries

By virtue of his substantial shareholding in the shares capital of the Company, Mr. Kan Yow Kheong is also deemed interested in the shares of all the subsidiaries.

ANALYSIS OF **SHAREHOLDINGS**

As at 26 July 2017

Cont'd

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	KAN YOW KHEONG	21,347,552	38.05
2	KAN YOW KHEONG	10,327,000	18.41
3	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA 1)</i>	2,718,700	4.85
4	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)</i>	2,580,700	4.60
5	CHUA SIM NEO @ DIANA CHUA	2,472,300	4.41
6	PUI CHENG WUI	2,277,600	4.06
7	KAN MUN HOOW	1,177,500	2.10
8	LIM KHUAN ENG	560,000	1.00
9	CHAN YEW SIANG	501,200	0.89
10	PUI BOON HEAN	440,400	0.78
11	PUI BOON KENG	439,700	0.78
12	PUI CHENG WUI	369,000	0.66
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)</i>	339,900	0.61
14	TOHTONKU SDN. BERHAD	319,400	0.57
15	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN</i>	317,300	0.57
16	LEE YEN ENG	297,400	0.53
17	GOH THONG BENG	293,800	0.52
18	LAI CHIN LOY	286,100	0.51
19	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)</i>	273,700	0.49
20	SOW TIAP	204,000	0.36
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)</i>	200,000	0.36
22	CHONG TONG KU	149,400	0.27
23	FOLLOW ME INDUSTRIES SDN. BHD.	123,000	0.22
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR GOH EU JIM (PB)</i>	122,700	0.22
25	LEYU CHONG HUA @ LEO CHONG HUA	113,500	0.20
26	LIM BAN JOO	112,000	0.20
27	CHUAH SAW LEE	102,000	0.18
28	LIM TEAN TEONG	102,000	0.18
29	KENANGA NOMINEES (ASING) SDN BHD <i>RHB SECURITIES SINGAPORE PTE. LTD. FOR ANALYTICAL LABORATORIES (S) PTE LTD (63-13172)</i>	100,000	0.18
30	YAP CHOO JOO @ YAP TSE LOO	100,000	0.18
	TOTAL	48,767,852	86.94

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (“19th AGM”) of the Company will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 13 October 2017 at 11.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To lay the audited financial statements together with the reports of the Directors and Auditors for the financial year ended 30 April 2017. (Please refer to Explanatory Note)
2. 2.1 To re-elect the following Directors who retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who being eligible offer themselves for re-election:-
 - (i) Kan Yow Kheong (Resolution 1)
 - (ii) Lim Yoke Soo (Resolution 2)
 - (iii) Lai Yew Choong (Resolution 3)
 - (iv) Low Chin Ann @ Han Chin Ann (Resolution 4)
 - (v) Tan Suat Eam (Resolution 5)
 - (vi) Clifton Heath Fernandez (Resolution 6)
- 2.2 To re-elect Kan Mun Hoow who retires by rotation in accordance with Article 85 of the Company’s Articles of Association and who being eligible offers himself for re-election. (Resolution 7)
3. To approve the payment of Directors’ Fees of RM64,000 in respect of the financial year ended 30 April 2017. (Resolution 8)
4. To approve the payment of Directors’ Fees up to RM108,000 in respect of the financial year ending 30 April 2018. (Resolution 9)
5. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 10)

6. SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:-

- 6.1 **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”)** (Resolution 11)

“THAT pursuant to Sections 75 and 76 of the Act and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purpose as the Directors may, in their absolute discretion deem fit and in the interest of the Company, provided that the aggregate number of the shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”) and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

- 6.2 **Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares** (Resolution 12)

“THAT subject to the rules, regulations and orders made pursuant to the Act, provisions of the Company’s Articles of Association and the Listing Requirements of Bursa Securities and any other relevant authorities, the Board be and is hereby authorised to purchase the Company’s shares through Bursa Securities (“Proposed Share Buy-Back”) subject to the following:-

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

Cont'd

- a. the maximum number of the Company's shares which may be purchased and/or held as treasury shares by the Company at any point in time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total issued share capital of the Company;
- b. the maximum fund to be allocated by the Company for the purpose of purchasing the Company's shares shall not exceed the aggregate of the retained profits of the Company;
- c. the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities; and
- d. upon completion of the purchase(s) of the Company's shares by the Company, the Board be and is hereby authorised to retain the Company's shares so purchased as treasury shares, of which may be distributed as dividends to shareholders and/or re-sold on Bursa Securities and/or subsequently cancelled and in other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND that the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Company's shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

7. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 2016.

BY ORDER OF THE BOARD

CYNTHIA GLORIA LOUIS (MAICSA 7008306)
CHEW MEI LING (MAICSA 7019175)
Secretaries

Petaling Jaya
Selangor Darul Ehsan
30 August 2017

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

Cont'd

Notes:

- (1) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 9 October 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 19th AGM.*
- (2) *A member entitled to attend and to vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies. There shall be no restriction as to the qualification of the proxy.*
- (3) *A member who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (4) *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (5) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.*
- (7) *The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.*

Explanatory Notes:-

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2017**

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provides that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this item 1 of the Agenda is not put forward for voting.

2. **Special Business Ordinary Resolution 11 – Mandate to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 19th AGM.

The proposed resolution if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 19th AGM, to allot and issue ordinary shares up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being pursuant to Sections 75 and 76 of the Companies Act, 2016. The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or business expansion and/or working capital and/or acquisitions.

3. **Special Business Ordinary Resolution 12 - Proposed Renewal of Authority for the Purchase by the Company of Its Own Ordinary Shares**

The Ordinary Resolution, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued share capital of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting. For further information on the Proposed Share Buy-Back, please refer to the Share Buy-Back Statement dated 30 August 2017 accompanying the 2017 Annual Report.

NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING

Cont'd

PERSONAL DATA PRIVACY

By lodging of a completed Form of Proxy to the Share Registrar of the Company for appointing a proxy(ies) and/or representative(s) to attend and vote in person at the 19th Annual General Meeting and any adjournment thereof, a member of the Company is hereby:

- 1) consented to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 19th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 19th Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**");
- 2) warranted that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes ("**Warranty**"); and
- 3) agreed that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING **NOTICE OF ANNUAL GENERAL MEETING**

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Profile of the Directors who are standing for re-election at the 19th Annual General Meeting of Analabs Resources Berhad (“Analabs”) which will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan are stated on pages 5 to 7 of the 2017 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries held by the said Directors are stated on page 114 of the 2017 Annual Report.



CDS ACCOUNT NO.	
NO. OF SHARES	

FORM OF PROXY

I/We _____

NRIC No. (New) _____ (Old) _____ /Company No. _____

of _____

being a member/members of **ANALABS RESOURCES BERHAD (468971-A)** hereby appoint the following person(s):-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
*And/or failing him/her (delete as appropriate)			

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting (“19th AGM”) of the Company to be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 13 October 2017 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:-

RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Mr. Kan Yow Kheong as a Director.		
Resolution 2	Re-election of Mr. Lim Yoke Soo as a Director.		
Resolution 3	Re-election of Mr. Lai Yew Choong as a Director.		
Resolution 4	Re-election of Mr. Low Chin Ann @ Han Chin Ann as a Director.		
Resolution 5	Re-election of Ms. Tan Suat Eam as a Director.		
Resolution 6	Re-election of Mr. Clifton Heath Fernandez as a Director.		
Resolution 7	Re-election of Mr. Kan Mun Hoow as a Director.		
Resolution 8	Approval of Directors’ fees for the financial year ended 30 April 2017.		
Resolution 9	Approval of Directors’ fees for the financial year ending 30 April 2018.		
Resolution 10	Re-appointment of Messrs Crowe Horwath as Auditors.		
Resolution 11	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Resolution 12	Proposed Renewal of Share Buy-Back.		

Please indicate with an “X” in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote or abstain from voting at his/her/their discretion.

Date: _____

Signature of Shareholder(s)

Notes:

- (1) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 9 October 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 19th AGM.
- (2) A member entitled to attend and to vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies. There shall be no restriction as to the qualification of the proxy.
- (3) A member who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (4) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (6) The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.
- (7) The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.

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AFFIX
STAMP

The Secretary

ANALABS RESOURCES BERHAD (468971-A)
UNIT 621, 6TH FLOOR, BLOCK A
KELANA CENTRE POINT
NO. 3, JALAN SS7/19
KELANA JAYA
47301 PETALING JAYA
SELANGOR DARUL EHSAN

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www.analabs.com.my

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