

# Annual Report 2011



**ANALABS  
RESOURCES  
BERHAD**

(468971-A)



**Reducing Waste For A Better Environment**

Corporate Social Responsibility - Recycling Waste Since 1980



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# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

KAN YOW KHEONG	Executive Chairman
LIM YOKE SOO	Executive Director
ALI RIZA BIN A. SAMAD	Independent Non-Executive Director
GANESAN A/L SUNDARAJ	Independent Non-Executive Director
HO LAI LENG @ HO NAI LENG	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.  
Level 6, Symphony House,  
Block D13, Pusat Dagangan Dana 1,  
Jalan PJU 1A/46,  
47301 Petaling Jaya, Selangor  
Tel : 03-7841 8000  
Fax : 03-7841 8151 / 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: 03-2166 0000  
Fax: 03-2166 1000

### **PRINCIPAL BANKERS**

MayBank Berhad  
Hong Leong Bank Berhad  
RHB Bank Berhad  
AmBank Berhad

### **STOCK EXCHANGE**

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

### **WEBSITE**

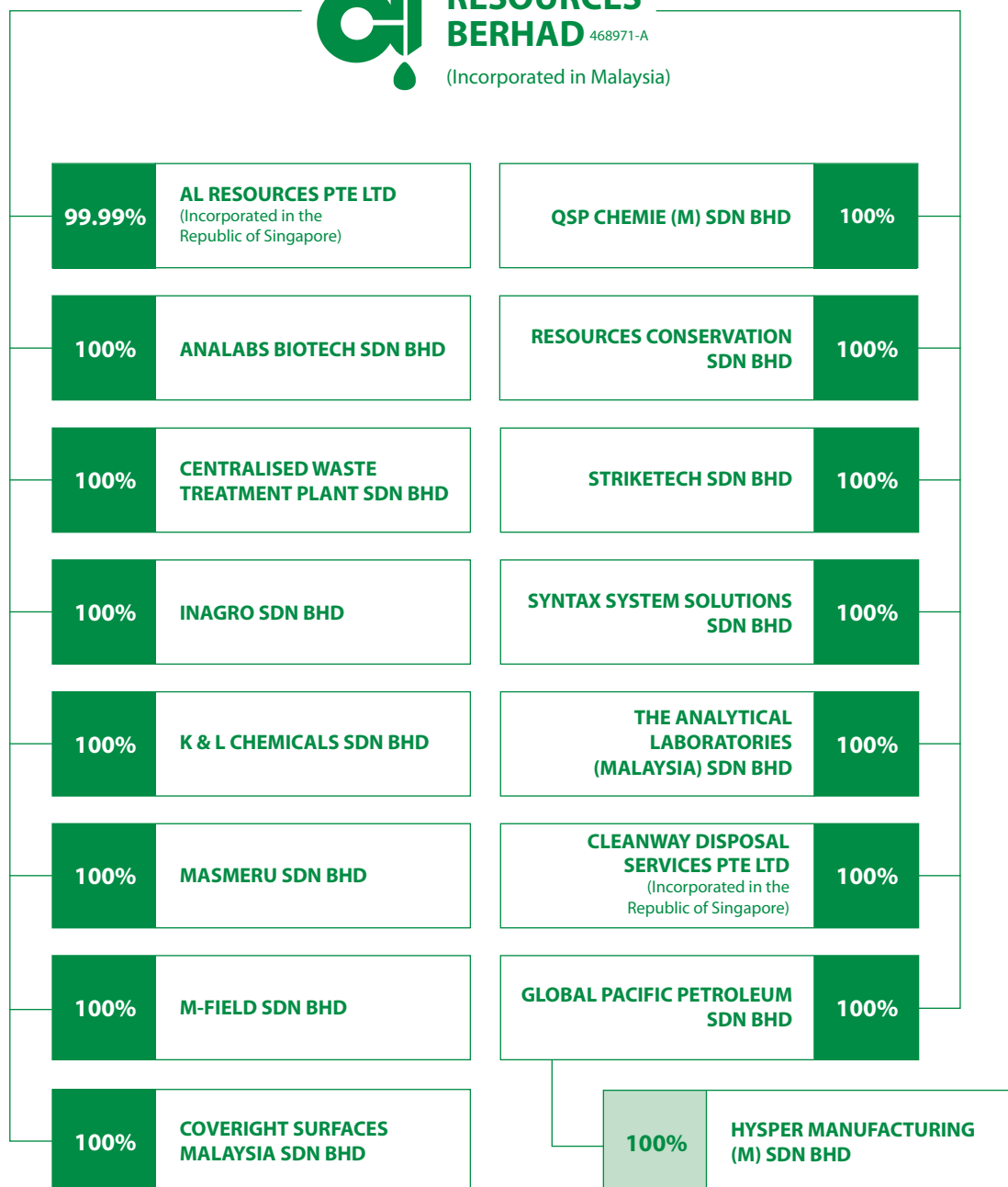
[www.analabs.com.my](http://www.analabs.com.my)

# GROUP STRUCTURE



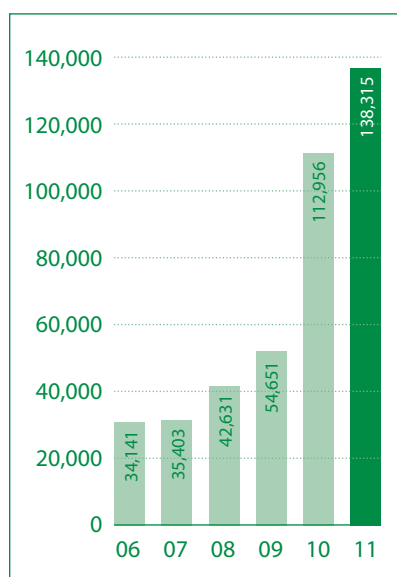
**ANALABS  
RESOURCES  
BERHAD** 468971-A

(Incorporated in Malaysia)

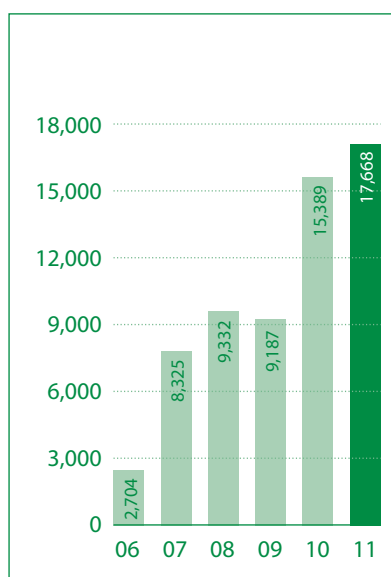


# FINANCIAL HIGHLIGHTS

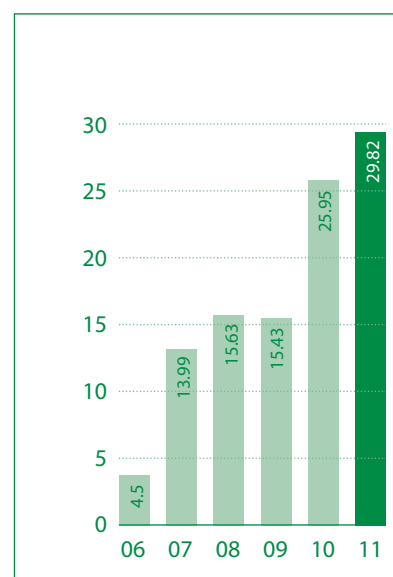
## TURNOVER (RM'000)



## PROFIT AFTER TAXATION (RM'000)



## NET EARNINGS PER SHARE (sen)



## FIVE YEARS FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2011	2010	2009	2008	2007	2006
TURNOVER (RM'000)	138,315	112,956	54,651	42,631	35,403	34,141
PROFIT AFTER TAXATION (RM'000)	17,668	15,389	9,187	9,332	8,325	2,704
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	17,668	15,389	9,187	9,332	8,356	2,700
NET EARNINGS PER SHARE (sen)	29.82	25.95	15.43	15.63	13.99	4.5
NET ASSETS (RM'000)	148,858	129,645	115,388	103,081	95,613	88,590
NET ASSETS PER SHARE (sen)	2.48	2.16	1.92	1.72	1.60	1.48
GROSS DIVIDEND PER SHARE (%)	5.00	5.00	4.50	3.30	2.00	1.25

# PROFILE OF DIRECTORS

## MR. KAN YOW KHEONG

Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, aged 58, 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 the Chartered Institute of Management, United Kingdom and finally a Master's Degree with Honours in Business Management from Oklahoma City University, United States of America.

He is the Chairman of the Remuneration Committee. He has attended all six (6) 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 10 years.

## MR. LIM YOKE SOO

Executive Director

Mr. Lim Yoke Soo, a Malaysian, aged 60, was appointed as Mr. Lim 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. Mr. Lim has more than 30 years of experience encompassing project management of waste

water, pure water treatment plants and marketing for waste recycling jobs. His extensive experience resulted in his appointment as a Director of several private limited companies.

Mr. Lim has attended all five (5) Board Meetings held during the financial year since his appointment on 20 August 2010. 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 10 years.



## PROFILE OF DIRECTORS (cont'd)

### **ENCIK ALI RIZA BIN A. SAMAD**

Independent Non-Executive Director

Encik Ali Riza Bin A. Samad, a Malaysian, aged 58, was appointed to the Board of Analabs on 19 November 1999. He graduated in 1976 with a Bachelor Degree of Science, majoring in Forest Engineering, from Universiti Pertanian Malaysia. Upon graduation, he joined Amanah Saham Pahang Berhad and later moved to Malaysian Adhesive and Chemical Sdn Bhd in 1977 as a Technical Services Officer. His exposure to commerce was further enhanced in 1978 when he joined the Production and Marketing team at Sindora Berhad. He also sits on the board of several private

limited companies.

He is a member of the Audit Committee, Nomination Committee and the Remuneration Committee. He has attended all the six (6) 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 or has not been convicted for any offence in the past 10 years.

### **MR. GANESAN A/L SUNDARAJ**

Independent Non-Executive Director

Mr. Ganesan a/l Sundaraj, a Malaysian, aged 49, was appointed to the Board of Directors of the Company on 18 November 2005 as an Independent Non-Executive Director of Analabs Resources Berhad. He is a certified Chartered Accountant (CA) of the Malaysian Institute of Accountants and an Associate Member of the Chartered Institute of Management Accountants (CIMA). He is also a Chartered Audit Committee Director (CACD) with the Malaysian Institute of Internal Auditors. Mr Ganesan was first employed in Ernst & Young in Malaysia as Corporate & Restructuring Services Consultant. Mr. Ganesan is a member of the board of Pan Asia Pacific Bhd, Promto

Berhad, CHG Industries Berhad, Bukit Katil Resources Berhad and Petra Perdana Berhad.

He is the Chairman of the Audit Committee and Nomination Committee and also serves as a member of the Remuneration Committee. He has attended all six (6) 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 or has not been convicted for any offences in the past 10 years.

### **MR. HO LAI LENG @ HO NAI LENG**

Independent Non-Executive Director

Mr. Ho Lai Leng, a Malaysian, aged 69, was appointed to the Board of Analabs on 12 January 2009. He holds a LLB (Hons) from the University of London, LLM (Master in Law) from the University of Malaya, a Certificate in Legal Practice, Diploma from the Institute of Chartered Secretaries and Administrators, Chartered Institute of Marketing and a Certified Diploma in Accounting and Finance. Mr. Ho also holds a Master's Degree in Business Administration from the University of Strathclyde, United Kingdom.

Mr. Ho began his career as an Assistant and Godown Keeper with John Dickson in 1962. He rose through the ranks and was appointed as the Factory Manager of

Associated Plastics Industries in 1969. He left to join Hagemeyer Industries in 1973 before joining CDG Plastics as the Managing Director in 1980, a position which he held for 23 years. Mr. Ho is currently a practicing advocate and solicitor with Messrs Sri Dev & Naila.

He is a member of the Audit Committee. Mr. Ho 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 10 years.



# CHAIRMAN'S STATEMENT

## Successful journey despite the global economic and financial crisis

### Dear Shareholders,

On behalf of the Board of Directors of Analabs Resources Berhad, I am pleased to present the Annual Report and the Financial Statements of the Group and the Company for the financial year ended 30 April 2011. The economic crisis faced by Europe and USA as well as Japan's earthquake brought unexpected global economic and financial crisis and has impacted many countries in nearly every aspect of their business. Analabs has persevered and implemented various measures to sustain its performance.

For the current financial year ended 30 April 2011, the Group's net earnings per share was 29.82 sen (2010: 25.95 sen) while turnover was RM138 million (2010: RM113 million). This was higher than the previous financial year and was mainly due to the contribution from Analab's newly acquired businesses in the previous financial year.

**Y K KAN**  
Executive Chairman

## CHAIRMAN'S STATEMENT (cont'd)

### **GENERAL OPERATING ENVIRONMENT, ANALABS'S GROWTH THROUGH MERGERS AND ACQUISITIONS.**

The new Economic Transformation Programme has taken on bold steps in altering the economic landscape of the Malaysian business world. Changes in equity rules set the tone for market and economic liberalizations and deregulations. With this liberalization, the years ahead is going to be very challenging for our country and also for Analabs. These market-friendly liberalizations will certainly open up Malaysia to the rest of the world and would undoubtedly attract more foreign direct investments.

Analabs has not been spared from the global crisis, specifically in its investments in equity securities which received a beating during the current financial year. However, our investments are strategic in nature and intended to be held for long term with good dividend yield and potential capital appreciation.

Acquisitions coupled with Research and Development ('R&D') as well as innovations are the cornerstone to Analabs sustained performance. During this challenging time, when we had little choice but to survive and succeed, it is amazing how creative ideas start flowing out. With the sustained profitability in the current financial year, we are confident that our portfolio of businesses: - Manufacturing, Recycling, Blending, Aquaculture and Investment will pull through the present world financial crisis.

Opportunities will be abound during this crisis period and Analabs will continuously be on the lookout for suitable strategic businesses to enable Analabs to expand to a higher revenue and income stream platform. The Group managed to sustain a strong performance in 2011 with an increase in revenue to RM138 million compared to RM113 million in the previous year while profit before tax increased to RM23.25 million compared to RM20.93 million in the previous financial year.

### **GROUP SEGMENT REVENUE AND RESULTS (2011)**

The revenue for the year 2011 from sales of resin and impregnated papers was RM95.4 million compared to RM 69.8 million in 2010. For year 2011, profit after taxation from the sales of resin and impregnated papers division

was RM 9.5 million compared RM 7.0 million in 2010. This was due to a full 12-month results reflected in year 2011 as compared to 8-month results recorded in the previous financial year. This segment will be able to grow again once we maintain the quality of the products as well as build good relationship with our customers and suppliers.

There is no significant variation in the revenue and profit recorded for the formulation and repackaging segment for the year under review. The recovery and recycling segment registered a revenue and profit of RM27.0 million and RM5.3 million respectively for the year 2011.

The revenue from the culture and sales of aquaculture segment has improved from RM2.1 million for the year 2010 to RM3.2 million for the year 2011 as there was an increase in specialised manpower. The increase in revenue has also contributed to the higher profit recorded of RM1.0 million in the year 2011 as compared to RM0.5 million in year 2010.

### **FINANCIAL REVIEW HIGHLIGHT**

The Board has declared and paid an interim dividend of 5.0 sen per ordinary share, less income tax of 25%, amounting to RM2,221,650 for the year 2011. The Group has maintained its dividend payout for the year 2011 despite the volatile global economy.

The Group's net assets improved significantly over the years from a paid-up share capital of RM60.0 million to total equity of RM148.9 million, which is close to 2.48 times of its paid-up share capital.

Analabs's revenue for the current financial year ended 30 April 2011 was RM138 million (2010: RM113 million), which was 22% higher than the preceding financial year. The profit after taxation was RM17.7 million (2010 : RM15.4 million), an increase of 14.9% was achieved under the backdrop of the prevailing weak economy and intense competition.

The earnings per share increased to 29.82 sen from 25.95 sen in the previous financial year. The Group's financial position continued to strengthen with total net assets increasing to approximately RM148.9 million as at the end

## CHAIRMAN'S STATEMENT (cont'd)

of 30 April 2011, which is close to 2.49 times of its paid-up share capital. The Group's cash reserves at banks have also grown from RM 9.05 million in the previous financial year to RM14.4 million during current financial year, excluding the Group's investment in quoted equity shares, all of which comprised of fundamentally strong blue chip counters.

The slightly higher profit after tax of RM17.67 million compared with the previous financial year of RM15.39 million has translated into higher earnings per share of 29.82 sen in the current financial year as compared to 25.95 sen in the previous financial year. Analabs has come a long way if we look back to year 2000 when Analabs was listed. The Group's net assets in the first full financial year ended 30 April 2001 was RM71.3 million and has grown to RM148.9 million in the current financial year.

Pursuant to the mandate given by the shareholders for Analabs to buy back up to 10% of its issued shares, the Company has during the current financial year repurchased 20,000 treasury shares of RM1.00 each of its issued share capital from the open market for a total consideration of RM30,800 thereby increasing the number of shares held as treasury shares to 790,000. The Board of Directors will be seeking your approval at the forthcoming Annual General Meeting to renew the share buy back mandate for another year.

### REVIEW OF OPERATIONS

Revenue attributed to sales of resin increased from RM69.8 million in 2010 to RM95.4 million in 2011. This activity will continue to be our core business. In the current financial year, Analabs has concentrated in industrial sale of resin and impregnated papers and this resulted in an increase of 37% in revenue.

Aquaculture contributed RM3.2 million in revenue and RM1.0 million to profit before tax in the current financial year. It is hoped that our application for foreign workers and skilled labour for aquaculture will be successful. There is much room for Analabs to explore and expand its existing domestic waste disposal in Singapore to recycling activities. We will need to increase capital expenditure and R&D expenditure to expand our business in Singapore.

While our formulation and repacking activities are mature businesses and is expected to continue uninterrupted, the

opportunity for growth and higher future earnings is relatively low as it is in the mature stage of product life cycle. The revenue attributed by this sector decreased to RM12.2 million in 2011 (2010: RM13.6 million).

### CORPORATE SOCIAL RESPONSIBILITY - CSR AND SUSTAINABLE DEVELOPMENT IS OF ULTIMATE IMPORTANCE

The Board recognizes the importance of the Group as a socially and environmentally responsible corporate citizen. The Group has from time to time, supported charitable causes and social welfare activities through participation in sponsorships, donations and various community events. The Group is committed to conduct its business in a socially and environmentally responsible manner. The Group maintains the standards of occupational safety and health through awareness programs for its employees and contractors. As you know, our business is Recycling, Reuse and Reduce and it has been Analabs's motto since 1980. Among others, Analabs has adopted responsible environmental practices by recycling millions of liters and kilograms of toxic wastes, instead of discharging them to the air and waterways.

### BUSINESS OUTLOOK FOR ANALABS' CORPORATE DEVELOPMENT

In the coming years, we will be more careful in analyzing any potential investments and/or acquisitions that comes to us in a bid to attain Analabs near term vision of further enhancing its revenue, earnings per share and henceforth, better future dividend for shareholders. The Board is optimistic that the top Management will be able to respond appropriately to the challenges throughout this unprecedented global crisis and committed to Analabs near term vision which focuses on a prudent and cohesive expansion in activities closely related with the Group's core competencies.

On the backdrop of the weak general economic outlook, the Group's prospect for the coming year is expected to be challenging. During this challenging time, the Management will closely monitor its businesses and undertake the appropriate measures to address any decline. Every effort will be made to further increase operational efficiency whilst at the same time positioning our core businesses for opportunistic growth.

## CHAIRMAN'S STATEMENT (cont'd)

With the available cash at the Company's disposal, the Management will constantly assess the possibility of undertaking strategic business expansion either through organic growth or acquisition.

### CORPORATE GOVERNANCE

During this financial year, the internal auditors, RSM Corporate Consulting Sdn Bhd continues to be truly transparent and also promote independence in executing their audit. The external auditors regularly meet our Independent Board Directors in line with the guidelines of Bursa Securities without the presence of any Executive Directors.

The Board views the importance of corporate governance seriously and shall ensure that the Group abides with all the required rules and regulations. Whilst directing the Group towards higher profitability, Analabs will not lose sight of corporate governance in all its business undertakings. We believe that by acting responsibly, we increase shareholders value over the long term.

### ACKNOWLEDGEMENTS

Once again, I would like to record my gratitude to the Board of Directors, management team and staff for their dedication in enabling the Group to achieve a year of impressive growth.

I would also like to thank our valued shareholders, Mr Ganesan Sundaraj, En Ali Riza Bin A. Samad, Mr Ho Lai Leng and Mr Lim Yoke Soo for their valuable insight, guidance and dedication towards the improvement of Analabs year after year. With their wide experience, I am confident that they will be able to contribute positively towards elevating the Group to greater heights. Besides, thanks to our bankers, business associates and all stakeholders for their vote of confidence in the Group, and we look forward to your continued support in many years to come.

On behalf of the Board, I wish to extend my many thanks to the our auditors Crowe Horwath, Deloitte Kassim Chan and our entire management team, all our employees and the directors within the Group for their unwavering

determination, hard work, and commitment in making the current financial year another successful year for the Group, despite the challenging business environment. 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*

# 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.

This statement sets out the commitment of the Board of Analabs towards the Malaysian Code of Corporate Governance (“Code”) and describes how the Group has applied the principles laid down in the Code.

## SECTION 1: THE BOARD OF DIRECTORS

### DUTIES AND RESPONSIBILITIES OF THE BOARD

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 term business plans, reviewing major capital expenditures, acquisitions and disposals.
- 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.

### BOARD COMPOSITION AND BALANCE

The Board of Directors consists of 5 members comprising:

- 1 Executive Chairman
- 1 Executive Director
- 3 Independent Non-Executive Directors

The Company complies with the criteria of Bursa Malaysia’s Listing Requirements of having at least one third or two of the board members whichever is the higher, as Independent Non-Executive Directors. The profile of each of the Directors is presented on page 5 and page 6 of this Annual Report.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### BOARD MEETINGS

The Board met 6 times during the financial year ended 30 April 2011.

The number of Board meetings held during the financial year 2011 and the attendance of the Board at the Board Meetings are detailed below:-

<b>NAME OF DIRECTORS</b>	<b>Attendance at meeting</b>	<b>Percentage of Attendance (%)</b>
<b>Kan Yow Kheong</b> Executive Chairman	6/6	100
<b>Lim Yoke Soo</b> Executive Director (Appointed w.e.f. 20-8-2010)	5/5	100
<b>Ali Riza Bin A. Samad</b> Independent Non-Executive Director	6/6	100
<b>Ganesan A/L Sundaraj</b> Independent Non-Executive Director	6/6	100
<b>Ho Lai Leng @ Ho Nai Leng</b> Independent Non-Executive Director	5/6	83

The Meetings were held on 29 June 2010, 24 August 2010, 28 September 2010, 21 October 2010, 28 December 2010 and 28 March 2011 respectively.

### SUPPLY OF INFORMATION

All directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers. Board papers are circulated in sufficient time to facilitate active participation and informed decision making.

At least four (4) Board Meetings are held annually to consider the quarterly financial results and to review operational performance. Additional meetings are convened as and when necessary.

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.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### APPOINTMENT OF DIRECTORS

The Nomination Committee is responsible for recommending to the Board suitable candidate(s) for appointment as new Directors. In making these recommendations, factors such as mix of skills, experience, expertise and contribution to the Company will be considered before the recommendation for appointment of the proposed director is put forward to the Board for consideration and approval.

### 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.

### DIRECTORS' REMUNERATION

The Remuneration Committee will review and propose the remuneration of the Executive Director 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 Board as a whole determines the remuneration of the Non-Executive Directors. The quantum proposed is tabled to the shareholders at the Annual General Meeting for their approval.

The details of the remuneration of the Directors of the Group are as follows:

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
<b>Executive Directors</b>				
- Company	98,696.00	24,000.00	-	-
- Subsidiaries	808,343.86	569,500.00	532,247.00	-
SUBTOTAL	907,039.86	593,500.00	532,247.00	-
<b>Non-Executive Directors</b>				
- Company	-	92,000.00	-	-
- Subsidiaries	-	-	-	-
<b>TOTAL</b>	907,039.86	685,500.00	532,247.00	-

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

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

GROUP	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	3	3
RM50,001 - RM100,000	5	-	-	-
RM100,001 - RM250,000	3	-	3	-
RM600,001 - RM650,000	1	-	-	-

### DIRECTORS' TRAINING AND EDUCATION

#### 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 have attended an in-house training on 28 September 2010 in relation to the implementation and adoption of FRS 139, to keep abreast with the industry, regulatory and compliance issues trends and best practices.

The Directors will continue to participate 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 2: COMMITTEES OF THE BOARD

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. Ganesan a/l Sundaraj
Nomination Committee	Mr. Ganesan a/l Sundaraj
Remuneration Committee	Mr. Kan Yow Kheong



## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### AUDIT COMMITTEE

The composition, responsibilities, detailed terms of reference and the activities of the Audit Committee during the financial year are set out separately in the Audit Committee Report on page 24 to page 28 of this Annual Report.

### NOMINATION COMMITTEE

The Nomination Committee was established on 25 June 2001. Presently, the Committee comprises of two (2) Independent Non-Executive Directors. The Committee shall be responsible for nominating the appropriate Board balance and size as well as ensuring that the Board possesses the required mix of responsibilities, skills and experience. The Nomination Committee shall conduct a review of the mix of skills, experience and other core competencies for the Board on annual basis.

The members of the Nomination Committee who served during the financial year are:

- **Mr. Ganesan a/l Sundaraj**  
Chairman - Independent Non-Executive Director

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- **Encik Ali Riza Bin A. Samad**  
Member - Independent Non-Executive Director

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### REMUNERATION COMMITTEE

In line with the Best Practices of the Code of Corporate Governance, the Board has set up a Remuneration Committee in June 2001 to assist the Board in determining the remuneration of the Directors and key senior management. The Committee meets at least once a year. The members of the Remuneration Committee who served during the financial year are:

- **Mr. Kan Yow Kheong**  
Chairman - Executive Chairman

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- **Mr. Ganesan a/l Sundaraj**  
Member - Independent Non-Executive Director

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- **Encik Ali Riza Bin A. Samad**  
Member - Independent Non-Executive Director

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The respective Committees report to the Board on matters considered and their recommendations thereon for consideration of the Board.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### SECTION 3: SHAREHOLDERS

#### DIALOGUE WITH INVESTORS

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 Securities including the Quarterly Results and Annual Results.
- III. Shareholders may obtain the Company's latest announcements via the Bursa Securities's website at [www.bursamalaysia.com.my](http://www.bursamalaysia.com.my) and the Company's website at [www.analabs.com.my](http://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.

### SECTION 4: ACCOUNTABILITY AND AUDIT

#### FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provision of the Companies Act, 1965 and Applicable Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates. The quarterly results were reviewed by the Audit Committee and approved by the Board of Directors before being released to Bursa Securities. By presenting the quarterly results and financial statements, the Company is mindful of the necessity to present a balanced assessment of the Group's financial position. The details of the Company and the Group's financial statements for the financial year ended 30 April 2011 can be found on pages 34 to 120 of the Annual Report.

#### INTERNAL CONTROL

Information on the Group's internal control is presented in the Statement on Internal Control on pages 21 and 22.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### ENTERPRISE RISK MANAGEMENT FRAMEWORK

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.

The framework sets out the Group's underlying approach to manage the risks and clearly defines the reporting structure. The following is a summary of the enterprise risk management approach applied throughout the risk management exercise carried out by the Group :

1. Identify risk through business process mapping and understanding;
2. Assess the risks identified;
3. Quantify the impact of the potential risk;
4. Document strategies and policies to address the risk identified above;
5. Assign responsibility of managing specific risks to specific operating personnel; and
6. Regular review, update and enhancement of risk profile i.e for any new risks as a result from changing business environment.

The principal risks identified are those relating to operational, finance, environment, technology, human resources, integrity and reputation.

### 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 did meet up with the External Auditors without the presence of the Executive Chairman and Management during the Audit Committee meetings held on 29 June 2010 and 28 March 2011 respectively.

### SECTION 5: DIRECTORS' RESPONSIBILITY STATEMENT

The Board is fully accountable to ensure that the financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards set by the Malaysian Accounting Standards Board so as to present a true and fair view, balanced and understandable assessment of the Group's financial position and prospects. In this Annual Report, an assessment is provided in the Directors' Report of the Audited Financial Statements.

## STATEMENT ON CORPORATE GOVERNANCE (cont'd)

### **SECTION 6: CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

The Group undertook various steps to play its part in contributing to the welfare of the society and communities in the environment it operates. Analabs recognises that for long term sustainability, it would need to look beyond the financial parameters. Hence, the Group supports important causes such as donation to the needy and community services.

The Group also recognises that employees are important assets and the key to its competitive success in the market place. Employees are treated fairly and with respect. The Group does not discriminate against any race, gender and age. Employees are provided with adequate medical benefits and personal accident insurance coverage.

The Group endeavours to broaden its scope of CSR initiatives over time and will plan along this objective accordingly.

### **SECTION 7 : COMPLIANCE WITH THE CODE**

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code during the financial year ended 30 April 2011.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 24 August 2011.

## 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.

### Non-Audit Fee

There were no non-audit fees paid by the Group to the external auditors for the financial year ended 30 April 2011.

### Utilization of Proceeds

There were no proceeds raised from any corporate proposal or any utilization of such for the financial year ended 30 April 2011.

### Share Buybacks

For the financial year ended 30 April 2011, the Company purchased a total of 20,000 ordinary shares, all of which are retained as treasury shares. None of the shares purchased has been sold or cancelled. Details of the shares purchased are set out below:-

MONTH	No. of Ordinary Shares	*Consideration (RM)	Min. price paid per share (RM)	Max. price paid per share (RM)	Average price paid per share (RM)
October 2010	10,000	15,613.65	1.55	1.55	1.56
March 2011	10,000	15,412.39	1.53	1.53	1.54

\* Inclusive of transaction costs

### Options, Warrants and Convertible Securities

There were no options, warrants or convertible securities issued for the financial year ended 30 April 2011.

### American Depository Receipt ("ADR")/Global Depository Receipt ("GDR")

There were no American Depository Receipt (ADR) or Global Depository Receipt (GDR) programs sponsored by the Company.

### Imposition of Sanctions and/or Penalties

There were no Sanctions and/or Penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

## ADDITIONAL COMPLIANCE INFORMATION (cont'd)

### **Variation in Results**

The Group's audited results for the financial year ended 30 April 2011 has not varied by 10% or more from the unaudited results for the quarter ended 30 April 2011 previously announced.

### **Profit Guarantee**

The Company did not give any Profit Guarantee during the financial year ended 30 April 2011.

### **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 2011 or enter into since the end of the previous financial year.

### **Revaluation of Landed Properties**

The revaluation policy of the Company is disclosed in Note 4(j) to the Financial Statements.

### **Recurrent related Party Transactions**

There were no Recurrent Related Party Transactions of a revenue or trading nature between the Company and its related parties other than that as disclosed in Note 40 of the Financial Statements.

# STATEMENT ON INTERNAL CONTROL

## INTRODUCTION

This Statement on Internal Control is in line with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) on Group’s compliance with the Principles and Best Practices relating to internal control as stipulated in the Malaysian Code on Corporate Governance.

The Board of Directors (“the Board”) of Analabs Resources Berhad is pleased to present the Statement on Internal Control of the Company and its subsidiaries (“the Group”), which has been prepared in compliance with Listing Requirements of Bursa Securities.

## RESPONSIBILITIES OF THE BOARD

The Board recognises the importance of maintaining a sound system of internal control for the Group to safeguard shareholders’ investment and the Group assets. The Board also acknowledges their responsibilities under the Bursa Malaysia Listing Requirements to:

- identify principal risks and ensure implementation of appropriate control measures to manage the risks.
- review the adequacy and integrity of the internal control system and management information system and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

## INTERNAL CONTROL ENVIRONMENT

The system of internal control is designed to help the Group to achieve its business objectives as well as safeguard shareholders’ investment and the Group’s assets. However, it should be noted that the system of internal control can only manage rather than eliminate the risk of failure to achieve business objectives. Inherently, the system can provide only reasonable but not absolute assurance against material misstatements, financial losses and fraud.

The Group has established an organisational structure with clearly defined level of accountability and delegated authority. It sets out the roles and responsibilities of management for instituting adequate internal controls to mitigate and monitor risks affecting the Group’s business.

## 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.

Identification, evaluation and management of significant risks faced by the Group are an ongoing process undertaken at each subsidiary. During the year under review, this process was exercised through periodic Steering Committee meetings held to communicate and deliberate key operational issues which also include significant risks faced amongst Management team members and, where appropriate, controls were devised to address such risks and issues. Significant risks identified are escalated to the Board for their attention at their scheduled meetings.

## STATEMENT ON INTERNAL CONTROL (cont'd)

### INFORMATION AND COMMUNICATION

Flowing 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.

### CONTROL AND MONITORING PROCESS

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 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.

### CONCLUSION

The Board is pleased to conclude that the state of Group's internal control system was generally adequate and effective. There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The management will continue to ensure proper management of risks and take adequate measures to ensure ongoing adequacy and effectiveness of internal controls.

This statement is made in accordance with a resolution of the Board dated 24 August 2011.



## STATEMENT ON INTERNAL AUDIT FUNCTION

The Board is pleased to present the Statement on Internal Audit Function prepared in accordance with the Listing Requirements of Bursa Securities.

The Group's internal audit function is currently outsourced to 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 Audit Committee has full and direct access to the Internal Auditors, review the reports on all audit performed and monitors its performance. The Audit Committee also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions.

During the financial year, the outsourced Internal Auditors carried out internal audits on Coveright Surfaces Malaysia Sdn. Bhd. being the entity that contributes significantly to the Group. An audit plan is prepared and reviewed by the Audit Committee to ensure that significant functions are reviewed by the outsourced Internal Auditors. Based on these audits, the outsourced Internal Auditors provided the Audit Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

During the year, the Audit Committee has met 3 times to carry out its responsibility in reviewing the internal audit function and to assure itself on the soundness of internal control system. The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM19,942.50.

# AUDIT COMMITTEE

## COMPOSITION OF THE AUDIT COMMITTEE

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

1. Mr. Ganesan A/L Sundaraj (Independent Non-Executive Director; Chairman)
2. Encik Ali Riza Bin A. Samad (Independent Non-Executive Director; Member)
3. Mr. Ho Lai Leng @ Ho Nai Leng (Independent Non-Executive Director; Member)

## THE ROLE OF THE AUDIT COMMITTEE

The Audit Committee assists, supports and implements the Board's responsibility to oversee the Company's operations by providing a means for review of the Company's processes for producing financial data, its internal control and the independence of the Company's External and Internal Auditors.

## TERMS OF REFERENCE OF AUDIT COMMITTEE

### TERMS OF MEMBERSHIP

The Audit Committee is appointed by the Board of Directors amongst its members and consists of at least three (3) members, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors.

The Committee shall include at least one member :

- (a) must be a member of the Malaysian Institute of Accountants ("MIA") ; or
- (b) if he is not a member of the MIA, he must have at least three (3) years working experience and
  - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 ; or
  - (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (c) he must fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ('Bursa Securities').

In the event of any vacancy of the Audit Committee resulting in the non-compliance with Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Securities, the Board shall appoint a new member within three months.

The Chairman of the Audit Committee shall be elected from amongst the Committee Members and he shall be an Independent Director.

The Board of Directors will review the term of office and the performance of the Audit Committee and each of its members at least once in every three years.

No Alternate Director was appointed as a member of the Audit Committee.

## AUDIT COMMITTEE (cont'd)

### MEETINGS AND QUORUM OF THE AUDIT COMMITTEE

The Audit Committee shall meet at least four (4) times a year and the quorum shall be at least two (2) persons with the majority being Independent Directors.

The Executive Directors, Financial Officers, Internal Auditor and a representative of the External Auditors shall normally be invited to attend the Meeting but may be asked to leave a meeting as and when deemed necessary by the Audit Committee. Other members of the Board and employees may attend the meetings upon the invitation of the Audit Committee. At least twice a year or whenever deemed necessary, the Audit Committee shall meet the External Auditors without the presence of other directors and employees. The Audit Committee shall meet the Internal Auditor at least once a year without the presence of other directors and employees.

The Company Secretary shall act as the secretary to the Audit Committee.

### DUTIES

The duties and responsibilities of the Audit Committee shall include the following:-

- (i) To consider the nomination and appointment of the External Auditors, the audit fee and any questions of resignation or dismissal;
- (ii) To discuss with the External Auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- (iii) To discuss with the External Auditors on the evaluation of the systems of internal control and the assistance given by the employees to the External Auditors;
- (iv) To review and report to the Board if there is reason (supported by grounds) to believe that the External Auditors is not suitable for reappointment;
- (v) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
  - any changes in the accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with the accounting standards and other legal requirements.
- (vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management, where necessary);
- (vii) To review the External Auditors' management letter and the management's response;

## AUDIT COMMITTEE (cont'd)

- (viii) To appoint senior staff members of the internal audit function or the outsource of the internal audit function and to do the following:-
- Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - Review the internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
  - Approve any appointment or termination of senior staff members of the internal audit function or the outsource of the internal audit function;
  - Being informed of any resignation of internal audit staff members and to provide the resigning staff member an opportunity to submit his/her reasons for resigning; and
  - Review any appraisal or assessment of the performance of members of the internal audit department.
- (ix) To consider any related party transactions that may arise within the Company or the Group;
- (x) To review the audit reports prepared by the Internal and External Auditors, the major findings and management's responses thereto;
- (xi) To verify and confirm the allocation of share options pursuant to the Analabs Resources Berhad's Employee Share Option Scheme ("ESOS") (if any) as being in compliance with the criteria set out in the Bye-Laws of the ESOS; and
- (xii) To consider other functions as may be directed by the Board.

Where the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Audit Committee has the responsibility to promptly report such matter to Bursa Securities.

### **AUTHORITY**

In undertaking its work, the Audit Committee is authorized by the Board:-

- To investigate any activity within its Terms of Reference and it shall have unrestricted access to the Internal Auditors, the External Auditors, and to all employees of the Group;
- Have access to sufficient resources, provided by the Company in order to carry out its duties, including access to the Company Secretary for assistance as required;
- To have full and unrestricted access to information pertaining to the Company and the Group; and
- To obtain external legal or other independent professional advice, if required.

## AUDIT COMMITTEE (cont'd)

### PROCEDURE OF AUDIT COMMITTEE

The Audit Committee regulates its own procedures which include:

- (i) the calling of meetings;
- (ii) the notice to be given of such meetings;
- (iii) the voting and proceedings of such meetings;
- (iv) the keeping of minutes; and
- (v) the custody, protection and inspection of such minutes.

### REVIEW OF THE AUDIT COMMITTEE

The performance of the Audit Committee and each of the members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.

### ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 30 April 2011 are as follows:

<b>DIRECTORS</b>	<b>Meetings Attended by the Directors/ Total Number of Meetings held During the Financial Year Ended 30 April 2011*</b>	<b>% of Attendance</b>
<b>Mr. Ganesan A/L Sundaraj</b>	5/5	100
<b>Encik Ali Riza Bin A. Samad</b>	5/5	100
<b>Mr. Ho Lai Leng @ Ho Nai Leng</b>	4/5	80

\* The meetings were held on 29 June 2010, 24 August 2010, 28 September 2010, 28 December 2010 and 28 March 2011 respectively.

## AUDIT COMMITTEE (cont'd)

### ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 30 April 2011 include the following:

- a. review the Group's year end audited financial statements presented by the External Auditors and recommend the same to the Board for approval;
- b. review the quarterly financial results announcements;
- c. review audit plan of Internal and External Auditors;
- d. review related party transactions within the Group;
- e. review of the risk assessment framework and reports submitted by the Internal Auditors and recommend the same to the Board for approval;
- f. review the effectiveness of the Group's system of internal control;
- g. review the Company's compliance with Main Market Listing Requirements of Bursa Securities, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements; and
- h. consider and recommend to the Board for approval the audit fees payable to Internal and External Auditors.

# NOMINATION COMMITTEE

## TERMS OF REFERENCE OF NOMINATION COMMITTEE

### CONSTITUTION AND PURPOSE

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 must moreover assess 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.

### COMPOSITION

The Nomination Committee comprises two (2) members who are exclusively Independent Non-Executive Directors.

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

- (i) Mr. Ganesan A/L Sundaraj (Independent Non-Executive Director; Chairman)
- (ii) Encik Ali Riza Bin A. Samad (Independent Non-Executive Director; Member)

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

### RIGHTS

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

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

The Board has however full powers to decide on the suitability of the nominees and approve their appointments.

## NOMINATION COMMITTEE (cont'd)

### FUNCTIONS

The functions of the Nomination Committee as stated in the Nomination Committee Charter formalized by the Board on 8 July 2002 include:

- (i) Recommends to the Board, the suitable candidates for all directorships to be filled by the shareholders or the Board;
- (ii) Considers, in making its recommendations, candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any other senior executive or director or shareholder;
- (iii) Recommends to the Board, directors to fill the seats on the Board Committees;
- (iv) Review annually the required mix of skills and experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board;
- (v) Assesses on an annual basis the following matters:
  - The effectiveness of the Board as whole;
  - The Committees of the Board; and
  - The contribution of each individual Director.The assessment process should be pre-determined by the Board.
- (vi) Develops succession planning policy and ensure that the policy is kept under review;
- (vii) Ensures that the policy on selection criteria and succession planning is well documented and approved by the full Board and any change thereto should be subjected to the endorsement of the full Board; and
- (viii) Review the term of office and performance of each of the Committee members of its various standing committees at least once in every three years.

### MEETINGS

Meetings of the Nomination Committee should be held when necessary but at least once a year or more frequently as circumstances required and each meeting must be attended by at least two (2) members.

There was one (1) meeting held during the financial year ended 30 April 2011 and both of the Committee members attended the meeting.



# REMUNERATION COMMITTEE

## TERMS OF REFERENCE OF REMUNERATION COMMITTEE

### CONSTITUTION AND PURPOSE

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.

### COMPOSITION

The Remuneration Committee comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) Executive Chairman.

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

- (i) Mr. Kan Yow Kheong (Executive Chairman)
- (ii) Encik Ali Riza Bin A. Samad (Independent Non-Executive Director; Member)
- (iii) Mr. Ganesan A/L Sundaraj (Independent Non-Executive Director; Member)

The Chairman of the Remuneration Committee is elected among 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.

## REMUNERATION COMMITTEE (cont'd)

### 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 advices.

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.

### FUNCTION

The functions of the Remuneration Committee as stated in the Remuneration Committee Charter formalized by the Board on 8 July 2002:

- (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.

### 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 Chairperson 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 ended 30 April 2011 and all the Committee members attended the meeting.

## **FINANCIAL STATEMENTS**

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# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

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 2011.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	THE GROUP	THE COMPANY
	RM'000	RM'000
Profit after taxation for the financial year	17,668	12,026

## DIVIDENDS

Since the end of the previous financial year, the Company paid an interim dividend of 5.0 sen per ordinary share, less income tax of 25%, amounting to RM2,222,775 in respect of the financial year ended 30 April 2011.

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

## RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

**DIRECTORS' REPORT (cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011**

**ISSUES OF SHARES AND DEBENTURES**

During the financial year,

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

**TREASURY SHARES**

The details of the treasury shares are set out in Note 23 to the financial statements.

**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, and satisfied themselves that there are no known bad debts 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 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 ascertain that any current assets other than debts, 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.

**DIRECTORS' REPORT (cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011**

**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**

At the date of this report, there does not exist:-

- (i) 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
- (ii) 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 their 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.

**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' REPORT (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**DIRECTORS**

The directors who served since the date of the last report are as follows:-

KAN YOW KHEONG  
ALI RIZA BIN A. SAMAD  
GANESAN A/L SUNDARAJ  
HO LAI LENG @ HO NAI LENG  
LIM YOKE SOO

**DIRECTORS' INTERESTS**

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

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT AT 1.5.2010	BOUGHT	SOLD	AT 30.4.2011
<i>DIRECT INTERESTS</i>				
- Kan Yow Kheong	28,484,052	1,800,000	-	30,284,052
- Lim Yoke Soo	212,277#	-	-	212,277
<i>INDIRECT INTERESTS*</i>				
- Kan Yow Kheong*	1,186,500	-	-	1,186,500

\* - Deemed interests through son's and spouse's shareholdings.

# - Shareholdings since date of appointment on 20 August 2010.

By virtue of his shareholding in the Company, Kan Yow Kheong is deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

**DIRECTORS' REPORT (cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011**

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 Company and its subsidiaries 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.

**SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

The significant event during the financial year is disclosed in Note 45 to the financial statements.

**AUDITORS**

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS  
DATED 24 AUGUST 2011**

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**Kan Yow Kheong**

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**Lim Yoke Soo**



## STATEMENT BY DIRECTORS

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 42 to 119 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 April 2011 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 47 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 24 AUGUST 2011**

\_\_\_\_\_  
**Kan Yow Kheong**

\_\_\_\_\_  
**Lim Yoke Soo**

## STATUTORY DECLARATION

I, Zuraimi Binti Mohamed, I/C No. 810104-08-6254, 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 42 to 119 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  
Zuraimi Binti Mohamed, I/C No. 810104-08-6254  
at Kuala Lumpur in the Federal Territory  
on this 24 August 2011

**Zuraimi Binti Mohamed**

Before me  
**Mohd Radzi Bin Yasin**  
NO: W 327  
Commissioner For Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANALABS RESOURCES BERHAD

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Analabs Resources Berhad, which comprise the statements of financial position as at 30 April 2011 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 119.

### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2011 and of their financial performance and cash flows for the financial year then ended.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ANALABS RESOURCES BERHAD (cont'd)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 47 on page 120 to the financial statements 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.

**OTHER MATTERS**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 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

Kuala Lumpur  
24 August 2011

**Onn Kien Hoe**  
Approval No: 1772/11/12 (J/PH)  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AT 30 APRIL 2011

NOTE	THE GROUP			THE COMPANY		
	2011 RM'000	RESTATED 2010 RM'000	RESTATED 2009 RM'000	2011 RM'000	RESTATED 2010 RM'000	
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Investment in subsidiaries	-	-	-	86,990	93,874	
Investment in an associate	-	-	-	-	-	
Property, plant and equipment	81,663	90,987	71,306	-	-	
Prepaid land lease payments	-	-	-	-	-	
Goodwill	7,089	7,089	1,337	-	-	
Investment in quoted shares	19,118	14,544	15,831	5,804	5,548	
Other investment	1,051	970	2,000	870	900	
Amount owing by subsidiaries	-	-	-	16,500	-	
	108,921	113,590	90,474	110,164	100,322	
<b>CURRENT ASSETS</b>						
Assets held for sale	6,275	-	-	-	-	
Inventories	18,174	15,811	537	-	-	
Trade receivables	29,397	25,013	7,148	-	-	
Other receivables, deposits and prepayments	2,965	1,281	663	8	8	
Amount owing by subsidiaries	-	1,674	1,033	3,389	20,515	
Tax recoverable	518	1,139	15,409	135	133	
Fixed deposits with licensed banks	2,121	7,910	14,863	70	68	
Cash and bank balances	12,292	52,828	39,653	110	218	
	71,742	166,418	130,127	3,712	20,942	
<b>TOTAL ASSETS</b>	<b>180,663</b>	<b>166,418</b>	<b>130,127</b>	<b>113,876</b>	<b>121,264</b>	

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

STATEMENTS OF FINANCIAL POSITION  
AT 30 APRIL 2011 (cont'd)

	NOTE	THE GROUP			THE COMPANY		
		2011 RM'000	RESTATE 2010 RM'000	RESTATE 2009 RM'000	2011 RM'000	RESTATE 2010 RM'000	
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	19	60,024	60,024	60,024	60,024	93,874	
Share premium	20	6,248	6,248	6,248	6,248	-	
Revaluation reserve	21	11,272	11,272	9,811	-	-	
Exchange translation reserve	22	269	(24)	226	-	-	
Treasury shares	23	(660)	(629)	(509)	(660)	-	
Fair value reserve	24	3,506	-	-	1,200	5,548	
Retained profits	25	68,199	52,754	39,588	38,011	900	
<b>TOTAL EQUITY</b>		<b>148,858</b>	<b>129,645</b>	<b>115,388</b>	<b>104,823</b>	<b>100,322</b>	
<b>NON-CURRENT LIABILITIES</b>							
Deferred tax liabilities	26	10,562	10,866	8,481	-	-	
Hire purchase payable	27	6	13	19	-	-	
		<b>10,568</b>	<b>10,879</b>	<b>8,500</b>	<b>-</b>	<b>-</b>	

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

STATEMENTS OF FINANCIAL POSITION  
AT 30 APRIL 2011 (cont'd)

	NOTE	THE GROUP			THE COMPANY		
		2011 RM'000	RESTATED 2010 RM'000	RESTATED 2009 RM'000	2011 RM'000	RESTATED 2010 RM'000	
<b>CURRENT LIABILITIES</b>							
Trade payables	28	14,367	15,721	2,280	-	-	
Other payables and accruals	29	6,483	9,332	3,248	204	366	
Amount owing to subsidiaries	12	-	-	-	8,849	27,047	
Amount owing to a director	30	382	260	-	-	-	
Hire purchase payable	27	5	5	6	-	-	
Provision for taxation		-	576	383	-	-	
Bank overdraft		-	-	322	-	-	
		<b>21,237</b>	<b>25,894</b>	<b>6,239</b>	<b>9,053</b>	<b>27,413</b>	
<b>TOTAL LIABILITIES</b>		<b>31,805</b>	<b>36,773</b>	<b>14,739</b>	<b>9,053</b>	<b>27,413</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>180,663</b>	<b>166,418</b>	<b>130,127</b>	<b>113,876</b>	<b>121,264</b>	
<b>NET ASSETS PER SHARE (RM)</b>	31	<b>2.51</b>	<b>2.19</b>	<b>1.94</b>			

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

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

		THE GROUP		THE COMPANY	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>REVENUE</b>	32	<b>138,315</b>	112,956	<b>21,295</b>	34,517
<b>COST OF SALES</b>		<b>(85,694)</b>	(76,831)	-	-
<b>GROSS PROFIT</b>		<b>52,621</b>	36,125	<b>21,295</b>	34,517
<b>OTHER INCOME</b>		<b>668</b>	1,769	<b>374</b>	992
<b>ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>		<b>(29,769)</b>	(16,754)	<b>(7,274)</b>	(1,667)
<b>FINANCE COSTS</b>		<b>(274)</b>	(211)	<b>(1)</b>	(158)
<b>PROFIT BEFORE TAXATION</b>	33	<b>23,246</b>	20,929	<b>14,394</b>	33,684
<b>INCOME TAX EXPENSE</b>	34	<b>(5,578)</b>	(5,540)	<b>(2,368)</b>	(5,093)
<b>PROFIT AFTER TAXATION</b>		<b>17,668</b>	15,389	<b>12,026</b>	28,591
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>					
- Fair value changes of available- for-sale financial assets		<b>3,323</b>	-	<b>2,000</b>	-
- Foreign currency translation		<b>293</b>	(250)	-	-
- Revaluation reserves		<b>-</b>	1,461	-	-
		<b>3,616</b>	1,211	<b>2,000</b>	-
<b>TOTAL COMPREHENSIVE INCOME THE FOR FINANCIAL YEAR</b>		<b>21,284</b>	16,600	<b>14,026</b>	28,591

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

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		17,668	15,389	12,026	28,591
Minority interests		-	-	-	-
		<u>17,668</u>	<u>15,389</u>	<u>12,026</u>	<u>28,591</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		21,284	16,600	14,026	28,591
Minority interests		-	-	-	-
		<u>21,284</u>	<u>16,600</u>	<u>14,026</u>	<u>28,591</u>
<b>EARNINGS PER SHARE (SEN)</b>					
<b>Basic</b>	35	<u>29.82</u>	<u>25.95</u>		
<b>Diluted</b>	35	<b>Not applicable</b>	<b>Not applicable</b>		

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

THE GROUP	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		NON-DISTRIBUTABLE			DISTRIBUTABLE		TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	REVALUATION RESERVE RM'000	EXCHANGE TRANSLATION RESERVE RM'000	RETAINED PROFITS RM'000		
Balance at 1.5.2009		60,024	6,248	(509)	9,811	226	39,588	115,388	
Treasury shares acquired	23	-	-	(120)	-	-	-	(120)	
Total comprehensive income for the financial year		-	-	-	1,461	(250)	15,389	16,600	
Dividend	36	-	-	-	-	-	(2,223)	(2,223)	
Balance at 30.4.2010		60,024	6,248	(629)	11,272	(24)	52,754	129,645	

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

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (cont'd)

THE GROUP (CONT'D)	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				DISTRIBUTABLE				TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	REVALUATION RESERVE RM'000	FAIR VALUE RESERVE RM'000	EXCHANGE TRANSLATION RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL EQUITY RM'000	
Balance at 1.5.2010 (as previously reported)		660,024	6,248	(629)	11,272	-	(24)	52,754	129,645	
Effects of adoption of FRS 139	3(a)(iii)	-	-	-	-	183	-	-	183	
Balance at 1.5.2010 (restated)		660,024	6,248	(629)	11,272	183	(24)	52,754	129,828	
Total comprehensive income for the financial year		-	-	-	-	3,323	293	17,668	21,284	
Treasury shares acquired	23	-	-	(31)	-	-	-	-	(31)	
Dividend	36	-	-	-	-	-	-	(2,223)	(2,223)	
Balance at 30.4.2011		660,024	6,248	(660)	11,272	3,506	269	68,199	148,858	

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

STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (cont'd)

THE COMPANY	NOTE	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →			← NON-DISTRIBUTABLE →			← DISTRIBUTABLE →	
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	FAIR VALUE RESERVE RM'000	TREASURY SHARES RM'000	RETAINED PROFITS RM'000	TOTAL EQUITY RM'000		
Balance at 1.5.2009		60,024	6,248	-	(509)	1,840	67,603		
Treasury shares acquired	23	-	-	-	(120)	-	(120)		
Total comprehensive income for the financial year		-	-	-	-	28,591	28,591		
Dividend	36	-	-	-	-	(2,223)	(2,223)		
Balance at 30.04.2010/1.5.2010 (as previously reported)		60,024	6,248	-	(629)	28,208	93,851		
Effects of adoption of FRS 139		-	-	(800)	-	-	(800)		
Balance at 30.04.2010/1.5.2010 (restated)		60,024	6,248	(800)	(629)	28,208	93,051		
Treasury shares acquired		-	-	-	(31)	-	(31)		
Total comprehensive income for the financial year	23	-	-	2,000	-	12,026	14,026		
Dividend	36	-	-	-	-	(2,223)	(2,223)		
Balance at 30.4.2011		60,024	6,248	1,200	(660)	38,011	104,823		

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

# STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

	THE GROUP		THE COMPANY	
NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	23,246	20,929	14,394	33,684
Adjustments for:-				
Allowance for impairment loss on receivables	-	100	-	-
Allowance for impairment loss on inventories	1,152	-	-	-
Bad debts written off	-	23	-	-
Depreciation of property, plant and equipment	4,784	4,591	-	-
Impairment loss on investment in a subsidiary	-	-	6,884	-
Impairment loss on trust fund	-	1,100	-	1,100
Interest expense	2	211	-	158
(Gain)/Loss on foreign exchange - unrealised	(221)	758	-	-
Dividend income	(620)	(419)	(20,611)	(33,749)
Gain on disposal of quoted shares	(203)	(222)	(202)	(5)
Gain on disposal of property, plant and equipment	(43)	(84)	-	-
Interest income	(321)	(206)	(171)	(250)
Writeback for allowance for impairment loss of receivables	(101)	-	-	-
Writeback of impairment losses on investment in quoted shares	-	(1,000)	-	(700)
Operating profit before working capital changes	27,675	25,781	294	238
Increase in inventories	(3,515)	(3,403)	-	-
(Increase)/Decrease in trade and other receivables	(5,746)	(3,826)	-	50
(Decrease)/Increase in trade and other payables	(4,203)	(1,052)	(161)	118
<b>CASH FLOWS FROM OPERATIONS</b>	<b>14,211</b>	<b>17,500</b>	<b>133</b>	<b>406</b>
<b>BALANCE CARRIED FORWARD</b>	<b>14,211</b>	<b>17,500</b>	<b>133</b>	<b>406</b>

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

STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>BALANCE BROUGHT FORWARD</b>		<b>14,211</b>	17,500	<b>133</b>	406
Income tax paid		(5,302)	(5,815)	(171)	(5,098)
Interest paid		(2)	(211)	-	(158)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>		<b>8,907</b>	11,474	<b>(38)</b>	(4,850)
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Dividends received		620	419	111	33,749
Interest received		321	206	171	250
Net cash outflow from acquisition of a subsidiary	37	-	(31,990)	-	(40,358)
Proceeds from disposal of property, plant and equipment		114	84	-	-
Proceeds from disposal of quoted shares		1,620	2,509	1,180	295
Purchase of quoted shares		(2,566)	-	(4)	-
Purchase of property, plant and equipment		(1,510)	(1,252)	-	-
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(1,401)</b>	(30,024)	<b>1,458</b>	(6,064)
<b>BALANCE CARRIED FORWARD</b>		<b>7,506</b>	(18,550)	<b>1,420</b>	(10,914)

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

STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011 (cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2011 RM'000	2011 RM'000	2011 RM'000	2011 RM'000
<b>BALANCE BROUGHT FORWARD</b>		<b>7,506</b>	(18,550)	<b>1,420</b>	(10,914)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Dividend paid		(2,223)	(2,223)	(2,223)	(2,223)
Purchase of treasury shares		(31)	(120)	(31)	(120)
Repayment of hire purchase obligations		(7)	(5)	-	-
Advances from/(Repayment to) subsidiaries		-	-	<b>728</b>	(2,018)
Advances from a director		<b>122</b>	-	-	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(2,139)</b>	(2,348)	<b>(1,526)</b>	(4,361)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>5,367</b>	(20,898)	<b>(106)</b>	(15,275)
Effect of exchange rate differences		(3)	(3)	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>9,049</b>	29,950	<b>286</b>	15,561
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	38	<b>14,413</b>	9,049	<b>180</b>	286

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

## 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is 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** : No. 18, Jalan 6/89B,  
Kawasan Perindustrian Trisegi,  
Off Jalan Sungai Besi,  
57100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 August 2011.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**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 Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

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

**FRSs and IC Interpretations (including the Consequential Amendments)**

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 (Revised) and FRS 127: Cost of an Investment in a  
Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and  
Obligations Arising on Liquidation

Amendments to FRS 132: Classification of Rights Issues and the Transitional  
Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**3. BASIS OF PREPARATION (CONT'D)**

(a) **FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)**

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset,  
Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

- (i) FRS 7 requires additional disclosures about the financial instruments of the Group. Prior to 1 May 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the financial statements for the current financial year.

- (ii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the statement.

FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. This new disclosure is made in Note 44(b) to the financial statements.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**3. BASIS OF PREPARATION (CONT'D)**

**FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)**

- (a) (iii) The adoption of FRS 139 (including the consequential amendments) has resulted in several changes to accounting policies relating to recognition and measurements of financial instruments.

The financial impact to the financial statements is summarised as follows:-

	NOTE	THE GROUP AT 1.5.2010 RM
<u>Fair value reserve</u>		
Fair value of non-current quoted shares	(aa)	<u>183</u>

- (aa) Prior to 1 May 2010, investments in non-current quoted shares were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, these quoted investments are designated as available-for-sale financial assets and are measured at their fair values at the end of each reporting period. The adjustment to the previous carrying amounts is recognised to the fair value reserve.

All these financial impacts are recognised as an adjustment to the opening balance of retained profits or another appropriate reserve upon the adoption of FRS 139. Comparatives are not adjusted/represented by virtue of the exemption given in this standard.

- (iv) The Group has adopted the amendments made to FRS 117 – Leases pursuant to the Annual Improvements to FRSs (2009). The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property, plant and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**3. BASIS OF PREPARATION (CONT'D)**

**FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)**

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

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective date</b>
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**3. BASIS OF PREPARATION (CONT'D)**

<b>FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)</b>	<b>Effective date</b>
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### (a) 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:-

##### (i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### (ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

##### (iii) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (a) Critical Accounting Estimates And Judgements (Cont'd)

###### (iv) Allowance for Impairment loss on Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

###### (v) Impairment of Trade and Other 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 judgment 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.

###### (vi) Revaluation of Properties

Certain 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 discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other 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.

###### (vii) 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.

###### (viii) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(a) Critical Accounting Estimates And Judgements (Cont'd)**

**(ix) 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.

**(x) Fair Value Estimates for Certain Financial Assets and Liabilities**

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

**(b) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 April 2011.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated statement of financial position consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with minority interests are accounted for as transactions with owners. Gain or loss on disposal to minority interests is recognised directly in equity.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Goodwill**

Goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. 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.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

**(d) Functional and Foreign Currencies**

**(i) 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, which is the Company's functional and presentation currency.

**(ii) Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the 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.

**(iii) Foreign Operations**

Assets and liabilities of foreign operations are translated to Ringgit Malaysia at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

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.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (e) Financial Instruments

Financial instruments 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 liabilities or equity in accordance with the substance of the contractual arrangement. 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 plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

##### (i) Financial Assets

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

- **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.

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

- **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 revenue recognised on an effective yield basis.

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Financial Instruments (Cont'd)**

**(i) Financial Assets (Cont'd)**

• **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.

• **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.

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

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

**(ii) Financial Liabilities**

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as 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.

**(iii) Equity Instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options 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 (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Financial Instruments (Cont'd)**

**(iv) 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 purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

**(f) 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.

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.

**(g) Investments in Associates**

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

The investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to 30 April 2011. The Group's share of the post acquisition profits of the associate is included in the consolidated statement of comprehensive income and 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.

Unrealised gains 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.

**(h) Assets under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4 (j) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the purchase price 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 necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

**(j) Property, Plant and Equipment**

Property, plant and equipment, other than freehold, leasehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold land is not depreciated. Leasehold land and buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold and 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.

Depreciation is calculated under 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:-

Buildings	20 - 50 years
Leasehold land	Over the lease period of 34 - 89 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

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Property, Plant and Equipment (Cont'd)**

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. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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 loss arising from derecognition of the asset 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.

In the previous financial year, leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring leasehold land that was accounted for as an operating lease represents prepaid lease payments.

During the financial year, the Group adopted the amendments made to FRS 117 Leases in relation to the classification of lease of land. The Group's leasehold land which in substance is a finance lease has been reclassified as property, plant and equipment and measured as such retrospectively.

**(k) Impairment**

**(i) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), 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 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 to profit or loss.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Impairment (Cont'd)**

**(i) Impairment of Financial Assets (Cont'd)**

With the exception of available-for-sale equity 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 investment 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.

For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

**(ii) Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which FRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when 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. The recoverable amount of the assets is the higher of the fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

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.

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. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(l) Income Taxes**

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs 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 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 are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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 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 income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

**(m) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts 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.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(n) Employee Benefits**

**(i) Short-term Benefits**

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

**(ii) 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.

**(o) Related Parties**

A party related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the entity; or
  - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is the venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

**(p) Provisions**

Provisions are recognised when the Group has a present obligation 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.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (q) Revenue Recognition

###### (i) Services

Revenue from services rendered is accounted for in the statement of comprehensive income in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

###### (ii) Goods Sold

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

###### (iii) Dividend Income

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

###### (iv) Interest Income

Interest income is recognised on an accrual basis.

###### (v) Management Fees and Rental Income

Management fees and rental income are recognised on an accrual basis.

##### (r) Non-Current Assets Held for Sale

Non current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Upon classification as held for sale, non-current assets or components of a disposal group are not depreciated and are measured at the lower of their carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

##### (s) 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. An operating 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(t) Borrowing Costs**

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. 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.

**(u) Earnings per Share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

**5. INVESTMENTS IN SUBSIDIARIES**

	<b>THE COMPANY</b>	
	<b>2011 RM'000</b>	2010 RM'000
Unquoted shares, at cost	<b>93,874</b>	53,735
Acquisition of a subsidiary during the financial year (Note 37)	-	40,358
Less: Impairment loss of subsidiaries	<b>(6,884)</b>	(219)
	<b>86,990</b>	93,874

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**5. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

Details of the subsidiaries are as follows:-

Name of Company	Country of incorporation	EFFECTIVE EQUITY INTEREST		Principal activities
		2011 %	2010 %	
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Industrial consultancy and analytical chemists.
Masmeru Sdn. Bhd.	Malaysia	100	100	Investment holding.
K & L Chemicals Sdn. Bhd.	Malaysia	100	100	Investment holding and trading of industrial chemicals.
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.
Analabs Biotech Sdn. Bhd.	Malaysia	100	100	Dormant.
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 agriculture chemical products and the provision of storage handling services for these products.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	EFFECTIVE EQUITY INTEREST		Principal activities
		2011 %	2010 %	
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.	Malaysia	100	100	Manufacturing and trading in lubricant products.
Cleanway Disposal Services Pte. Ltd. *	Singapore	100	100	Providing containerised waste disposal services.
Hsyper Manufacturing (M) Sdn. Bhd. #	Malaysia	100	100	Dormant.
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.

\* - Not audited by Messrs. Crowe Horwath.

# - Held through Global Pacific Petroleum Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**6. INVESTMENT IN AN ASSOCIATE**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	#	#	#	#
Less: Impairment loss	-	-	(#)	(#)
	#	#	-	-
Share of post-acquisition losses	(#)	(#)	-	-
	-	-	-	-

# - RM40.

Details of the associate are as follows:-

Name of Company	Country of Incorporation	EFFECTIVE EQUITY INTEREST		Principal Activity
		2011 %	2010 %	
Titan Crest Sdn Bhd	Malaysia	40	40	Dormant

The Group's share of the associate's current year financial results has not been disclosed as the information is not readily available to the management. The associate has been dormant throughout the year.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

7. PROPERTY, PLANT AND EQUIPMENT

	AS PREVIOUSLY REPORTED AT 1.5.2010 RM'000	EFFECTS OF FRS 117 RM'000	AS RESTATED AT 1.5.2010 RM'000	CLASSIFIED AS ASSET HELD FOR SALE RM'000	ADDITIONS RM'000	DISPOSALS RM'000	RESTATEMENT DEPRECIATION CHARGE RM'000	TRANSLATION DIFFERENCE RM'000	AT 30.4.2011 RM'000
<b>NET BOOK VALUE</b>									
Freehold land	22,600	-	22,600	-	-	-	-	-	22,600
Leasehold land	-	25,155	25,155	(4,445)	-	-	(367)	-	20,343
Buildings	31,375	-	31,375	(1,830)	-	-	(1,032)	175	28,688
Plant and machinery	9,282	-	9,282	-	250	(6)	(2,577)	11	6,960
Renovation	84	-	84	-	2	-	(28)	-	58
Office equipment	318	-	318	-	123	(57)	(133)	58	309
Furniture and fittings	63	-	63	-	4	-	(15)	-	52
Laboratory equipment	293	-	293	-	81	(8)	(92)	7	281
Motor vehicles	1,817	-	1,817	-	1,050	-	(540)	45	2,372
	65,832	25,155	90,987	(6,275)	1,510	(71)	(4,784)	296	81,663

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

NET BOOK VALUE	AS PREVIOUSLY REPORTED AT 1.5.2009	AS RESTATED AT 1.5.2009	EFFECTS OF FRS 117	AS RESTATED AT 1.5.2009	REVALUATION	ADDITIONS	ACQUISITION OF A SUBSIDIARY	WRITE-OFF	RESTATEMENT DEPRECIATION CHARGE	TRANSLATION DIFFERENCE	AS RESTATED AT 30.4.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	16,130	16,130	-	16,130	-	-	6,470	-	-	-	22,600
Leasehold land	-	25,522	25,522	25,522	-	-	-	-	(367)	-	25,155
Buildings	24,829	24,829	-	24,829	1,491	-	6,180	-	(973)	(152)	31,375
Plant and machinery	2,672	2,672	-	2,672	-	158	8,762	-	(2,308)	(2)	9,282
Renovation	108	108	-	108	-	-	-	-	(24)	-	84
Office equipment	213	213	-	213	-	215	77	(2)	(185)	-	318
Furniture and fittings	17	17	-	17	-	-	63	-	(17)	-	63
Laboratory equipment	210	210	-	210	-	195	-	-	(110)	(2)	293
Motor vehicles	1,605	1,605	-	1,605	-	684	167	-	(607)	(32)	1,817
	45,784	71,306	25,522	71,306	1,491	1,252	21,719	(2)	(4,591)	(188)	90,987

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>THE GROUP</b>	<b>AT COST RM'000</b>	<b>AT VALUATION RM'000</b>	<b>ACCUMULATED DEPRECIATION RM'000</b>	<b>NET BOOK VALUE RM'000</b>
<b>AT 30.4.2011</b>				
Freehold land	-	22,600	-	22,600
Leasehold land	-	22,827	(2,484)	20,343
Buildings	-	30,800	(2,112)	28,688
Plant and machinery	86,464	-	(79,504)	6,960
Renovation	302	-	(244)	58
Office equipment	4,443	-	(4,134)	309
Furniture and fittings	789	-	(737)	52
Laboratory equipment	4,346	-	(4,065)	281
Motor vehicles	11,927	-	(9,555)	2,372
	108,271	76,227	(102,835)	81,663

	<b>AT RESTATED AT COST RM'000</b>	<b>AT RESTATED AT VALUATION RM'000</b>	<b>AT RESTATED ACCUMULATED DEPRECIATION RM'000</b>	<b>AT RESTATED NET BOOK VALUE RM'000</b>
<b>AT 30.4.2010</b>				
Freehold land	-	22,600	-	22,600
Leasehold land	-	27,751	(2,596)	25,155
Buildings	-	32,800	(1,425)	31,375
Plant and machinery	86,210	-	(76,928)	9,282
Renovation	300	-	(216)	84
Office equipment	4,343	-	(4,025)	318
Furniture and fittings	784	-	(721)	63
Laboratory equipment	5,097	-	(4,804)	293
Motor vehicles	11,204	-	(9,387)	1,817
	107,938	83,151	(100,102)	90,987



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Certain land and buildings of the Group with a net carrying value amounting to RM8,714,598 (2010 - RM9,096,748) are pledged to banks for credit facilities granted to certain subsidiaries.

Had the revalued properties been carried out at cost less accumulated depreciation, net book value of the properties would be as follows:-

	2011 RM'000	2010 RM'000
Freehold land	10,148	10,148
Leasehold land	7,744	7,861
Factory buildings	17,724	18,424
	<b>35,616</b>	<b>36,433</b>

Included in the property, plant and equipment of the Group is a motor vehicle with a net book value of RM1 (2010 - RM119) acquired under hire purchase terms.

**8. PREPAID LAND LEASE PAYMENTS**

	THE GROUP	
	2011 RM'000	2010 RM'000
Leasehold land, at cost	27,751	27,751
- as previously reported	(27,751)	(27,751)
- Effects of FRS 117		
- as restated	-	-
Accumulated amortisation		
- as previously reported	2,963	2,596
- Effects of FRS 117	(2,963)	(2,596)
	-	-
	-	-

The Group has adopted the amendments made to FRS 117 Leases during the financial year. The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property, plant and equipment.

This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**9. GOODWILL**

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
At 1 May	<b>7,089</b>	1,337
Arising from acquisition of a subsidiary (Note 37)	-	5,752
At 30 April	<b>7,089</b>	7,089

**Impairment testing for cash-generating units containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating unit ("CGU") identified according to either the country of the subsidiary's operations or the business segments.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Sale of resin impregnated papers	<b>5,752</b>	5,752
Formulation and repackaging of chemicals	<b>65</b>	65
Recovery and sale of recycled products	<b>9</b>	9
Culture and sale of prawns	<b>2</b>	2
Investment holding	<b>412</b>	412
Manufacturing and trading of lubricants	<b>579</b>	579
Containerised waste disposal services	<b>270</b>	270
	<b>7,089</b>	7,089

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**9. GOODWILL (CONT'D)**

**Impairment testing for cash-generating units containing goodwill (Cont'd)**

The recoverable amount of the CGU was based on value-in-use calculations.

These calculations use pre-tax cash flow projections for five years which are approved by management.

The value-in-use was determined by discounting the future cash flow generated from the continuing use of the unit and was based on the following key assumptions:

	GROWTH RATE		DISCOUNT RATE	
	2011	2010	2011	2010
Sale of resin impregnated papers	10% to 46%	10%	13.2%	12%
Others	2% to 9%	4% to 7%	12%	12%

**(a) Growth rate**

The growth rates used are based on the expected projection of the relevant segments.

**(b) Discount rate**

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The value assigned to the key assumptions represent management's assessment of future trends in the manufacturing and selling of resin impregnated papers, waste recycling industry and prawn culturing industry are based on external sources and internal sources (historical data).

Management believes that any reasonably possible change in the key assumption would not cause the carrying amount of the goodwill to exceed the recoverable amount of the CGU.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**10. INVESTMENT IN QUOTED SHARES**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost:-				
Quoted shares in Malaysia	13,434	13,434	5,277	5,277
Quoted shares outside Malaysia	1,310	1,310	271	271
Allowance for impairment loss	(200)	(200)	-	-
As previously reported	14,544	14,544	5,548	5,548
Effects of adopting FRS 139	242	-	(630)	-
As restated	14,786	14,544	4,918	5,548
Additions	2,566	-	4	-
Disposal	(1,417)	-	(978)	-
Fair value adjustments	3,183	-	1,860	-
At 30 April	19,118	14,544	5,804	5,548
Represented by:-				
At Cost	-	14,544	-	5,548
At Fair Value	19,118	-	5,804	-
	19,118	14,544	5,804	5,548

Upon adoption of FRS 139 during the financial year, the Group designated its instruments that were previously measured using the cost model as available-for-sale financial assets and are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**11. OTHER INVESTMENT**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, at cost	2,000	2,000	2,000	2,000
Investment in trust fund, at cost	2,000	2,000	2,000	2,000
Club membership	70	70	-	-
Allowance for impairment loss	(3,100)	(3,100)	(3,100)	(3,100)
As previously reported	970	970	900	900
Effects of adopting FRS 139	(59)	-	(170)	-
As restated	911	970	730	900
Fair value adjustment	140	-	140	-
	1,051	970	870	900

Upon adoption of FRS 139 during the financial year, the Group designated its instruments that were previously measured using the cost model as available-for-sale financial assets and are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**12. AMOUNT OWING BY/(TO) SUBSIDIARIES**

The amount owing by/(to) subsidiaries consists of the following:

	<b>THE COMPANY</b>	
	<b>2010 RM'000</b>	2009 RM'000
Amount owing by:-		
- Current	3,389	20,515
- Non-current	16,500	-
	<b>19,889</b>	20,515
Represented by:-		
At cost	16,500	20,515
At amortised cost	3,389	-
	<b>19,889</b>	20,515
Amount owing to, at amortised cost:-		
- Current	8,849	27,047

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

The foreign currency exposure profile of the amount owing to the subsidiaries at the end of the reporting period is as follows:-

	<b>THE COMPANY</b>	
	<b>2011 RM'000</b>	2010 RM'000
Singapore Dollar	768	471

Included in the amount owing by the subsidiaries is an amount of RM16,500,000 owing by the subsidiaries for which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance, a part of the Company's net investment in the subsidiaries. Accordingly, these amounts are classified as non-current asset and stated at cost less accumulated impairment loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**13. ASSETS HELD FOR SALE**

On 22 April 2011, the Group committed to a plan to sell the industrial property which is located in PN5337, Lot 606, Section 16, Mukim Bandar Shah Alam to Lighting Edition Sdn. Bhd. with a total disposal price of RM7.5 million.

At the end of the reporting period, the assets of the individual property have been presented in the statements of financial position as "Assets held for sale". The disposal is expected to be completed by 2011.

The assets, measured at the lower of their carrying amount and fair value less costs to sell, are as follows:-

	<b>THE GROUP</b>
	<b>2011 RM'000</b>
<b>Assets</b>	
Leasehold land	4,445
Building	1,830
Assets classified as held for sale	<b>6,275</b>

**14. INVENTORIES**

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
At cost:-		
Livestocks	150	512
Raw materials	13,806	12,681
Packing materials	32	34
Spares	126	159
Finished goods	3,517	1,899
	<b>17,631</b>	15,285
At net realisable value:-		
Raw materials	543	526
	<b>18,174</b>	15,811

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

15. TRADE RECEIVABLES

	THE GROUP	
	2011 RM'000	2010 RM'000
Trade receivables	30,105	25,822
Less: Allowance for impairment loss	(708)	(809)
	<b>29,397</b>	25,013
Allowance for impairment losses:-		
At 1 May	(809)	(209)
Addition during the financial year	-	(100)
Writeback during the financial year	101	-
Arising from acquisition of a subsidiary	-	(500)
At 30 April	<b>(708)</b>	(809)

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

The foreign currency exposure profile of trade receivables is as follows:-

	THE GROUP	
	2011 RM'000	2010 RM'000
United States Dollar	3,477	1,864
Euro	13,240	10,611
Singapore Dollar	3,258	3,469
Ringgit Malaysia	9,422	9,069
	<b>29,397</b>	25,013



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

The foreign currency exposure profile of the other receivables, deposits and prepayments at the end of the reporting period was as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
United States Dollar	191	-
Euro	1,665	-
Singapore Dollar	620	381
Ringgit Malaysia	489	900
	<b>2,965</b>	1,281

**17. FIXED DEPOSITS WITH LICENSED BANKS**

Included in the fixed deposits with licensed banks of the Group and of the Company are amounts totalling RM267,967 (2010 - RM2,039,000) which have been pledged to licensed banks for banking facilities granted to the Group and the Company.

The effective interest rate per annum of the fixed deposits at the end of the reporting period ranged from 3% - 3.7% (2010 - 2.5%). The fixed deposits have a maturity period of 12 months (2010 - 12 months).

**18. CASH AND BANK BALANCES**

The foreign currency exposure profile of the cash and bank balances at the end of reporting period was as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
United States Dollar	961	2,615
Euro	3,790	-
Singapore Dollar	1,983	-
Ringgit Malaysia	5,558	5,295
	<b>12,292</b>	7,910

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**19. SHARE CAPITAL**

	<b>THE COMPANY</b>			
	<b>2011 NUMBER OF SHARES '000</b>	2010 NUMBER OF SHARES '000	<b>2011 RM'000</b>	2010 RM'000
ORDINARY SHARES OF RM1 EACH:-				
AUTHORISED	<b>100,000</b>	100,000	<b>100,000</b>	100,000
ISSUED AND FULLY PAID-UP	<b>60,024</b>	60,024	<b>60,024</b>	60,024

**20. SHARE PREMIUM**

This relates to the premium arising from shares issued and is not distributable by way of cash dividends.

**21. REVALUATION RESERVE**

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
At 1 May	<b>11,272</b>	9,811
Addition during the financial year	-	1,461
At 30 April	<b>11,272</b>	11,272

This reserve includes the cumulative net change from the revaluation of the freehold land, buildings and leasehold land above their cost, net of deferred tax effects.

**22. EXCHANGE TRANSLATION RESERVE**

The exchange translation reserve arose from the translation of the financial statements of the foreign subsidiaries and is not distributable by way of dividends.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**23. 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:-

	No. of Shares	Total Consideration RM'000
Balance at 1 May 2009	670,000	509
Addition during the financial year	100,000	120
Balance at 30 April 2010/1 May 2010	770,000	629
Addition during the financial year	20,000	31
Balance at 30 April 2011	790,000	660

The share buy-back scheme was financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 in Malaysia and are presented as a deduction from shareholders' equity.

**24. FAIR VALUE RESERVES**

The fair value reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

**25. RETAINED PROFITS**

Subject to the agreement of the tax authorities, at the end of the reporting period, the Company has tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends of approximately RM7,600,000 (2010 - RM9,800,000) out of its retained profits. The balance of the retained profits, if distributed as dividends, will be taxed at the statutory tax rate.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**26. DEFERRED TAX LIABILITIES**

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
At 1 May	<b>10,866</b>	8,481
Recognised in profit or loss (Note 34)	<b>(304)</b>	669
Arising from acquisition of a subsidiary (Note 37)	-	1,732
Foreign translation difference	-	(16)
At 30 April	<b>10,562</b>	10,866

Deferred tax liabilities are attributable to the following items:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	<b>3,267</b>	3,571
Revaluation of land and buildings	<b>7,295</b>	7,295
	<b>10,562</b>	10,866

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**27. HIRE PURCHASE PAYABLE**

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Minimum hire purchase payments:		
- not later than one year	6	6
- later than one year and not later than five years	6	15
Less: Future finance charges	12 (1)	21 (3)
Present value of hire purchase payable	<b>11</b>	18

The net hire purchase payable is repayable as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Current:		
- not later than one year	5	5
Non-current:		
- later than one year and not later than five years	6	13
	<b>11</b>	18

The hire purchase payable bore an effective interest rate of 3.5% (2010 - 3.5%) per annum at the end of reporting the period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**28. TRADE PAYABLES**

The normal trade credit terms granted to the Group range from 30 to 120 days.

The foreign currency exposure profile of trade payables is as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
United States Dollar	2,146	1,999
Japanese Yen	-	101
Euro	6,437	6,643
Singapore Dollar	1,130	1,303
Ringgit Malaysia	4,654	5,675
	<b>14,367</b>	15,721

**29. OTHER PAYABLES**

The foreign currency exposure profile of the other payables at the end of the reporting period is as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
United States Dollar	38	211
Euro	394	170
Singapore Dollar	-	1
Ringgit Malaysia	6,051	8,950
	<b>6,483</b>	9,332

**30. AMOUNT OWING TO A DIRECTOR**

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**31. 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 RM148,858,000 (2010 - RM129,645,000) divided by the number of ordinary shares in issue at the end of the reporting period of RM59,234,000 (2010 - RM59,254,000) excluding treasury shares held by the Company.

**32. REVENUE**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sale of resin impregnated papers	95,380	69,827	-	-
Recovery and recycling of industrial waste	26,929	26,788	-	-
Trading of industrial chemicals and related products	5,155	4,962	-	-
Formulation and repackaging of agricultural chemicals	6,133	7,405	-	-
Environmental engineering and testing	53	158	-	-
Storage and handling service charges	898	1,247	-	-
Sale of prawns	3,165	2,138	-	-
Rental income	6	12	-	-
Dividend income from:				
- subsidiaries	-	-	20,500	33,631
- quoted shares	596	419	111	118
Management fee from subsidiaries	-	-	684	768
	<b>138,315</b>	<b>112,956</b>	<b>21,295</b>	<b>34,517</b>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**33. PROFIT BEFORE TAXATION**

	THE GROUP		THE COMPANY	
	2011 RM'000	Restated 2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation after charging/(crediting):-				
Audit fee:				
- current financial year	178	168	33	33
- overprovision in the previous financial year	(16)	-	-	-
Allowance for impairment loss on receivables	-	100	-	-
Allowance for impairment loss on inventories	1,152	-	-	-
Bad debts written off	-	23	-	-
Depreciation of property, plant and equipment	4,784	4,591	-	-
Directors' fee	259	104	116	104
Directors' non-fee emoluments	99	38	99	38
Impairment loss on trust fund	-	1,100	-	1,100
Impairment loss on investment in a subsidiary	-	-	6,884	-
Interest expense:				
- bank overdraft	1	52	-	-
- hire purchase	1	1	-	-
- loan	-	158	-	158
Property, plant and equipment written off	-	2	-	-
Rental expenses:				
- apartment	32	30	-	-
- factory	-	5	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	9,280	9,234	27	156
- defined contribution plan	468	549	3	13
- other benefits	702	62	-	3



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**33. PROFIT BEFORE TAXATION (CONT'D)**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation after charging/(crediting):-				
Dividend income from:				
- quoted shares	(620)	(419)	(111)	(118)
- subsidiaries (unquoted)	-	-	(20,500)	(33,631)
Foreign exchange loss/(gain):				
- realised	383	125	-	(37)
- unrealised	(221)	758	-	-
Gain on disposal of:				
- quoted shares	(203)	(222)	(202)	(5)
- property, plant and equipment	(43)	(84)	-	-
Interest income:				
- fixed deposits	(296)	(58)	(2)	(2)
- others	(25)	(148)	(169)	(248)
Rental income	(24)	(30)	-	-
Writeback of allowance for impairment losses on receivables	(101)	-	-	-
Writeback of impairment loss on investment in quoted shares	-	(1,000)	-	(700)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**34. INCOME TAX EXPENSE**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense:				
- for the financial year	5,157	5,092	2,304	5,037
- (over)/underprovision in the previous financial year	725	(221)	64	56
	<b>5,882</b>	<b>4,871</b>	<b>2,368</b>	<b>5,093</b>
Deferred tax expense (Note 26):				
- relating to origination and reversal of temporary differences	48	669	-	-
- overprovision in the previous financial year	(352)	-	-	-
	<b>(304)</b>	<b>669</b>	<b>-</b>	<b>-</b>
	<b>5,578</b>	<b>5,540</b>	<b>2,368</b>	<b>5,093</b>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**34. INCOME TAX EXPENSE (CONT'D)**

During the current financial year, the statutory tax rate is 25%.

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

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before taxation	23,246	20,929	14,394	33,684
Tax at the statutory tax rate of 25%	5,811	5,232	3,599	8,421
Tax effects of:-				
Non-deductible expenses	408	1,210	73	73
Tax incentive	(70)	(183)	-	-
Non-taxable gain	(747)	(197)	(1,368)	(3,457)
Deferred tax assets not recognised during the financial year	28	27	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(72)	(66)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax expense	725	(221)	64	56
- deferred tax expense	(352)	-	-	-
Differential in tax rates	(129)	(184)	-	-
Others	(24)	(78)	-	-
Tax for the financial year	5,578	5,540	2,368	5,093

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**35. EARNINGS PER SHARE**

The basic earnings per share is arrived at by dividing the Group's profit after taxation of approximately RM17,668,000 (2010 - RM15,389,000) by the weighted average number of ordinary shares in issue of 59,248,000 (2010 - 59,311,000) after taking into account the effects of treasury shares.

	<b>THE GROUP</b>	
	<b>2011</b>	2010
Profit attributable to owners of the Company (RM'000)	<b>17,668</b>	15,389
Weighted average number of ordinary shares ('000):- Issued ordinary shares at 1 May Effects of treasury shares held	<b>59,254</b> (6)	59,354 (43)
Weighted average number of ordinary shares at 30 April	<b>59,248</b>	59,311
Basic earnings per share (Sen)	<b>29.82</b>	25.95

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares.

**36. DIVIDEND**

	<b>THE GROUP/ THE COMPANY</b>	
	<b>2011</b> <b>RM'000</b>	2010 RM'000
Paid:- In respect of the current financial year: - interim dividend of 5.0 sen less 25% tax	<b>2,223</b>	2,223

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**37. ACQUISITION OF A SUBSIDIARY**

In the previous financial year, the Company acquired Coverright Surfaces Malaysia Sdn. Bhd.

The details of net assets acquired and cash flow arising from the acquisition of a subsidiary in the previous financial year were as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Property, plant and equipment	-	21,719
Other investment	-	70
Receivables, deposits and prepayments	-	15,365
Inventories	-	11,871
Tax recoverable	-	1,269
Fixed deposits with licensed banks	-	1,760
Cash and bank balances	-	6,608
Deferred tax liabilities (Note 26)	-	(1,732)
Payables and accruals	-	(20,576)
Provision for taxation	-	(1,748)
Fair value of net assets acquired	-	34,606
Goodwill on acquisition (Note 9)	-	5,752
Total purchase consideration	-	40,358
Less: Cash and cash equivalents of the subsidiary acquired	-	(8,368)
Net cash outflow from acquisition of a subsidiary	-	31,990

The effects of the acquisition of the subsidiary on the financial results of the Group in the previous financial year were as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Revenue	-	69,827
Profit after taxation for the financial year	-	7,716

If the acquisition had occurred on 1 May 2010, the Group's revenue and profit after taxation in the previous financial year would have been RM98,380,000 and RM8,545,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**38. CASH AND CASH EQUIVALENTS**

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

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Fixed deposits with licensed banks (Note 17)	2,121	1,139	70	68
Cash and bank balances	12,292	7,910	110	218
	<b>14,413</b>	<b>9,049</b>	<b>180</b>	<b>286</b>

**39. DIRECTORS' REMUNERATION**

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive directors:				
- basic salaries, Employees	242	38	99	38
Provident Fund and bonus	24	12	24	12
- fee				
Non-executive directors:				
- fee	92	92	92	92
	<b>358</b>	<b>142</b>	<b>215</b>	<b>142</b>

The details of emoluments for the directors of the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	2011		2010	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	3	-	3
RM50,001 - RM100,000	1	-	2	-
RM100,001 - RM150,000	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**40. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

The Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the balances detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Management fee charged to subsidiaries	-	-	684	768
Dividend income from subsidiaries	-	-	20,500	33,631
Key management personnel compensation: - Short-term employee benefits	1,909	1,578	245	142

**41. OPERATING SEGMENTS**

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

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

- (i) Manufacturing segment - involved in manufacturing and selling resin impregnated papers.
- (ii) Formulation segment - involved in formulating and repacking of chemical products, paint recycling and providing handling services for these products.
- (iii) Recycled segment - involved in collecting, treating, recovering and recycling of industrial waste and sale of recycled products.
- (iv) Prawns segment - involved in breeding and selling of prawns.
- (v) Investment holding segment - involved in investment holding, management services and property letting.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

41. OPERATING SEGMENTS

BUSINESS SEGMENTS

	MANUFACTURING AND SALE OF RESIN AND IMPREGNATED PAPERS RM'000	FORMULATION, REPACKAGING AND TRADING OF CHEMICALS RM'000	RECOVERY AND SALE OF RECYCLED PRODUCTS RM'000	CULTURE AND SALE OF PRAWNS RM'000	INVESTMENT HOLDING AND PROPERTY LETTING RM'000	ELIMINATIONS RM'000	GROUP RM'000
<b>2011</b>							
<b>REVENUE</b>							
External sales	95,380	12,187	26,981	3,165	602	-	138,315
Internal sales	-	2,119	2,275	-	21,276	(25,670)	-
	95,380	14,306	29,256	3,165	21,878	(25,670)	138,315
<b>RESULTS</b>							
Segment results	13,481	3,184	5,295	1,024	425	-	223,409
Interest income							111
Interest expense							(274)
Profit before taxation							23,246
Income tax expense							(5,578)
Profit after taxation							17,668



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	MANUFACTURING AND SALE OF RESIN AND IMPREGNATED PAPERS RM'000	FORMULATION, REPACKAGING AND TRADING OF CHEMICALS RM'000	RECOVERY AND SALE OF RECYCLED PRODUCTS RM'000	CULTURE AND SALE OF PRAWNS RM'000	INVESTMENT HOLDING AND PROPERTY LETTING RM'000	ELIMINATIONS RM'000	GROUP RM'000
<b>2011</b>							
<b>OTHER INFORMATION</b>							
Segment assets #	66,049	37,985	42,461	15,535	104,562	(85,929)	180,663
Segment liabilities *	19,133	3,914	5,072	377	675	2,634	31,805
Capital expenditure	794	23	693	-	-	-	1,510
Depreciation and amortisation	2,241	844	1,274	310	115	-	4,784

# - Segment assets comprise total current and non-current assets.

\* - Segment liabilities comprise total current and non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	MANUFACTURING AND SALE OF RESIN AND IMPREGNATED PAPERS RM'000	FORMULATION, REPACKAGING AND TRADING OF CHEMICALS RM'000	RECOVERY AND SALE OF RECYCLED PRODUCTS RM'000	CULTURE AND SALE OF PRAWNS RM'000	INVESTMENT HOLDING AND PROPERTY LETTING RM'000	ELIMINATIONS RM'000	GROUP RM'000
<b>2010</b>							
<b>REVENUE</b>							
External sales	69,827	13,625	26,979	2,138	387	-	112,956
Internal sales	-	1,666	1,812	-	34,504	(37,982)	-
	69,827	15,291	28,791	2,138	34,891	(37,982)	112,956
<b>RESULTS</b>							
Segment results	11,054	3,336	5,884	463	153	-	20,890
Interest income							250
Interest expense							(211)
Profit before taxation							20,929
Income tax expense							(5,540)
Profit after taxation							15,389

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

41. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	MANUFACTURING AND SALE OF RESIN AND IMPREGNATED PAPERS RM'000	FORMULATION, REPACKAGING AND TRADING OF CHEMICALS RM'000	RECOVERY AND SALE OF RECYCLED PRODUCTS RM'000	CULTURE AND SALE OF PRAWNS RM'000	INVESTMENT HOLDING AND PROPERTY LETTING RM'000	ELIMINATIONS RM'000	GROUP RM'000
2010							
<b>OTHER INFORMATION</b>							
Segment assets #	60,135	35,457	38,745	14,488	106,449	(88,856)	166,418
Segment liabilities *	22,812	3,851	5,784	355	864	3,107	36,773
Capital expenditure	275	-	977	-	-	-	1,252
Depreciation and amortisation	1,488	1,079	1,598	312	114	-	4,591

# - Segment assets comprise total current and non-current assets.

\* - Segment liabilities comprise total current and non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**41. OPERATING SEGMENTS (CONT'D)**

GEOGRAPHICAL INFORMATION

	REVENUE		NON-CURRENT ASSETS	
	2011 RM	2010 RM	2011 RM	2010 RM
Singapore	18,024	16,497	8,286	7,736
Malaysia	120,291	96,459	100,635	105,854
	<b>138,315</b>	112,956	<b>108,921</b>	113,590

MAJOR CUSTOMERS

There are no major customers with individual revenue equal or more than 10% of Group's revenue.

**42. 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	
	2011 RM'000	2010 RM'000
United States Dollar	2.97	13.19
Euro	4.41	4.23
Singapore Dollar	2.42	2.33

**43. CAPITAL COMMITMENTS**

	THE GROUP	
	2011 RM'000	2010 RM'000
Approved and contracted for:- Plant and machinery	7,056	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**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.

**(a) Financial Risk Management Policies**

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

**(i) 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 Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

44. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

THE GROUP	EURO RM'000	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
<b>2011</b>					
<b>Financial assets</b>					
Trade receivables	13,240	3,477	3,258	9,422	29,397
Other receivables and deposits	1,665	191	620	489	2,965
Cash and bank balances	3,790	961	1,983	5,558	12,292
	18,695	4,629	5,861	15,469	44,654
<b>Financial liabilities</b>					
Trade payables	6,437	2,146	1,130	4,654	14,367
Other payables and accruals	38	-	394	6,051	6,483
	6,475	2,146	1,524	10,705	20,850
Net financial assets	12,220	2,483	4,337	4,764	23,804
Less: Net financial assets denominated in the respective entities functional currencies	-	-	(4,337)	(4,764)	(9,101)
<b>Currency exposure</b>	12,220	2,483	-	-	14,703

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

44. FINANCIAL INSTRUMENTS (CONT'D)  
(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	EURO RM'000	UNITED STATES DOLLAR RM'000	JAPANESE YEN RM'000'	SINGAPORE DOLLAR RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2010						
<b>Financial assets</b>						
Trade receivables	10,611	1,864	-	3,469	9,069	25,013
Other receivables and deposits	-	-	-	381	900	1,281
Cash and bank balances	2,615	-	-	-	5,295	7,910
	13,226	1,864	-	3,850	15,264	34,204
<b>Financial liabilities</b>						
Trade payables	6,643	1,999	101	1,303	5,675	15,721
Other payables and accruals	211	1	-	170	8,950	9,332
	6,854	2,000	101	1,473	14,625	25,053
Net financial assets	6,372	(136)	(101)	2,377	639	9,151
Less: Net financial assets denominated in the respective entities functional currencies	-	-	-	(2,377)	(639)	(3,016)
<b>Currency exposure</b>	6,372	(136)	(101)	-	-	6,135

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**44. FINANCIAL INSTRUMENTS (CONT'D)**

**(a) Financial Risk Management Policies (Cont'd)**

**(i) 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:-

	<b>THE GROUP</b>	
	<b>2011 Increase/ (Decrease) RM'000</b>	<b>2010 Increase/ (Decrease) RM'000</b>
<b>Effects on profit after taxation/ Effect on equity</b>		
United States Dollar:-		
- strengthened by 5%	<b>124</b>	7
- weakened by 5%	<b>(124)</b>	(7)
Euro:-		
- strengthened by 5%	<b>611</b>	319
- weakened by 5%	<b>(611)</b>	(319)



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**44. FINANCIAL INSTRUMENTS (CONT'D)**

**(a) Financial Risk Management Policies (Cont'd)**

**(i) Market Risk (Cont'd)**

*(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 interest-bearing financial asset and liability. The Group's policy is to obtain the most favourable interest rate available.

Information relating to the Group's exposure to the interest rate risk of the financial assets is disclosed in Note 17 and financial liability is disclosed in Note 27 to the financial statements.

Interest rate risk sensitivity analysis

An increase or decrease of 100 basis points of the interest rate as at the end of the reporting period would have immaterial impact on the profit for the financial year and equity. This assumes that all other variables remain constant.

*(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 risks by maintaining a portfolio of equities with different risk profiles.

Equity price sensitivity analysis

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

<b>THE GROUP</b>		
	<b>2011 Increase/ (Decrease) RM'000</b>	2010 Increase/ (Decrease) RM'000
<b><i>Effect on Equity</i></b>		
Increase of 5%	<b>956</b>	727
Decrease of 5%	<b>(956)</b>	(727)

#### 44. FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Risk Management Policies

##### (ii) 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, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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. Impairment is estimated by management based on prior experience and the current economic environment.

##### Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by customers which constituted approximately 50% of its trade receivables as at the end of the reporting period.

##### Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	<b>THE GROUP</b>	
	<b>2011 RM'000</b>	2010 RM'000
Australia	8,985	7,576
Asia	4,605	3,641
South East Asia	6,396	4,448
Malaysia	9,411	9,348
	<b>29,397</b>	25,013

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**44. FINANCIAL INSTRUMENTS (CONT'D)**

**(a) Financial Risk Management Policies**

**(ii) Credit Risk (Cont'd)**

Ageing analysis

The ageing analysis of the Group's trade receivables as at 30 April 2011 is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
<b>2011</b>				
Not past due	12,195	-	-	12,195
Past due:-				
- less than 3 months	15,096	(708)	-	14,388
- 3 to 6 months	2,554	-	-	2,554
- over 6 months	260	-	-	260
	<b>30,105</b>	<b>(708)</b>	-	<b>29,397</b>

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 collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

*Trade receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

*Trade receivables that are neither past due nor impaired*

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

44. FINANCIAL INSTRUMENTS (CONT'D)  
(a) Financial Risk Management Policies (Cont'd)  
(iii) 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.

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):-

	WEIGHTED AVERAGE EFFECTIVE 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
<b>THE GROUP</b>						
<b>2011</b>						
Hire purchase payables	3.5	11	12	6	6	-
Trade payables	-	14,367	14,367	14,367	-	-
Other payables and accruals	-	6,483	6,483	6,483	-	-
Amount owing to a director	-	382	382	382	-	-
		<b>21,243</b>	<b>21,244</b>	<b>21,238</b>	<b>6</b>	<b>-</b>
<b>2010</b>						
Hire purchase payables	3.5	18	21	6	15	-
Trade payables	-	15,721	15,721	15,721	-	-
Other payables and accruals	-	9,332	9,332	9,332	-	-
Amount owing to a director	-	260	260	260	-	-
		<b>25,331</b>	<b>25,334</b>	<b>25,319</b>	<b>15</b>	<b>-</b>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

44. FINANCIAL INSTRUMENTS (CONT'D)  
(a) Financial Risk Management Policies (Cont'd)  
(iii) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE 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
<b>2011</b>						
Other payables and accruals	-	204	204	204	-	-
Amount owing to subsidiaries	-	8,849	8,849	8,849	-	-
		<b>9,053</b>	<b>9,053</b>	<b>9,053</b>	-	-
<b>2010</b>						
Other payables and accruals	-	366	366	366	-	-
Amount owing to subsidiaries	-	27,047	27,047	27,047	-	-
		<b>27,413</b>	<b>27,413</b>	<b>27,413</b>	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**44. FINANCIAL INSTRUMENTS (CONT'D)**

**(b) Capital Risk Management**

The Group manages its capital by maintaining 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. As the Group has no significant external borrowings as at the end of the reporting period, the debt-to-equity ratio is not presented.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

44. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	THE GROUP	THE COMPANY
	2011 RM'000	2011 RM'000
<b>Financial assets</b>		
<u>Available-for-sale financial assets</u>		
Investments in quoted shares, at fair value	19,118	5,804
Other investments, at fair value	1,051	870
	20,169	6,674
<u>Loans and receivables financial assets</u>		
Trade receivables	29,397	-
Other receivables and deposits	2,965	8
Fixed deposits with licensed banks	2,121	70
Amount owing by subsidiaries	-	3,389
Cash and bank balances	12,292	110
	46,775	3,577
<b>Financial liabilities</b>		
<u>Other financial liabilities</u>		
Hire purchase payables	11	-
Trade payables	14,367	-
Other payables and accruals	6,483	204
Amount owing to subsidiaries	-	8,849
Amount owing to a director	382	-
	21,243	9,053

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**44. FINANCIAL INSTRUMENTS (CONT'D)**

**(d) Fair Values Of Financial Instruments**

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of the quoted investments is estimated based on their quoted market prices as at the end of the reporting period.
- (iii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

**45. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

During the financial year, a subsidiary of the Group entered into an agreement to purchase an additional two stage impregnation line for the manufacture of resin impregnated papers for a total consideration of approximately RM7 million.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**46. COMPARATIVE FIGURES**

The following figures have been reclassified to conform with the adoption of the amendments to FRS 117 Leases as disclosed in Note 3(a)(iv) to the financial statements:-

<b>GROUP</b>		
	<b>AS RESTATED RM'000</b>	<b>AS PREVIOUSLY REPORTED RM'000</b>
Statement of Financial Position (Extract):-		
Property, plant and equipment	90,987	65,832
Prepaid land lease payments	-	25,155

The following figures have been reclassified to conform with the current year presentation:-

<b>COMPANY</b>		
	<b>AS RESTATED RM'000</b>	<b>AS PREVIOUSLY REPORTED RM'000</b>
Statement of Financial Position (Extract):-		
Amount owing by subsidiaries	20,515	-
Amount owing to subsidiaries	(27,047)	(6,532)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)  
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2011

**47. SUPPLEMENTARY INFORMATION  
– 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:-

	<b>THE GROUP</b>	<b>THE COMPANY</b>
	<b>2011 RM'000</b>	<b>2011 RM'000</b>
Total retained profits/(accumulated losses):		
- realised	115,846	38,011
- unrealised	(3,046)	-
Less: Consolidation adjustments	112,800 (44,601)	38,011 -
At 30 April 2011	<b>68,199</b>	<b>38,011</b>

## 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 30/04/2011 (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 65 years expiring 21st March 2043	Leasehold Land & Building 28 years old	156	Owner Occupied 4 Storey Office	624	482,257	Revalued on 29/06/2009 (Building only)
2	M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 65 years expiring 21st March 2043	Leasehold Land & Building 28 years old	156	Owner Occupied 4 Storey Office	616	465,987	Revalued on 29/06/2009 (Building only)
3	M-Field Sdn Bhd	HS (D) 4791 PT NO 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 59 years expiring 4th June 2046	Leasehold Land & Buildings 21 years old	5,811	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	2,143,097	Revalued on 29/06/2009 (Building only)
4	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 13 years old	121	Owner Occupied Single Storey Terrace House	74	120,000	Revalued on 29/06/2009
5	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land & Building 8 years old	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	3,100,000	Revalued on 29/06/2009
6	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 14 years old	20,714	Owner Occupied 2 Storey Office Block, Factory & Warehouse	5,982	9,800,000	Revalued on 29/06/2009

## 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 30/04/2011 (RM)	DATE OF REVALUATION
7	Inagro Sdn Bhd (Note: 3)	Lot 606, Section 16, Town of Shah Alam, District of Petaling, Selangor Darul Ehsan.	Leasehold for 99 years expiring 20th August 2066	Leasehold Land & Buildings 28 years old	12,708	Owner Occupied Single Storey Factory & Warehouse	6,710	6,308,197	Revalued on 29/06/2009 (Building only)
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 Khusus.	Leasehold for 99 years expiring 2nd October 2085	Leasehold Land & Buildings 18 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,162	3,084,212	Revalued on 29/06/2009 (Building only)
9	Resources Conservation Sdn Bhd	HS (D) 80016 PT No 14329, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 12 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Warehouse	1,682	4,000,000	Revalued on 29/06/2009
10	Resources Conservation Sdn Bhd	HS (D) 51801 PT No 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 13 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,450	5,850,000	Revalued on 29/06/2009
11	Resources Conservation Sdn Bhd	GM 146 Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 11 years old	2,317	Owner Occupied Industrial Land	n/a	1,730,000	Revalued on 29/06/2009

## 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 30/04/2011 (RM)	DATE OF REVALUATION
12	Striketech Sdn Bhd (Note: 4)	HS (D) 5464 Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan.	Leasehold for 99 years expiring 24th September 2094	Leasehold Land & Buildings 10 years old	1,035,000	Owner Occupied Buildings for Research & Development & Operations	1,975	17,756,824	Revalued on 29/06/2009 (Building only)
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 8 years old	4,004.90	Owner Occupied A Part Single/ Part 3-Storey Single Factory	3,241.80	4,727,520 (exchange rate 2.412)	Revalued on 01/03/2010
14	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson Negeri Sembilan	Leasehold for 99 years expiring 31st December 2074	Leasehold Land & Building 23 years old	62,220.90	Owner Occupied Plant Tank Farm, Compressor Room, Drum Filling Station, Double Storey Warehouse cum administrative office, Single Storey Detached Factory & Laboratory	17,726.70	6,912,917	Revalued on 31/12/2007 (Building only)
15	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3 1/2 Miles, Kapar Road, Mukim Kapar, Klang, Selangor	Freehold	Freehold Industrial Land & Buildings 19 years old	19,450	Owner Occupied 3 Storey Office Block, Factory & Warehouse	9,140	12,525,780	Revalued on 15/04/2008

### NOTES:

Notes 1 to 4 being list of properties that 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 Attractive Frontiers Sdn. Bhd. to Inagro Sdn. Bhd.

Note 4 property transferred from Analabs Biotech Sdn. Bhd. to Striketech Sdn. Bhd.

# ANALYSIS OF SHAREHOLDINGS

AS AT 5 SEPTEMBER 2011

CLASS OF SHARES	:	Ordinary shares of RM1.00 each
VOTING RIGHTS	:	One vote per share
AUTHORISED SHARE CAPITAL	:	100,000,000 ordinary shares of RM1.00 each
ISSUED AND PAID-UP CAPITAL	:	59,234,000 ordinary shares of RM1.00 each (excludes 790,000 ordinary shares bought back and retained as treasury shares as at 5 September 2011)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	20	0.98	301	0.00
100 - 1,000	259	12.66	213,085	0.36
1,001 - 10,000	1,468	71.75	5,606,440	9.46
10,001 - 100,000	258	12.61	7,526,322	12.71
100,001 to less than 5% of issued shares	40	1.95	15,603,800	26.34
5% and above of issued shares	1	0.05	30,284,052	51.13
<b>TOTAL</b>	<b>2,046</b>	<b>100.00</b>	<b>59,234,000</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 5 September 2011)

No.	Name of Substantial Shareholder	Direct		Indirect	
		No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
1.	Kan Yow Kheong	30,284,052	51.13	1,186,500*	2.00

## DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 5 September 2011)

No.	Name of Substantial Shareholder	Direct		Indirect	
		No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
1.	Kan Yow Kheong	30,284,052	51.13	1,186,500*	2.00
2.	Ali Riza bin A. Samad	-	-	-	-
3.	Ganesan A/L Sundaraj	-	-	-	-
4.	Ho Lai Leng@Ho Nai Leng	-	-	-	-
5.	Lim Yoke Soo	212,277	0.36	-	-

\*Deemed interested by virtue of the shares held by his spouse and children pursuant to Section 134 of the Companies Act, 1965.

### In the subsidiaries

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

## LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Share Capital <sup>^</sup>
1.	KAN YOW KHEONG	20,425,052	34.48
2.	KAN YOW KHEONG	9,859,000	16.64
3.	PUI CHENG WUI	2,730,100	4.61
4.	CHUA SIM NEO @ DIANA CHUA	1,751,400	2.96
5.	KAN MUN HOOW	1,177,500	1.99
6.	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEW HAR (M09)	922,500	1.56
7.	TEO KWEE HOCK	747,300	1.26
8.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	537,000	0.91
9.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)	495,400	0.84
10.	LEE YEN ENG	427,400	0.72
11.	LIM KHUAN ENG	412,100	0.70
12.	CHAN CHOW THAI	335,500	0.57
13.	LAI YEW CHOONG	330,200	0.56
14.	PUI BOON KENG	328,400	0.55
15.	JEFFREY CHONG YEW WAI	321,500	0.54
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)	313,000	0.53
17.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (MARGIN)	306,100	0.52
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HOCK LEONG (E-PDG/SAN)	300,700	0.51
19.	LIM SIEW SEE	300,000	0.51
20.	ETAVEST SDN BHD	296,900	0.50
21.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	296,600	0.50
22.	LAI CHIN LOY	286,100	0.48
23.	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEW EE	270,000	0.46
24.	TAY CHONG KIAT	261,400	0.44
25.	WONG MENG CHEE	255,000	0.43
26.	PUI BOON HEAN	238,700	0.40
27.	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)	200,000	0.34
28.	LYDIA CLAIRE LIM LIH YUEAH	200,000	0.34
29.	SOW TIAP	170,000	0.29
30.	LEE KOK CHUNG	130,000	0.22
<b>TOTAL</b>		<b>44,624,852</b>	<b>75.34</b>

<sup>^</sup> Excludes a total of 790,000 Analabs Resources Berhad shares bought back by the Company and retained as treasury shares as at 5 September 2011.

# NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirteenth Annual General Meeting of the Company will be held at the Royal Ballroom, Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 27 October 2011 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 2011. **(Please refer to Explanatory Note)**
2. To approve the payment of Directors' Fees of RM116,000.00 in respect of the financial year ended 30 April 2011. **(Resolution 1)**
3. To re-elect Mr. Kan Yow Kheong who retires pursuant to Article 83 of the Articles of Association of the Company. **(Resolution 2)**
4. To re-elect Encik Ali Riza bin A. Samad who retires pursuant to Article 83 of the Articles of Association of the Company. **(Resolution 3)**
5. To re-elect Mr. Ganesan a/l Sundaraj who retires pursuant to Article 83 of the Articles of Association of the Company. **(Resolution 4)**
6. To re-elect Mr. Ho Lai Leng @ Ho Nai Leng who retires pursuant to Article 83 of the Articles of Association of the Company. **(Resolution 5)**
7. To re-elect Mr. Lim Yoke Soo who retires pursuant to Article 83 of the Articles of Association of the Company. **(Resolution 6)**
8. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**



## NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

### 9. SPECIAL BUSINESS

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

#### 9.1 AUTHORITY TO ISSUE SHARES

(Resolution 8)

**"THAT** subject always to the Companies Act, 1965 and the approvals of the regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued 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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

#### 9.2 PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES

(Resolution 9)

**"THAT** subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorized, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("Proposed Renewal") provided that:

- (a) the maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Renewal shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- (b) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Renewal shall not exceed the sum of retained profits and the share premium account of the Company based on its latest audited financial statements or latest unaudited results (where applicable) available up to the date of a transaction pursuant to the Proposed Renewal;

## NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

### 9. SPECIAL BUSINESS (CONT'D)

#### 9.2 PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES (CONT'D)

**THAT** the shares purchased by the Company pursuant to the Proposed Renewal may be dealt with in all or any of the following manner (as selected by the Company):

- (i) the shares so purchased may be cancelled; and/or
- (ii) the shares so purchased may be retained as treasury shares in accordance with the relevant rules of Bursa Securities for distribution as dividend to the shareholders and/or resold through Bursa Securities and/or subsequently cancelled; and/or
- (iii) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled;

**THAT** such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

**AND THAT** the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect the Proposed Renewal with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of the Bursa Securities and all other relevant governmental/regulatory authorities."

## NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

10. To transact any other business of which due notice shall have been given.

### **BY ORDER OF THE BOARD**

**CYNTHIA GLORIA LOUIS** (MAICSA 7008306)

**CHEW MEI LING** (MAICSA 7019175)

Secretaries

Petaling Jaya  
Selangor Darul Ehsan  
5 October 2011

### Notes:

- (1) 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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (2) 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.
- (3) 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.
- (4) 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.

## NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING (cont'd)

### **Explanatory Notes:-**

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2011**

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

2. **Authority to allot shares under Section 132D (Resolution 8)**

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the Thirteenth Annual General Meeting.

The proposed resolution if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming Thirteenth Annual General Meeting, 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 from the unissued capital of the Company pursuant to Section 132D of the Companies Act, 1965 and that such an authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The mandate 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 acquisitions of assets and/or working capital and/or business expansion.

3. **Proposed Renewal of Authority for the Purchase by the Company of its Own Ordinary Shares (Resolution 9)**

The proposed resolution if passed, will empower the Company to purchase up to ten per centum (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Securities. For further information, please refer to the Circular to Shareholders dated 5 October 2011.

## 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 Thirteenth Annual General Meeting of Analabs Resources Berhad ("Analabs") which will be held at the Royal Ballroom, Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 27 October 2011 at 11.00 a.m. are stated on pages 5 and 6 of the 2011 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries (if any) held by the said Directors are stated on page 124 of the 2011 Annual Report.

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CDS ACCOUNT NO.	
NO. OF SHARES HELD	

# Proxy Form

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 Thirteenth Annual General Meeting 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 Thursday, 27 October 2011 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:-

No.	Resolutions	For	Against
1.	Approval of Directors' fees.		
2.	Re-election of Mr. Kan Yow Kheong as a Director.		
3.	Re-election of Encik Ali Riza bin A. Samad as a Director.		
4.	Re-election of Mr. Ganesan a/l Sundaraj as a Director.		
5.	Re-election of Mr. Ho Lai Leng @ Ho Nai Leng as a Director.		
6.	Re-election of Mr. Lim Yoke Soo as a Director.		
7.	Re-appointment of Messrs Crowe Horwath as Auditors.		
8.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act 1965.		
9.	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) A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company.
- (2) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or attorney duly authorised in writing.
- (4) The Form of Proxy must be deposited at the Registered office of the 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 forty-eight (48) hours before the time appointed for holding the meeting.

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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](http://www.analabs.com.my)



ANALABS RESOURCES BERHAD (468971-A)

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Selangor Darul Ehsan

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E [enquiry@analabs.com.my](mailto:enquiry@analabs.com.my)