

Reducing Waste For A Better Environment
Corporate Social Responsibility - Recycling Waste Since 1980

**Annual Report
2016**

CONTENTS



Reducing Waste For A Better Environment

Corporate Social Responsibility -
Recycling Waste Since 1980

2.	Corporate Information
3.	Group Structure
4.	Financial Highlights
5.	Profile of Directors
8.	Profile of Key Senior Management
9.	Chairman's Statement

12.	Statement on Corporate Social Responsibility
14.	Statement on Corporate Governance
25.	Additional Compliance Information
26.	Statement on Risk Management & Internal Control

29.	Audit Committee Report
33.	Financial Statements
115.	List of Properties held by the Group
118.	Analysis of Shareholdings
119.	List of 30 Largest Shareholders

120.	Notice of the Eighteenth Annual General Meeting
124.	Statement Accompanying Notice of Annual General Meeting
	Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kan Yow Kheong
Executive Chairman

Lim Yoke Soo
Executive Director

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

Lai Yew Choong
Independent Non-Executive Director

Lim Chee Beng
Independent Non-Executive Director

Tan Suat Eam
Independent Non-Executive Director

Clifton Heath Fernandez
Independent Non-Executive Director

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

Tel : 03 7880 9699
Fax : 03 7880 8699

SHARE REGISTRAR

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

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

AUDITORS

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

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

PRINCIPAL BANKERS

Maybank Berhad
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Alliance Bank Malaysia Berhad
RHB Bank Berhad
AmBank(M) Berhad

STOCK EXCHANGE

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

WEBSITE

www.analabs.com.my



GROUP STRUCTURE

As at 30 August 2016



MALAYSIA

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

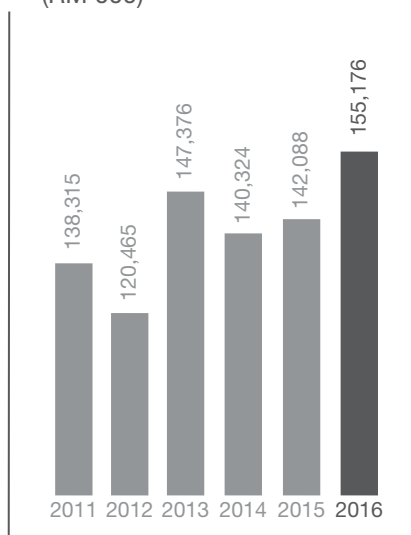
SINGAPORE

- 99.99% — AL RESOURCES PTE LTD (Incorporated in the Republic of Singapore)
- 100% — CLEANWAY DISPOSAL SERVICES PTE LTD (Incorporated in the Republic of Singapore)
 - 63% — Singapore Analabs Pte Ltd
 - 100% — Toh Ban Seng Contractor Pte. Ltd.
 - 100% — Ban Tiong Soon Contractor Pte. Ltd.

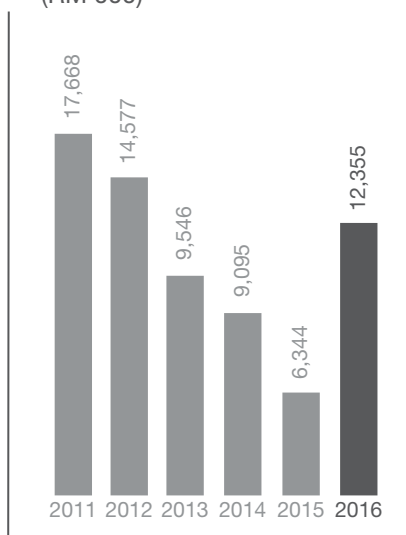
FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2011	2012	2013	2014	2015	2016
TURNOVER (RM'000)	138,315	120,465	147,376	140,324	142,088	155,176
PROFIT AFTER TAXATION (RM'000)	17,668	14,577	9,546	9,095	6,344	12,355
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	17,668	14,577	9,546	9,695	6,879	13,254
NET EARNINGS PER SHARE (sen)	29.82	24.64	16.46	16.88	12.11	23.57
NET ASSETS (RM'000)	148,858	158,787	163,257	207,022	209,914	221,252
NET ASSETS PER SHARE (RM)	2.51	2.70	2.83	3.64	3.75	3.98
DIVIDEND RATE PER SHARE (%)	5.00	5.00	5.50	4.13	3.00	3.00

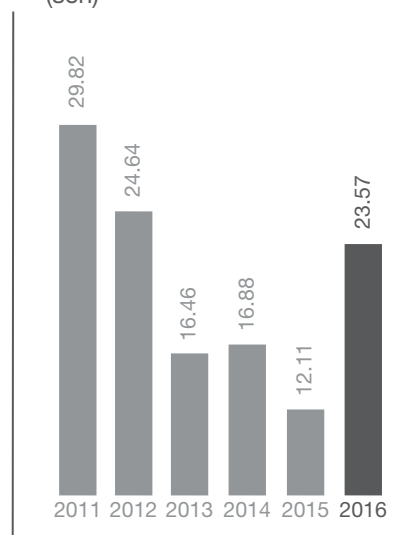
TURNOVER
(RM'000)



PROFIT AFTER TAXATION
(RM'000)



NET EARNINGS PER SHARE
(sen)



PROFILE OF DIRECTORS

KAN YOW KHEONG

Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, Male, aged 62, was appointed to the Board of Analabs as the Executive Chairman on 19 November 1999. Mr. Kan who is also the major shareholder, joined The Analytical Laboratories (Malaysia) Sdn Bhd (TAL) as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

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

He 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 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LIM YOKE SOO

Executive Director

Mr. Lim Yoke Soo, a Malaysian, Male, aged 65, was appointed as the Executive Director of Analabs on 20 August 2010. Mr. Lim graduated with a Bachelor of Science (Honours) in Chemistry from Nanyang University Singapore. In 1976, he began his career as a Process Engineer with National Semiconductor (M) Sdn. Bhd. and later joined The Analytical Laboratories (M) Sdn. Bhd. in 1978 as a Laboratory Chemist. Mr. Lim graduated with a Diploma in Management from the Malaysian Institute of Management. To date, Mr. Lim has accumulated more than 30 years of experience in project management of waste water, pure water treatment plants and marketing for waste recycling jobs. He was also appointed as a Director of several private limited companies.

Mr. Lim has attended 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 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LOW CHIN ANN @ HAN CHIN ANN

Senior Independent Non-Executive Director

Mr. Low Chin Ann @ Han Chin Ann, a Malaysian, Male, aged 36, was appointed to the Board of Directors of the Company on 1 December 2012 as an Independent Non-Executive Director and was identified as the Senior Independent Non-Executive Director of Analabs on 5 January 2015. Mr. Low is a Fellow of the Chartered Certified Accountant (FCCA) since 2008 and holds a Diploma in Computer Science awarded by FTMS-ICL and Certified Accounting Technician awarded by the Association of Chartered Certified Accountants both in year 1999. Mr. Low started as a Tax Executive in RKT Tax Services in year 2001. He then left RKT Tax Services and joined KLC Higher Studies as a lecturer till end of 2002. He was a Course Director at Kolej Kasturi in CAT-Academic from year 2003 to 2006 before he joined FTMS Global Singapore in 2007. Currently, he is a Course Director in Kolej Bandar and acting as a consultant of his own firm, CA Advisory providing corporate training and seminars. He is also an adjunct technical advisor for Thenesh, Renga & Associates as well as a visiting lecturer for Citypro Educare (Johor) and various universities in China. He is also a member of the examination team of an internationally recognised professional accountancy body since 2009.

Mr. Low is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee. He has attended 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 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

PROFILE OF DIRECTORS

Cont'd

LAI YEW CHOONG

Independent Non-Executive Director

Mr. Lai Yew Choong, a Malaysian, Male, aged 68, was appointed to the Board of Directors of the Company on 1 December 2012 as an Independent Non-Executive Director. Mr. Lai holds a Senior Cambridge awarded by University of Cambridge in year 1965. He started his banking career at Bank of America Kuala Lumpur in 1965 in the Trade Finance Department and was promoted to Chief Dealer of Foreign Exchange in 1973. He joined Bank Bumiputra Malaysia in 1973 to set up Foreign Exchange/Money Market Division and carried the position as the Bank's Chief Dealer/ Treasury Head and was responsible for setting up the Bank's International Dealing Rooms in London, Hong Kong, Tokyo, Singapore and New York. Mr. Lai assumed various positions in Bank Bumiputra Malaysia from Manager, Marketing & Public Affairs (1980-1985), Manager, Correspondent Banking (1985-1986) and Manager, Financial Institutions (1986-1987). He then joined United Asian Bank in 1987 as Deputy General Manager, Treasury & International Banking as part of Bank Negara Malaysia's team to revamp the Bank's operations and remained as Senior Vice President in 1992 after the merger with Bank of Commerce Berhad before he was appointed as Director of Bank of Commerce International Ltd, Labuan from 1995 to 1997. Mr. Lai was the Senior Vice President, Treasury & International Banking of Malaysian French Bank (now known as Alliance Bank) from 1995 to 1997. He then joined Malaysian Plantations Berhad as General Manager to set up and head its financial derivative subsidiary Matrix Core Options & Futures Sdn Bhd. He was appointed as an Executive Director of Matrix Core Options & Futures Sdn Bhd from 1999 until retirement in 2001.

Mr. Lai is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He has attended six (6) Board Meetings during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LIM CHEE BENG

Independent Non-Executive Director

Mr. Lim Chee Beng, a Malaysian, Male, aged 41, was appointed to the Board of Directors of the Company on 5 January 2015 as an Independent Non-Executive Director.

Mr. Lim is an auditor and tax agent with more than 15 years of audit and tax experience and prior to leaving for the practice; he had served multinational and local listed companies. He gained extensive experience from servicing clients who included local and international companies in a wide spectrum of industries covering manufacturing, transportation, services, development, construction and trading. His involvement in tax engagements with local and foreign companies encompassed various aspects of tax compliance and planning strategies/schemes which includes investment incentives, remuneration packages, tax audit and tax investigation. The services provided under his firm included statutory and special audit, tax compliance and planning, accounting and GST compliance and advisory services and he is a member of the Malaysian Institute of Accountants (MIA), Chartered Tax Institute of Malaysia (CTIM), Association of Chartered Certified Accountants (ACCA) and Certified Financial Planner (CFP).

Mr. Lim is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He has attended six (6) Board Meetings during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

PROFILE OF DIRECTORS

Cont'd

TAN SUAT EAM

Independent Non-Executive Director

Ms. Tan Suat Eam, a Malaysian, Female, aged 64, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director.

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

As Ms. Tan only joined the Board in February 2016, she has only attended one (1) meeting held subsequent to her appointment during the financial year. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.

CLIFTON HEATH FERNANDEZ

Independent Non-Executive Director

Mr. Clifton Heath Fernandez, a Malaysian, Male, aged 44, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director.

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

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

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

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

As Mr. Clifton only joined the Board in February 2016, he has only attended one (1) meeting held subsequent to his appointment during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

Note: Directors' shareholdings

The details of the Directors' shareholdings in the Company and its subsidiaries are disclosed on page 37 and page 118 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

KAN MUN HOOW

Director

Coveright Surfaces Malaysia Sdn Bhd
(Principal Subsidiary)

Mr. Kan Mun Hoow, a Malaysian, Male, aged 36, graduated with a degree in Mechanical Engineering (Hons) in year 2002 from Western Michigan University (USA). Upon completion of his studies, he joined Resources Conservation Sdn Bhd (“RCSB”) as a Junior Engineer from year 2002 to 2007. During his tenure in RCSB, he continued with his education in SEGI College and graduated with a Diploma in Accounting. He is a member of the Chartered Institute of Management Accountants (CIMA), Malaysian Institute of Accountants (MIA) and Institution of Engineers of Malaysia. He joined Coveright Surfaces Malaysia Sdn Bhd (“CSM”) on 1 December 2010 as Technical Services Engineer and was promoted as Factory Manager and subsequently a Director of CSM on 6 July 2011, a position he holds until to date.

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

He has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year.

LAI NYUK MOI

Finance Manager

Ms. Lai Nyuk Moi, a Malaysian, Female, aged 48, is a Chartered Certified Accountant, a member of the Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA). Ms. Lai joined Centralised Waste Treatment Plant Sdn Bhd as a trainee on 1 March 2000 after graduating from high school. Ms. Lai possesses more than 15 years of experience in various divisions in the Analabs Group including Administration & Accounting, Production, Purchasing and Marketing. Ms. Lai assumed her role as the Finance Manager of the Group on 1 January 2013. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and has not been convicted for any offences in the past 5 years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year.



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Analabs Resources Berhad, I am pleased to present the Annual Report and the Financial Statements for the financial year ended 30 April 2016. Our vision at Analabs is to be a leader in recycling of waste, to strategically invest in financial assets and to gain a market presence in the business of trading and building materials as well as property investment.



CHAIRMAN'S STATEMENT

Cont'd

Operating Environment

Year 2016 was a successful year with improved profits compared to year 2015. The increase in profits was due to increase in exports as well as the strengthening of US Dollar against the Ringgit Malaysia.

The recovery and sale of recycled products has shown an improved performance. This is in line with our aim to continue to improve our work processes, productivity and efficiency to complement the overall profitability of the Group.

As the performance of the two Singapore subsidiaries namely, Toh Ban Seng Contractor Pte. Ltd. and Ban Tiong Soon Contractor Pte. Ltd. whose principal activities are pipe laying and rehabilitation works remained challenging due to effect of the current economic crisis, we have restructured these two subsidiaries by downsizing its workforce to reduce the operating costs. Continuous efforts to secure more new contracts in tandem with the continued efforts to reduce the operating costs would remain our aim to improve performance and deliver positive results.

Group's Results

Analabs Group has recorded a revenue of RM155 million for financial year ended 30 April 2016 ("FY2016"), an increase of RM13 million as compared to RM142 million recorded for financial year ended 30 April 2015 ("FY2015"). Profit after taxation for FY2016 increased by RM6.0 million to RM12.3 million against RM6.3 million in FY2015. Earnings per share had increased to 23.57 sen in FY2016 compared to 12.11 sen recorded in FY2015.

The financial position of the Group remains healthy mainly due to prudent management. Cash and cash equivalent improved to RM34.75 million in year 2016 from RM28.96 million recorded in year 2015 whilst shareholders' funds increased to RM221 million in year 2016 from RM210 million in the previous year.

Dividend and Share Buy Back

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

As part of the Group's on-going efforts to reward the shareholders, the Group paid out an interim single tier dividend of 3.0 sen per ordinary share, amounting to RM1,685,088 in respect of the FY2016.

As at 30 April 2016, the company held as treasury shares a total of 3,859,400 of its 60,024,000 issued and fully paid-up ordinary shares.

Directorate

Ms. Tan Suat Eam and Mr. Clifton Heath Fernandez joined Analabs Group as Independent Directors on 16 February 2016. Ms. Tan has vast experience in environmental protection and management whilst Mr. Clifton has encompassed a wealth of experience in a spectrum of industries involving compliance and quality control. Their profiles are set out at page 7 of this Annual Report.

Business Outlook and Strategy

The Malaysian economy is expected to grow moderately amidst uncertainties in the global environment in particular heightened volatility in the financial markets, declining commodity prices and weakening of the Malaysian Ringgit. Despite the fluctuation in global oil prices, we opine that the manufacturing segment would be able to continue generating a positive outlook in the near term.

Analabs will not undertake new business ventures in the immediate term due to the challenging global financial outlook but will explore suitable business opportunities should it arise. We will continue to be more selective in investment opportunities in order to position our business for future growth. In the next five years, we aim to source for a right personnel towards achieving our succession plan.

Continuous efforts would be made to develop talent and improve business efficiencies so that we remain well positioned to deal with the changing economic environment. With the above business strategy, we will strive to maintain our market share and sustain business viability for our future growth in order to continue to deliver a favourable revenue and profit performance.

Nevertheless, the Board of Directors is cautiously optimistic on the future growth prospects of the Group for the coming financial year amid the economic challenges faced globally.

CHAIRMAN'S STATEMENT

Cont'd

Corporate Governance

To ensure transparency, accountability and protection of shareholders' interests, the Board places great emphasis in ensuring and maintaining the highest standards of corporate governance throughout the Group. Our statement on corporate governance and related reports are on pages 14 to 24.



Acknowledgement

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

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



Y K KAN
Executive Chairman



STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

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

Business Environment

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

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

Environmental Awareness

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

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

- 1) Scheduled Waste Management**
All scheduled waste will be packed according to the requirements of Department of Environment.
- 2) Non-Scheduled Waste Management**
All non-scheduled waste will be disposed by licensed contractor at industrial waste dump site.
- 3) Chemical Health Risk Assessment**
As various chemicals are used in our production process, we have engaged a registered Chemical Health Risk Assessor to carry out the assessment.

Our subsidiaries incorporated an Intergrated Management System Culture encompassing ISO9001, ISO18001 & ISO14001 respectively.

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

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

Cont'd

Contribution to the Community

Charitable Contributions

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

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

Employees' Welfare

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

(i) Safety & Health Team

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

(ii) Human Capital Development

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

(iii) Emergency Response Team

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

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

FSC Certified

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

STATEMENT ON CORPORATE GOVERNANCE

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

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 (“the Code”) in its effort to observe high standards of transparency, accountability and integrity. The Group believes that good corporate governance will help to realize long term shareholders value, whilst taking into account the interest of other stakeholders.

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

SECTION 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Roles and Responsibilities of the Board and Management

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

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

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

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

- Approval of corporate strategic plans and directions;
- Expansion of the Group’s activities into new business;
- Approval of material acquisitions, and disposal of undertakings and properties that exceed the authority limits delegated to members of management;
- Recommendation to shareholders for approval on authority for share buy back ;
- Approval of major capital commitments and capital expenditure;
- Appointment of Board members, Board Committee members and the Company Secretary;
- Appointment, re-appointment of the external auditors to be put to the shareholders for approval in general meeting, following the recommendation of the Audit Committee;
- Approval of policies such as Code of Conduct, Whistleblowing policy;
- Any matters and/or transactions that fall within the ambit of the Board pursuant to the Companies Act, 1965, the Main Market Listing Requirements, the Company’s Articles of Association, terms of reference of the Board Charter and any other applicable rule.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES Cont'd

Board Charter

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

Code of Ethics and Conduct

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

Whistle Blowing Policy

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

Sustainability Policy

The Group is committed to operate in a sustainable manner, to contribute positively to the well-being of its stakeholders as well as to provide the employees with an environmentally conscious workplace.

Supply of Information and Advice

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

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

Company Secretary

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 2: STRENGTHEN THE COMPOSITION OF THE BOARD

Board Composition and Balance

The Board of Directors consists of 7 members comprising:

- 1 Executive Chairman
- 1 Executive Director
- 5 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 as Independent Non-Executive Directors and the Recommendation 3.5 of the Code which states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The profile of each of the Director is presented on page 5 to page 7 of this Annual Report.

Clear Roles and Responsibilities

The Board has delegated to the Executive Chairman, the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time to time. The Executive Chairman is responsible for the overall leadership and efficient functioning of the Board and day-to-day management of the Company and its subsidiaries (Group).

The Executive Chairman has considerable experience in the Group's businesses and provides leadership for the Board in considering and setting the overall strategies and objectives of the Company. Due to the vast experience of the Executive Chairman, the Board is guided in a timely manner on key issues and developments.

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

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

Board Committees

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

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

Audit Committee

The composition, responsibilities and the activities of the Audit Committee during the financial year are set out separately in the Audit Committee Report on page 29 to page 32 of this Annual Report. The detailed terms of reference can be viewed at the Company's website at www.analabs.com.my.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

Nomination Committee

(a) *Constitution, Purpose and Terms of Reference*

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

(b) *Composition*

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

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

- (i) Mr Low Chin Ann @ Han Chin Ann (*Senior Independent Non-Executive Director; Chairman*)
- (ii) Mr Lai Yew Choong (*Independent Non-Executive Director; Member*)
- (iii) Mr Lim Chee Beng (*Independent Non-Executive Director; Member*)

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

Appointment of New Directors

The Board does not set specific criteria for the assessment and selection of candidate for appointment as director. Consideration would be taken on the need to meet the regulatory requirement such as the Companies Act, 1965 and Main Market Listing Requirements, the experience, integrity, wisdom, independence of the candidate, ability to make analytical enquiries, ability to work as a team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

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

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

Nomination Committee Cont'd

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

Annual Assessment of Existing Directors and Board Committees

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

The Nomination Committee had met two times during the financial year and had carried out an assessment of the performance of the Directors and the Board Committees, evaluation of independence of its Independent Directors, reviewed the retirement of directors by rotation and eligible for re-election at the forthcoming Annual General Meeting.

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

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

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

Re - Election

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

Directors over the age of seventy years are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965.

Remuneration Committee

(a) *Constitution, Purpose and Terms of Reference*

The Remuneration Committee was established on 25 June 2001.

Its primary function is to set the policy framework and to recommend to the Board on remuneration packages and benefits extended to Directors and key senior management of the Group, drawing 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.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

Remuneration Committee Cont'd

(b) *Composition*

The Remuneration Committee comprises four (4) members, of whom three (3) are Independent Non-Executive Directors and one (1) Executive Director.

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

- (i) Mr. Kan Yow Kheong (*Executive Director, Chairman*)
- (ii) Mr. Low Chin Ann @ Han Chin Ann (*Senior Independent Non-Executive Director; Member*)
- (iii) Mr. Lai Yew Choong (*Independent Non-Executive Director; Member*)
- (iv) Mr. Lim Chee Beng (*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.

(c) *Rights*

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

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

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

(d) *Functions*

The functions of the Remuneration Committee include:-

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

(e) *Meetings*

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

There was one (1) meeting held during the financial year 2016.

Gender, Ethnicity and Age Group Diversity Policy

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

Directors' Remuneration

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

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

Company	Salaries, bonuses and other benefits RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Executive Directors	96,096	24,000	6,264	-
Non-Executive Directors	-	36,000	-	-
Total	96,096	60,000	6,264	-

Group	Salaries, bonuses and other benefits RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
Executive Directors	96,096	166,500	6,264	-
Non-Executive Directors	-	36,000	-	-
Total	96,096	202,500	6,264	-

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

Company	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	2	5
RM50,001 - RM100,000	1	-	-	-

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

Directors' Remuneration Cont'd

Group	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	1	5
RM50,001 - RM100,000	1	-	-	-
RM100,001 - RM250,000	-	-	1	-

SECTION 3: REINFORCE INDEPENDENCE

The Board consists of seven (7) members comprising the Executive Chairman, one (1) Executive Director and five (5) Independent Non-Executive Directors.

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

Recommendation 3.2 and 3.3 of the Code states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 years tenure, the Independent Director may continue to serve on the Board subject to re-designation as Non-Independent Director. In exceptional circumstances, the shareholders may decide that an Independent Director can remain beyond the cumulative term of nine (9) years, subject to the Nomination Committee's assessment, Board's recommendation as well as strong justification to be provided to the shareholders at a general meeting. The Board composition was reviewed in line with the aforesaid recommendation.

The Company does not have any Independent Director who has served more than nine (9) years as at the date of this Statement.

Assessment on Independence of Directors

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

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

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

SECTION 4: FOSTER COMMITMENT

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

Board Meetings

The Board met 6 times during the financial year ended 30 April 2016.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 4. FOSTER COMMITMENT Cont'd

Board Meetings Cont'd

The number of Board meetings held during the financial year 2016 and the attendance of the Board at the Board Meetings are detailed here below:-

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
Kan Yow Kheong <i>Executive Chairman</i>	6/6	100
Lim Yoke Soo <i>Executive Director</i>	6/6	100
Low Chin Ann @ Han Chin Ann <i>Senior Independent Non-Executive Director</i>	6/6	100
Lai Yew Choong <i>Independent Non-Executive Director</i>	6/6	100
Lim Chee Beng <i>Independent Non-Executive Director</i>	6/6	100
Tan Suat Eam <i>Independent Non-Executive Director</i> <i>(Appointed w.e.f. 16 February 2016)</i>	1/1	100
Clifton Heath Fernandez <i>Independent Non-Executive Director</i> <i>(Appointed w.e.f. 16 February 2016)</i>	1/1	100

Directors' Training

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

During the financial year, the Directors had attended a seminar relating to the importance of the changes in Quality Management System and Corporate Governance Series with Directors "Future of Auditor Reporting-The Game Changer for Boardroom". In addition, the Directors continuously receive briefings and updates on the Group's business and operations, finance, corporate governance, new regulations and statutory requirements.

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

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

The details of the Company and the Group's financial statements for the financial year ended 30 April 2016 can be found on pages 34 to 114 of the Annual Report.

Relationship With The Auditors

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

The Audit Committee had two private sessions with the External Auditors without the presence of the Executive Directors and Management at the Audit Committee Meeting held on 26 June 2015 and 24 March 2016 respectively.

Directors' Responsibility Statement for the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 as to give a true and fair view of the state of affairs and the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements of the Group for the year ended 30 April 2016, the Directors have adopted appropriate accounting policies and applied them consistently, made prudent and reasonable judgments and estimates and ensured the applicable accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been followed. The financial statements have been prepared on a going concern basis.

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

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

SECTION 6: RECOGNISE AND MANAGE RISKS

Internal Control and Risk Management

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

Information on the Group's internal control and the risk management framework is disclosed under the Statement on Risk Management & Internal Control on pages 26 to 28.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 7: TIMELY AND QUALITY DISCLOSURE

Corporate Disclosure Policy

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

SECTION 8: RELATIONSHIP BETWEEN THE COMPANY AND THE SHAREHOLDERS

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

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

The Annual General Meeting ("AGM")

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

COMPLIANCE WITH THE CODE

The Company has substantially complied with the best practices of the Code during the financial year ended 30 April 2016.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 27 July 2016.

ADDITIONAL COMPLIANCE INFORMATION

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

Audit Fees and Non-Audit Fees

The audit fees paid for the Company and the Group for the financial year ended 30 April 2016 were RM59,360.00 and RM311,489.00 respectively.

There were no non-audit fees paid by the Company and the Group to the external auditors or a firm or corporation affiliated to them for the financial year ended 30 April 2016.

Utilization of Proceeds

There were no proceeds raised from any corporate proposal or any utilization of such for the financial year ended 30 April 2016.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors, Chief Executive and Major Shareholders' interest either subsisting at the end of the financial year ended 30 April 2016 or entered into since the end of the previous financial year.

The Executive Chairman is the Chief Executive who oversees and is primarily responsible for the overall group business operations.

Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 42 to the Financial Statements.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

INTERNAL CONTROL ENVIRONMENT

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

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

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Cont'd

RISK MANAGEMENT FRAMEWORK

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

The risk management process can be briefly summarised as follows:



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

INFORMATION AND COMMUNICATION

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Cont'd

CONTROL AND MONITORING PROCESS

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

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

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

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

CONCLUSION

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

This Statement is made in accordance with the resolution of the Board of Directors dated 27 July 2016.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

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

1. Mr. Low Chin Ann @ Han Chin Ann (*Senior Independent Non-Executive Director; Chairman*)
2. Mr. Lai Yew Choong (*Independent Non-Executive Director; Member*)
3. Mr. Lim Chee Beng (*Independent Non-Executive Director; Member*)

The composition of the Audit Committee (“AC” or “Committee”) meets the requirements of paragraph 15.09 (1)(a) and (b) and 15.10 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”).

Mr. Low Chin Ann @ Han Chin Ann and Mr. Lim Chee Beng are members of the Malaysian Institute of Accountants and fulfill the requirement under paragraph 15.09 (1)(c)(i) of the MMLR.

ATTENDANCE

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

The details of attendance of each Audit Committee Member in the Audit Committee meetings held during the financial year ended 30 April 2016 are as follows:

Directors	Meetings Attended by the Members/ Total Number of Meetings held During the Financial Year Ended 30 April 2016	% of Attendance
Mr. Low Chin Ann @ Han Chin Ann	5/5	100
Mr. Lai Yew Choong	5/5	100
Mr. Lim Chee Beng	5/5	100

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

MINUTES OF MEETINGS

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

The Audit Committee Chairman presented to the Board the Committee’s recommendation to approve the quarterly financial statements, annual audited financial statements, re-appointment of Auditors and their fees. Relevant issues highlighted by the External Auditors and Internal Auditors are escalated to the Board.

TERMS OF REFERENCE

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

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

AUDIT COMMITTEE REPORT

Cont'd

ASSESSMENT

On 27 June 2016, the Nomination Committee ("NC") reviewed the term of office of the Audit Committee members ("AC") and assessed their performance through a formal evaluation process. The Nomination Committee was satisfied that the Audit Committee members had all discharged their duties in accordance with their terms of reference. The Board having taken into consideration of the recommendation of the NC, approved the extension of the term of office of the AC for a further period of one year.

SUMMARY OF WORK DURING THE YEAR

The work carried out by the Audit Committee during the financial year ended 30 April 2016 include the following:

(a) Financial Reporting

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

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

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

(b) External Audit

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

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

The Audit Committee was also updated on the significant changes to the reporting contents of the audit report in line with the new (ISA701) and revised Auditor Reporting standards (ISA700) issued by the Malaysian Institute of Accountants which would be applicable for the audits of financial statements for periods ending on or after 15 December 2016. In addition to the above, the Audit Committee was updated of the requirement for disclosure of key audit matters and additional auditor responsibilities on other information under the amendments to the Listing Requirements of Bursa Malaysia.

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

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

AUDIT COMMITTEE REPORT

Cont'd

SUMMARY OF WORKS DURING THE YEAR Cont'd

(b) External Audit Cont'd

The Committee reviewed the Independence of the External Auditors to ascertain if they were in compliance with relevant ethical requirements regarding independence throughout the audit in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By Laws (On Professional Ethics, Conduct and Practice). The External Auditors had provided a written assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.

The Audit Committee reviewed the performance of the External Auditors and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency as well as timeliness in completing the audit.

During the year, the Audit Committee met two times with the External Auditors without the presence of the Executive Directors and Management at the Audit Committee Meeting held on 26 June 2015 and 24 March 2016 respectively to understand if they had encountered issues during their audit that needed to be brought to the attention of the Audit Committee.

Having assessed the performance of the External Auditors, the Committee recommended their re-appointment as External Auditors for the ensuing year.

(c) Internal Control and Risk Management

During the year, the Audit Committee met two times with the Internal Auditors at the Audit Committee meeting held on 23 September 2015 and 24 March 2016 to carry out its responsibility in reviewing the internal audit function and to assure itself on the soundness of internal control system.

The Audit Committee reviewed the risk-based Internal Audit Plan covering the scope of work for year 2015/2016, timing for commencement and completion of audit as well as on key areas of audit focus.

The Audit Committee had also reviewed the findings, recommendations and management's response presented by the Internal Auditors covering the audit areas conducted in Lux Distributor Sdn Bhd focusing on marketing function and Coveright Surfaces Malaysia Sdn Bhd focusing on production process. Follow up reviews from previous audit was also updated to the Committee to track on whether the findings had been resolved.

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

INTERNAL AUDIT FUNCTION

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

The Audit Committee has full and direct access to the outsourced 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.

The outsourced internal auditors carried out internal audits within the Group based on a risk-based audit plan approved by the Audit Committee. 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.

AUDIT COMMITTEE REPORT

Cont'd

INTERNAL AUDIT FUNCTION Cont'd

During the financial period, the outsourced Internal Auditors had conducted audit on two subsidiaries ie Lux Distributor Sdn Bhd ("Lux") and Coveright Surfaces Malaysia Sdn Bhd ("CSM").

For Lux, the internal audit examination covered the marketing function focusing on:-

- i) Marketing Budget & Research;
- ii) Marketing Activities & Expenses incurred; and
- iii) Customer Support and Complaints.

For CSM, the internal audit was carried out in the area of production process focusing on:-

- i) Production;
- ii) Resin Cooking Plant;
- iii) Maintenance; and
- iv) Marketing.

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

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

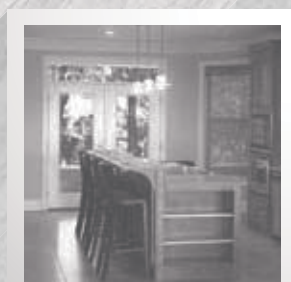
The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM35,063.19 (inclusive of GST).



FINANCIAL STATEMENTS



34.	Directors' Report
38.	Statement by Directors
38.	Statutory Declaration
39.	Independent Auditors' Report
41.	Statements of Financial Position
43.	Statements of Profit or Loss and other Comprehensive Income
45.	Statements of Changes in Equity
49.	Statements of Cash Flows
51.	Notes to the Financial Statements



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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2016.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	12,355	(300)
Attributable to:-		
Owners of the Company	13,254	(300)
Non-controlling interest	(899)	-
	12,355	(300)

DIVIDENDS

Since the end of the previous financial year, the Company paid an interim single tier tax-exempt dividend of 3 sen per ordinary share, amounting to RM1,685,088 in respect of the current financial year.

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity, Notes 33 and 35 to the financial statements.

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

During the financial year, the Company purchased from the open market, 159,700 units of its own shares through the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of approximately RM1.76 per ordinary share. The total consideration paid for the purchase was RM281,403 including transaction costs. The repurchased shares were held as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from equity.

As at 30 April 2016, the Company held 3,859,400 repurchased shares as treasury shares out of its total issued and paid up share capital of 60,024,000 ordinary shares of RM1 each. Such treasury shares were held at a carrying amount of RM5,746,047 (2015 - RM5,464,644). Relevant details on the treasury shares are disclosed in Note 18 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 on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to 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.

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.

DIRECTORS' REPORT

Cont'd

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 45 to the financial statements. 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

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

Kan Yow Kheong
Lim Yoke Soo
Lai Yew Choong
Low Chin Ann@ Han Chin Ann
Lim Chee Beng
Clifton Heath Fernandez (*Appointed on 16 February 2016*)
Tan Suat Eam (*Appointed on 16 February 2016*)

DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS

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

	← Number Of Ordinary Shares Of RM1 Each →			
	At 1.5.2015	Bought	Sold	At 30.4.2016
<i>Direct Interests In The Company</i>				
Kan Yow Kheong	31,206,552	338,000	-	31,544,552
Lim Yoke Soo	212,277	-	-	212,277
<i>Indirect Interest In The Company</i>				
Kan Yow Kheong*	1,186,500	-	-	1,186,500

* Deemed interests through children and spouse's shareholding by virtue of section 134(12)(c) of the Malaysian Companies Act 1965.

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 in Malaysia.

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

DIRECTORS' BENEFITS

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

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

AUDITORS

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

Signed in accordance with a resolution of the directors dated 27 July 2016.

Kan Yow Kheong

Lim Yoke Soo

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

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 41 to 113 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2016 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 47 on page 114, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 July 2016

Kan Yow Kheong

Lim Yoke Soo

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Lai Nyuk Moi, I/C No. 681125-05-5096, being the officer primarily responsible for the financial management of Analabs Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 41 to 113 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Lai Nyuk Moi, I/C No. 681125-05-5096
at Kuala Lumpur in the Federal Territory
on this 27 July 2016

Lai Nyuk Moi

Before me
Datin Hajah Raihela Wanchik
No. W-275
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANALABS RESOURCES BERHAD

(Incorporated in Malaysia)

Company No: 468971 - A

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 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 113.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible 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 entity'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 entity'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 give a true and fair view of the financial position of the Group and of the Company as of 30 April 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANALABS RESOURCES BERHAD

(Incorporated in Malaysia)

Company No: 468971 - A

Cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 on page 114 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

27 July 2016

Kuala Lumpur

Ong Beng Chooi
Approval No: 3155/05/17 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

At 30 April 2016

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	78,409	79,787
Investment in an associate	6	-	-	-	-
Property, plant and equipment	7	150,115	155,127	-	-
Goodwill	8	9,915	9,804	-	-
Investment in quoted shares	9	30,062	21,173	795	1,121
Other investments	10	1,364	1,549	1,184	1,369
Amount owing by subsidiaries	11	-	-	1,000	12,220
		191,456	187,653	81,388	94,497
CURRENT ASSETS					
Inventories	12	21,587	23,879	-	-
Amount owing by contract customers	13	126	2,061	-	-
Trade receivables	14	34,278	33,130	-	-
Other receivables, deposits and prepayments	15	2,153	3,551	2	5
Amount owing by subsidiaries	11	-	-	3	13,663
Current tax assets		932	1,270	147	57
Fixed deposits with licensed banks	16	4,306	4,237	80	76
Cash and bank balances		34,749	28,958	169	81
		98,131	97,086	401	13,882
TOTAL ASSETS		289,587	284,739	81,789	108,379

The annexed notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

At 30 April 2016

Cont'd

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	60,024	60,024	60,024	60,024
Treasury shares	18	(5,746)	(5,465)	(5,746)	(5,465)
Share premium	19	6,248	6,248	6,248	6,248
Revaluation reserve	20	47,194	47,194	-	-
Foreign exchange translation reserve	21	3,940	2,136	-	-
Fair value reserve	22	(1,423)	(646)	165	408
Retained profits		113,097	101,528	19,970	21,955
Equity attributable to owners of the Company		223,334	211,019	80,661	83,170
Non-controlling interests		(2,082)	(1,105)	-	-
TOTAL EQUITY		221,252	209,914	80,661	83,170
NON-CURRENT LIABILITIES					
Deferred tax liabilities	23	17,501	18,400	-	-
Hire purchase payables	24	637	960	-	-
Term loans	25	9,457	13,591	-	-
		27,595	32,951	-	-
CURRENT LIABILITIES					
Amount owing to contract customers	13	-	409	-	-
Trade payables	26	13,638	10,245	-	-
Other payables and accruals	27	14,799	11,129	188	207
Amount owing to subsidiaries	11	-	-	940	25,002
Derivative liability	28	86	-	-	-
Hire purchase payables	24	256	384	-	-
Bankers' acceptances	29	5,085	14,807	-	-
Term loans	25	5,219	4,836	-	-
Bank overdrafts	30	1,657	64	-	-
		40,740	41,874	1,128	25,209
TOTAL LIABILITIES		68,335	74,825	1,128	25,209
TOTAL EQUITY AND LIABILITIES		289,587	284,739	81,789	108,379
NET ASSETS PER SHARE (RM)	31	3.98	3.75		

The annexed notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 April 2016

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
REVENUE	32	155,176	142,088	38,351	371
COST OF SALES		(122,509)	(113,830)	-	-
GROSS PROFIT		32,667	28,258	38,351	371
OTHER INCOME		6,975	3,776	1,300	264
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(23,744)	(22,838)	(39,893)	(387)
FINANCE COSTS		(617)	(986)	-	-
PROFIT/(LOSS) BEFORE TAXATION	33	15,281	8,210	(242)	248
INCOME TAX EXPENSE	34	(2,926)	(1,866)	(58)	(61)
PROFIT/(LOSS) AFTER TAXATION		12,355	6,344	(300)	187
OTHER COMPREHENSIVE INCOME/ (EXPENSES)	35				
<u>Items that May be Reclassified Subsequently to Profit or Loss</u>					
Fair value changes of available-for-sale financial assets		(777)	(1,437)	(243)	(6)
Foreign currency translation differences		1,726	824	-	-
TOTAL OTHER COMPREHENSIVE INCOME/ (EXPENSES)		949	(613)	(243)	(6)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		13,304	5,731	(543)	181

The annexed notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 April 2016
Cont'd

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
PROFIT/(LOSS) AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		13,254	6,879	(300)	187
Non-controlling interests		(899)	(535)	-	-
		12,355	6,344	(300)	187
TOTAL COMPREHENSIVE INCOME/ (EXPENSES)					
ATTRIBUTABLE TO:-					
Owners of the Company		14,281	6,302	(543)	181
Non-controlling interests		(977)	(571)	-	-
		13,304	5,731	(543)	181
EARNINGS PER SHARE					
		SEN	SEN		
Basic	36	23.57	12.11		
Diluted	36	23.57	12.11		

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2016

The Group	Note	Non-Distributable				Distributable				Equity		
		Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	Foreign Exchange Translation Reserve		Fair Value Reserve	Retained Profits	Attributable to Owners of the Company	Non-Controlling interests	Total Equity
						RM'000	RM'000					
Balance at 1.5.2014		60,024	(4,320)	6,248	47,194	1,276	791	96,343	207,556	(534)	207,022	
Profit/(Loss) after taxation for the financial year		-	-	-	-	-	-	6,879	6,879	(535)	6,344	
Other comprehensive (expenses)/income for the financial year:	35											
- Fair value changes of available-for-sale financial assets		-	-	-	-	-	(1,437)	-	(1,437)	-	(1,437)	
- Foreign currency translation differences		-	-	-	-	860	-	-	860	(36)	824	
Total comprehensive income for the financial year		-	-	-	-	860	(1,437)	6,879	6,302	(571)	5,731	
Distributions to owners of the Company:												
- Purchase of treasury shares	18	-	(1,145)	-	-	-	-	-	(1,145)	-	(1,145)	
- Dividend	37	-	-	-	-	-	-	(1,694)	(1,694)	-	(1,694)	
Total transactions with owners		-	(1,145)	-	-	-	-	(1,694)	(2,839)	-	(2,839)	
Balance at 30.4.2015		60,024	(5,465)	6,248	47,194	2,136	(646)	101,528	211,019	(1,105)	209,914	

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2016

Cont'd

	Non-Distributable		Distributable				Equity		Total Equity	
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	Foreign Exchange Translation Reserve	Fair Value Reserve	Retained Profits	Attributable to Owners of the Company		Non-Controlling interests
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 30.4.2015/1.5.2015	60,024	(5,465)	6,248	47,194	2,136	(646)	101,528	211,019	(1,105)	209,914
Profit/(Loss) after taxation for the financial year	-	-	-	-	-	-	13,254	13,254	(899)	12,355
Other comprehensive (expenses)/income for the financial year:										
- Fair value changes of available-for-sale financial assets	-	-	-	-	-	(777)	-	(777)	-	(777)
- Foreign currency translation differences	-	-	-	-	1,804	-	-	1,804	(78)	1,726
Total comprehensive income for the financial year	-	-	-	-	1,804	(777)	13,254	14,281	(977)	13,304
Distributions to owners of the Company:										
- Purchase of treasury shares	-	(281)	-	-	-	-	-	(281)	-	(281)
- Dividend	-	-	-	-	-	-	(1,685)	(1,685)	-	(1,685)
Total transactions with owners	-	(281)	-	-	-	-	(1,685)	(1,966)	-	(1,966)
Balance at 30.4.2016	60,024	(5,746)	6,248	47,194	3,940	(1,423)	113,097	223,334	(2,082)	221,252

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2016

Cont'd

The Company	Note	← Non-Distributable →			Distributable		Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	
Balance at 1.5.2014		60,024	(4,320)	6,248	414	23,462	85,828
Profit after taxation for the financial year		-	-	-	-	187	187
Other comprehensive expenses for the financial year:	35						
- Fair value changes of available-for-sale financial assets		-	-	-	(6)	-	(6)
Total comprehensive income for the financial year		-	-	-	(6)	187	181
Distributions to owners of the Company:							
- Purchase of treasury shares	18	-	(1,145)	-	-	-	(1,145)
- Dividend	37	-	-	-	-	(1,694)	(1,694)
Total transactions with owners		-	(1,145)	-	-	(1,694)	(2,839)
Balance at 30.4.2015		60,024	(5,465)	6,248	408	21,955	83,170

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2016

Cont'd

The Company	Note	Non-Distributable			Distributable		Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	
Balance at 30.4.2015/1.5.2015		60,024	(5,465)	6,248	408	21,955	83,170
Loss after taxation for the financial year		-	-	-	-	(300)	(300)
Other comprehensive expenses for the financial year:	35						
- Fair value changes of available-for-sale financial assets		-	-	-	(243)	-	(243)
Total comprehensive expenses for the financial year		-	-	-	(243)	(300)	(543)
Distributions to owners of the Company:							
- Purchase of treasury shares	18	-	(281)	-	-	-	(281)
- Dividend	37	-	-	-	-	(1,685)	(1,685)
Total transactions with owners		-	(281)	-	-	(1,685)	(1,966)
Balance at 30.4.2016		60,024	(5,746)	6,248	165	19,970	80,661

The annexed notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2016

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	15,281	8,210	(242)	248
Adjustments for:-				
Amount owing by subsidiaries written off	-	-	37,780	-
Bad debts written off	83	1,395	-	-
Depreciation of property, plant and equipment	8,332	8,499	-	-
Dividend income from investments:				
- investments in subsidiaries	-	-	(37,966)	-
- quoted shares	(1,301)	(681)	(25)	-
- unit trust	(86)	(120)	(86)	(120)
Fair value loss on derivatives	86	-	-	-
Foreign exchange (gain)/loss:				
- unrealised	(1,049)	1,982	-	-
Gain on disposal of equipment	(639)	(30)	-	-
Impairment loss:				
- investment in subsidiary	-	-	1,077	-
- trade receivables	197	221	-	-
- quoted shares	1,063	-	364	-
Interest expense	862	986	-	-
Interest income	(434)	(465)	(148)	(241)
Inventories written down	276	214	-	-
Investment in subsidiary written off	-	-	301	-
Plant written off	-	28	-	-
Reversal of impairment loss on trade receivables	(291)	(309)	-	-
Waiver of debt by subsidiaries	-	-	(1,076)	-
Operating profit/(loss) before working capital changes	22,380	19,930	(21)	(113)
Decrease/(Increase) in inventories	2,126	(3,844)	-	-
Decrease/(Increase) in trade and other receivables	2,664	10,512	3	(2)
Increase/(Decrease) in trade and other payables	6,530	(3,049)	(19)	(47)
CASH FROM/(FOR) OPERATIONS	33,700	23,549	(37)	(162)
Income tax paid	(3,792)	(4,093)	(148)	(175)
Interest paid	(862)	(986)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	29,046	18,470	(185)	(337)

The annexed notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2016

Cont'd

	Note	The Group		The Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		1,387	801	38,077	120
Interest received		434	465	148	241
Purchase of other investments		(86)	(120)	(86)	-
Advances to subsidiaries		-	-	(5,373)	(2,517)
Amount owing by subsidiaries written off		-	-	(37,780)	-
Repayment from subsidiaries		-	-	5,107	2,208
Proceeds from disposal of equipment		1,391	58	-	-
Purchase of quoted shares		(10,431)	(9,192)	(10)	(133)
Purchase of plant and equipment	39	(1,382)	(1,929)	-	-
Increase in fixed deposits under lien with licensed banks		(69)	(631)	(4)	-
Waiver of debt by subsidiaries		-	-	1,076	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(8,756)	(10,548)	1,155	(81)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid	37	(1,685)	(1,694)	(1,685)	(1,694)
Purchase of treasury shares	18	(281)	(1,145)	(281)	(1,145)
Repayment of term loan		(5,253)	(4,601)	-	-
(Decrease)/Increase of bankers' acceptances		(9,788)	9,295	-	-
Repayment of hire purchase obligations		(544)	(373)	-	-
Advances from subsidiaries		-	-	1,084	3,242
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(17,551)	1,482	(882)	403
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,739	9,404	88	(15)
EFFECT OF FOREIGN EXCHANGE RATE DIFFERENCES		1,459	(1,614)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		28,894	21,104	81	96
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40	33,092	28,894	169	81

The annexed notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

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 : Lot 750, Jalan Haji Sirat,
42100 Klang,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 July 2016.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

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

Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

3. BASIS OF PREPARATION Cont'd

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

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

- (i) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

3. BASIS OF PREPARATION Cont'd

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

- (ii) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective.

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

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) 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 and production 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS Cont'd

(b) Construction Contracts

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

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

(c) 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 expense and deferred tax balances in the year in which such determination is made.

(d) 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.

(e) Write-down of 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.

(f) 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 judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Revaluation of Properties

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

The independent professional valuers have exercised judgement in determining 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS Cont'd

(h) 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.

(i) 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.

(j) 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.

(k) Fair Value Estimates for Certain Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial 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.

4.2 BASIS OF CONSOLIDATION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.2 BASIS OF CONSOLIDATION Cont'd

(a) Business Combinations

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

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

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

(b) Non-controlling Interests

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

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

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

(d) Loss of Control

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.3 GOODWILL

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

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates 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 except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income 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; attributed to the owners of the Company and non-controlling interests, as appropriate.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.4 FUNCTIONAL AND FOREIGN CURRENCIES Cont'd

(c) Foreign Operations Cont'd

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

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

4.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

(a) Financial Assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.5 FINANCIAL INSTRUMENTS Cont'd

(a) Financial Assets Cont'd

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

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

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

(ii) Held-to-maturity Investments

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

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

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

(iii) Loans and Receivables Financial Assets

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

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

(iv) Available-for-sale Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.5 FINANCIAL INSTRUMENTS Cont'd

(b) Financial Liabilities

All financial liabilities are initially measured 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.

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

(c) Equity Instruments

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

(i) Ordinary shares

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

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

(ii) Treasury Shares

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

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

(d) Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 INVESTMENTS IN ASSOCIATES

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

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

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

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

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

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

4.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, 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. Freehold buildings and leasehold properties are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.8 PROPERTY, PLANT AND EQUIPMENT Cont'd

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

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

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

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

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 losses arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.9 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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

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

(b) Impairment of Non-Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.9 IMPAIRMENT Cont'd

(b) Impairment of Non-Financial Assets Cont'd

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

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements as property, plant and equipment and the corresponding obligations are treated as hire purchase payables. The assets capitalised are measured at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.11 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, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

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

4.12 INCOME TAXES

Income tax for the reporting period comprises current tax and deferred tax.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.12 INCOME TAXES Cont'd

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and 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 adjusted against 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.

4.13 CONSTRUCTION WORK-IN-PROGRESS

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related to specific projects and an allocation of fixed and variable overhead incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amount due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profit exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the deferred income in the statements of financial position.

4.14 CASH AND CASH EQUIVALENTS

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

4.15 PROVISIONS

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

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.17 RELATED PARTIES

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

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

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

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

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

4.18 CONTINGENT LIABILITIES

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

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

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. 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

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.20 EARNINGS PER SHARE

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

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

4.21 BORROWING COSTS

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

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

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

4.22 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

4.23 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and service tax, returns, cash and trade discounts.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES Cont'd

4.23 REVENUE AND OTHER INCOME Cont'd

(b) Services

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

(c) Contract Revenue

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(d) Interest Income

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

(e) Dividend Income

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

(f) Rental Income

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

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2016 RM'000	2015 RM'000
Unquoted shares, at cost		
- in Malaysia	79,543	83,643
- outside Malaysia	6,828	6,828
	86,371	90,471
Accumulated impairment losses:-		
At 1 May 2015/2014	(10,684)	(10,684)
Addition during the financial year (Note 33)	(1,077)	-
Impairment written off during the financial year	3,799	-
	(7,962)	(10,684)
At 30 April 2016/2015	78,409	79,787

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

5. INVESTMENTS IN SUBSIDIARIES Cont'd

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business	Effective Equity Interest		Principal Activities
		2016 %	2015 %	
Direct Subsidiaries				
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	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.
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Inagro Sdn. Bhd.	Malaysia	100	100	Formulation and repackaging of agricultural chemical products and the provision of storage handling services for these products.
Syntax System Solutions Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery of industrial waste and sale of recycled products.
Striketech Sdn. Bhd.	Malaysia	100	100	Culture and sale of prawn, and collection, treatment, recovery and recycling of organic waste.
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Trading in industrial chemical and its related products.
AL Resources Pte. Ltd.*	Singapore	99.99	99.99	Manufacture and trading in paint and its related products.
Global Pacific Petroleum Sdn. Bhd. ("GPP")	Malaysia	100	100	Manufacturing and trading in lubricant products.
Cleanway Disposal Services Pte. Ltd. ("CDS")*	Singapore	100	100	Providing containerised waste disposal services.
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

5. INVESTMENTS IN SUBSIDIARIES Cont'd

Name of Subsidiaries	Principal Place of Business	Effective Equity Interest		Principal Activities
		2016 %	2015 %	
Direct Subsidiaries Cont'd				
Lux Distributor Sdn. Bhd.	Malaysia	100	100	Trading in, import and distribution of ceramic tiles and building materials.
Sapphire Lifestyle Sdn. Bhd. ("SLSB")	Malaysia	100	100	Dormant.
Subsidiary of GPP				
Hysper Manufacturing (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiary of CDS				
Singapore Analabs Pte. Ltd. ("SAPL")*	Singapore	63	63	Investment holding company.
Subsidiaries of SAPL				
Toh Ban Seng Contractor Pte. Ltd. ("TBS")*	Singapore	63	63	Contract work, pipe laying and rehabilitation.
Ban Tiong Soon Contractor Pte.Ltd. ("BTS")*	Singapore	63	63	Contract work, pipe laying and rehabilitation.

* These subsidiaries were audited by other firms of Chartered Accountants.

^^ The subsidiary has been struck off during the current financial year

- (a) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM1,077,310 (2015 - RM Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Administrative and Other Operating Expenses" line item of the statement of profit or loss and other comprehensive income. The recoverable amounts were determined based on their value in use approach.
- (b) The summarised financial information for SAPL, TBS and BTS is not presented as the non-controlling interests are not significant to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares, at cost	#	#	#	#
Accumulated impairment losses	-	-	(#)	(#)
	#	#	-	-
Share of post-acquisition losses	(#)	(#)	-	-
	-	-	-	-

- RM40.

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Equity Interest		Principal Activity
		2016 %	2015 %	
Titan Crest Sdn. Bhd.	Malaysia	40	40	Dormant.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT

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

The Group	At 1.5.2014 RM'000	Additions RM'000 (Note 39)	Reclassification RM'000	Written Off RM'000 (Note 33)	Translation Differences RM'000	Depreciation Charges RM'000	At 30.4.2015 RM'000
2015							
<i>Net Book Value</i>							
Freehold land	50,315	-	-	-	-	-	50,315
Long-term leasehold land	32,320	-	-	-	-	(537)	31,783
Buildings	52,088	-	-	-	775	(2,167)	50,696
Plant and machinery	18,903	732	12	-	228	(3,717)	16,158
Renovation	112	-	-	-	-	(33)	79
Office equipment	658	224	-	-	17	(270)	629
Furniture and fittings	82	63	-	-	2	(32)	115
Laboratory equipment	352	82	-	-	12	(114)	332
Motor vehicles	4,970	1,530	-	-	149	(1,629)	5,020
Capital work-in- progress	40	-	(12)	(28)	-	-	-
	159,840	2,631	-	(28)	1,183	(8,499)	155,127

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT Cont'd

The Group	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
2016				
Freehold land	-	50,315	-	50,315
Long-term leasehold land	-	32,743	(1,502)	31,241
Buildings	-	54,293	(4,148)	50,145
Plant and machinery	123,133	-	(109,447)	13,686
Renovation	1,319	-	(1,264)	55
Office equipment	6,145	-	(5,686)	459
Furniture and fittings	1,082	-	(991)	91
Laboratory equipment	3,195	-	(2,880)	315
Motor vehicles	22,338	-	(18,530)	3,808
	157,212	137,351	(144,448)	150,115
2015				
Freehold land	-	50,315	-	50,315
Long-term leasehold land	-	32,743	(960)	31,783
Buildings	-	54,293	(3,597)	50,696
Plant and machinery	120,567	-	(104,409)	16,158
Renovation	1,319	-	(1,240)	79
Office equipment	6,012	-	(5,383)	629
Furniture and fittings	1,070	-	(955)	115
Laboratory equipment	3,532	-	(3,200)	332
Motor vehicles	24,433	-	(19,413)	5,020
	156,933	137,351	(139,157)	155,127

- (a) Certain land and buildings of the Group with a net carrying value amounting to RM31,474,779 (2015 - RM30,972,186), have been pledged to licensed banks as security for banking facilities granted to the Group.
- (b) Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM1,020,432 (2015 - RM1,576,649), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group.
- (c) During the financial year ended 30 April 2014, the Group's land and buildings were revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT Cont'd

(d) The details of the Group's property, plant and equipment carried at fair value are analysed as follows:

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2016				
Freehold land	-	50,315	-	50,315
Long-term leasehold land	-	31,241	-	31,241
Buildings	-	28,393	21,752	50,145
	-	109,949	21,752	131,701
2015				
Freehold land	-	50,315	-	50,315
Long-term leasehold land	-	31,783	-	31,783
Buildings	-	28,136	22,560	50,696
	-	110,234	22,560	132,794

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

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

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

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

	The Group	
	2016 RM'000	2015 RM'000
Freehold land	16,773	16,773
Long-term leasehold land	21,652	21,936
Buildings	21,366	22,054
	59,791	60,763

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

8. GOODWILL

	The Group	
	2016	2015
	RM'000	RM'000
At 1 May 2015/2014	9,804	9,755
Foreign exchange translation differences	111	49
At 30 April 2016/2015	9,915	9,804

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

	The Group	
	2016	2015
	RM'000	RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	7,704	7,704
Recovery and sale of recycled products	279	279
Culture and sale of prawns	2	2
Investment holding and property letting	412	412
Contract work, pipe laying and rehabilitation	1,518	1,407
	9,915	9,804

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

	Growth Rate		Discount Rate	
	2016	2015	2016	2015
Manufacturing, formulation and sale of resin, chemicals and building materials	2% to 10%	2% to 10%	9%	8%
Contract work, pipe laying and rehabilitation	2% to 17%	5%	9%	8%
Others	2% to 8%	2% to 8%	9%	8%

- (i) Growth rate Based on the expected projection of the relevant operating segments.
- (ii) Discount rate (pre-tax) The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on with external sources and internal sources (historical data). No impairment testing is done on other cash-generating units which are considered immaterial to the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

9. INVESTMENT IN QUOTED SHARES

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At fair value:				
- Quoted shares in Malaysia	28,629	19,359	385	602
- Quoted shares outside Malaysia	1,433	1,814	410	519
	30,062	21,173	795	1,121

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

10. OTHER INVESTMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Club membership	180	180	-	-
Investments in unit trusts	1,184	1,369	1,184	1,369
	1,364	1,549	1,184	1,369
Represented by:-				
At cost	180	180	-	-
At fair value	1,184	1,369	1,184	1,369
	1,364	1,549	1,184	1,369

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

11. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	2016 RM'000	2015 RM'000
Amount Owing by Subsidiaries		
<i>Non-current</i>		
Non trade balances	1,000	12,220
<i>Current</i>		
Non-trade balances	3	13,663
	1,003	25,883
Amount Owing to Subsidiaries		
<i>Current</i>		
Non-trade balances	(940)	(25,002)

The non-trade balances (current) represent unsecured interest-free advances and payments made on behalf. The amount owing are receivable/repayable on demand and are to be settled in cash.

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

	The Company	
	2016 RM'000	2015 RM'000
Singapore Dollar	65	65

Included in the amount owing by subsidiaries is an amount of RM1,000,000 (2015 - RM12,220,000) owing by a subsidiary for which the settlement is neither planned nor likely to occur in the foreseeable future. This amount is in substance, a part of the Company's net investments in the subsidiaries. Accordingly, this amount is classified as non-current assets and stated at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

12. INVENTORIES

	The Group	
	2016	2015
	RM'000	RM'000
Livestocks	102	-
Raw materials	14,853	16,447
Packing materials	8	12
Spares	-	126
Finished goods	5,652	7,294
Goods-in-transit	972	-
	21,587	23,879
Recognised in profit or loss:-		
Inventories recognised as cost of sales	122,509	113,830
Amount written down to net realisable value (Note 33)	276	214

13. AMOUNT OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	2016	2015
	RM'000	RM'000
Contract costs incurred to date	3,501	16,318
Progress billings	(3,375)	(14,666)
Net amount owing by contract customers	126	1,652
Represented by:-		
Amount owing by contract customers	126	2,061
Amount owing to contract customers	-	(409)
	126	1,652

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

14. TRADE RECEIVABLES

	The Group	
	2016 RM'000	2015 RM'000
Trade receivables	34,625	33,593
Allowance for impairment losses	(347)	(463)
	34,278	33,130
Allowance for impairment losses:-		
At 1 May	(463)	(1,328)
Addition during the financial year (Note 33)	(197)	(221)
Reversal during the financial year (Note 33)	291	309
Bad debts written off	39	763
Foreign exchange translation differences	(17)	14
At 30 April	(347)	(463)

The Group's normal trade credit terms range from 30 to 90 (2015 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other receivables:-				
Third parties	159	225	1	2
Advances to suppliers	578	2,068	-	-
Deposits	758	647	1	2
Prepayments	423	586	-	-
GST refundable	235	25	-	1
	2,153	3,551	2	5

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

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.05% to 3.30% (2015 - 0.05% to 3.45%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (2015 - 1 to 12 months).

Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM4,305,862 (2015 - RM4,236,552) and RM79,480 (2015 - RM75,970) which has been pledged to licensed banks as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

17. SHARE CAPITAL

	The Company			
	2016	2015	2016	2015
	Number Of Shares '000	'000	RM'000	RM'000
Ordinary Shares Of RM1 Each:-				
Authorised	100,000	100,000	100,000	100,000
Issued and Fully Paid-Up	60,024	60,024	60,024	60,024

18. TREASURY SHARES

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

	The Group/The Company	
	No. of Shares	Total Consideration RM'000
Balance at 1 May 2014	3,075,100	4,320
Purchased during the financial year	624,600	1,145
Balance at 30 April 2015/1 May 2015	3,699,700	5,465
Purchased during the financial year	159,700	281
Balance at 30 April 2016	3,859,400	5,746

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

As at 30 April 2016, the Company held 3,859,400 repurchased shares as treasury shares out of its total issued and paid up share capital of 60,024,000 ordinary shares of RM1 each. None of the treasury shares were resold or cancelled during the financial year.

19. SHARE PREMIUM

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

20. REVALUATION RESERVE

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

21. FOREIGN EXCHANGE TRANSLATION RESERVE

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

22. FAIR VALUE RESERVE

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

23. DEFERRED TAX LIABILITIES

	The Group	
	2016 RM'000	2015 RM'000
At 1 May	18,400	19,955
Recognised in profit or loss (Note 34)	(1,187)	(1,682)
Foreign exchange translation differences	288	127
At 30 April	17,501	18,400

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

	The Group	
	2016 RM'000	2015 RM'000
Accelerated capital allowances over depreciation	5,049	5,279
Provisions	(1,103)	(1,079)
Revaluation of land and buildings	14,205	14,372
Unabsorbed capital allowances	(67)	(109)
Unabsorbed reinvestment allowances	(515)	-
Unutilised tax losses	(68)	(58)
Others	-	(5)
	17,501	18,400

At the end of the reporting period, the Group have unused tax losses and unabsorbed capital allowances (stated at gross) of approximately RM68,000 (2015 - RM58,000) and RM67,000 (2015 - RM109,000) respectively that are available for offset against future taxable profits. No deferred tax assets were recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised. The unused tax losses and unabsorbed capital allowances do not expire under current tax legislation. However, the availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

24. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2016 RM'000	2015 RM'000
Minimum hire purchase payments:		
- not later than 1 year	284	418
- later than 1 year and not later than 5 years	634	932
- later than 5 years	35	89
	953	1,439
Less: Future finance charges	(60)	(95)
Present value of hire purchase payables	893	1,344
<u>Current</u>		
Not later than 1 year	256	384
<u>Non-current</u>		
Later than 1 year and not later than 5 years	602	871
Later than 5 years	35	89
	637	960
	893	1,344

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles under hire purchase.
- (b) The hire purchase payables bore effective interest rates ranging from 3.53% to 5.30% (2015 - 3.53% to 5.30%) per annum at the end of the reporting period. The interest rates are fixed at the inception of the hire purchase arrangements.

25. TERM LOANS (SECURED)

	The Group	
	2016 RM'000	2015 RM'000
<u>Current</u>		
Not later than 1 year	5,219	4,836
<u>Non-current</u>		
Later than 1 year and not later than 5 years	6,991	11,185
Later than 5 years	2,466	2,406
	9,457	13,591
	14,676	18,427

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

25. TERM LOANS (SECURED) Cont'd

- (a) The term loans bore effective interest rates ranging from 2.80% to 5.85% (2015 - 1.80% to 2.80%) per annum at the end of the reporting period.
- (b) The terms loans are secured by:-
- (i) a first party legal charge over the lands and buildings of the Group as disclosed in Note 7 to the financial statements;
 - (ii) a fixed and floating charge over all the present and future undertaking of the assets, revenue and rights of certain subsidiaries;
 - (iii) a corporate guarantee issued by the Company and a subsidiary; and
 - (iv) a joint and several guarantee by two directors of the Company.

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2015 - 30 to 120) days.

27. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other payables	1,836	1,713	38	62
Deposits	276	291	-	-
Accruals	7,477	4,718	128	122
Dividend payable	22	22	22	22
GST payable	84	180	-	1
Amount owing to a corporate shareholder of certain subsidiaries	5,104	4,205	-	-
	14,799	11,129	188	207

Included in the other payables and accruals of the Group is an amount owing to a corporate shareholder of certain subsidiaries of SGD1,756,883 or equivalent to approximately RM5.1 million (2015 - SGD1,561,225 or approximately RM4.2 million). The amount owing to said corporate shareholder is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

28. DERIVATIVE LIABILITY

	Contract/Notional Amount		The Group	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Forward currency contract	2,567	-	86	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

28. DERIVATIVE LIABILITY Cont'd

The Group does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar (USD) for which firm commitments existed at the end of the reporting period. The settlement dates on forward currency contracts range between 1 to 4 months after the end of the reporting period.
- (b) The Group recognised a loss of RM86,300 (2015 - RM Nil) arising from fair value changes of derivatives during the financial year as disclosed in Note 33 to the financial statements. The fair value changes were attributed to changes in the foreign exchange spot and forward rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 46.4(a)(ii) to the financial statements.

29. BANKERS' ACCEPTANCES (SECURED)

The bankers' acceptances of the Group at the end of the reporting period bore effective interest rates ranging from 2.65% to 5.13% (2015 - 6.00% to 6.18%) per annum.

The bankers' acceptances are secured by:-

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

30. BANK OVERDRAFTS (SECURED)

The bank overdrafts of the Group at the end of the reporting period bore effective interest rates ranging from 6.00% to 8.19% (2015-8.10%) per annum.

The bank overdrafts are secured by:-

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

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 RM223,334,000 (2015 - RM211,019,000) divided by the number of ordinary shares in issue at the end of the reporting period of 56,164,600 (2015 - 56,324,300) excluding treasury shares held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

32. REVENUE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	101,500	93,255	-	-
Recovery and sale of recycled products	27,877	25,415	-	-
Contract work, pipe laying and work rehabilitation	24,467	22,656	-	-
Cultivation and sale of prawns	1,005	544	-	-
Dividend income from quoted shares	303	158	25	13
Dividend income from subsidiaries	-	-	37,966	-
Rental income	24	60	-	-
Management fee from subsidiaries	-	-	360	358
	155,176	142,088	38,351	371

33. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- current financial year	290	253	67	50
- under/(over)provision in the previous financial year	8	(33)	10	20
Bad debts written off	83	1,395	-	-
Depreciation of property, plant and equipment (Note 7)	8,332	8,499	-	-
Directors' remuneration (Note 41)	305	322	162	154
Fair value loss on derivatives (Note 28)	86	-	-	-
Impairment loss:				
- investment in subsidiaries (Note 5)	-	-	1,077	-
- trade receivables (Note 14)	197	221	-	-
- quoted shares (Note 35)	1,063	-	364	-
Interest expense on financial liabilities not at fair value through profit or loss:				
- bank overdrafts	59	46	-	-
- bankers' acceptances	245	413	-	-
- hire purchase	31	50	-	-
- term loans	527	477	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):- Cont'd				
Inventories written down (Note 12)	276	214	-	-
Plant written off (Note 7)	-	28	-	-
Rental expense on:				
- equipment	8	35	-	-
- premises	752	931	-	-
Staff costs (including other key management personnel as disclosed in Note 41)	16,806	16,376	-	-
Amount owing by subsidiaries written off	-	-	37,780	-
Foreign exchange (gain)/loss:				
- realised	(1,971)	117	-	-
- unrealised	(1,049)	1,982	-	-
Dividend income:				
- investments in subsidiaries	-	-	(37,966)	-
- quoted shares in Malaysia	(1,186)	(667)	-	-
- quoted shares outside Malaysia	(115)	(14)	(25)	-
- unit trusts	(86)	(120)	(86)	(120)
Gain on disposal of equipment	(639)	(30)	-	-
Interest income on financial assets not at fair value through profit or loss:				
- fixed deposits with licensed bank	(433)	(366)	(4)	-
- others	(1)	(99)	(144)	(241)
Waiver of debt by subsidiaries	-	-	(1,076)	-
Rental income	(185)	(121)	-	-
Reversal of impairment loss on trade receivables (Note 14)	(291)	(309)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

34. INCOME TAX EXPENSE

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Income tax:				
- Malaysian tax	4,414	2,981	105	125
- foreign tax	208	156	-	-
	4,622	3,137	105	125
- (over)/underprovision in the previous financial year	(509)	411	(47)	(64)
	4,113	3,548	58	61
Deferred tax (Note 23):				
- originating and recognition of temporary differences	(661)	(661)	-	-
- overprovision in the previous financial year	(526)	(1,021)	-	-
	(1,187)	(1,682)	-	-
	2,926	1,866	58	61

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit/(Loss) before taxation	15,281	8,210	(242)	248
Tax at the statutory tax rate of 24% (2015 - 25%)	3,668	2,052	(58)	62

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

34. INCOME TAX EXPENSE Cont'd

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Tax effects of:-				
Non-deductible expenses	760	1,044	347	63
Tax-exempt income	(2)	(2)	-	-
Non-taxable income	(445)	(203)	(181)	-
Reversal of deferred tax assets during the financial year	(6)	(137)	-	-
Deferred tax assets not recognised during the financial year	110	-	-	-
Crystallisation of deferred tax liabilities on amortisation of revalued properties	(330)	(304)	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdiction	108	25	-	-
Effects of change in corporate tax rate from 25% to 24% on deferred tax	67	-	(3)	-
Tax rebate	(29)	-	-	-
Others	60	1	-	-
(Over)/underprovision in the previous financial year:				
- current tax	(509)	411	(47)	(64)
- deferred tax	(526)	(1,021)	-	-
Income tax expense for the financial year	2,926	1,866	58	61

During the financial year, the statutory tax rate was reduced from 25% to 24%.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

35. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Items that May be Reclassified Subsequently to Profit or Loss				
Fair value of available-for-sale financial assets:				
- changes during the financial year	(1,840)	(1,437)	(607)	(6)
- transfer to profit or loss for impairment losses recognised for quoted shares (Note 33)	1,063	-	364	-
	(777)	(1,437)	(243)	(6)
Foreign currency translation:				
- changes during the financial year	1,726	824	-	-
	949	(613)	(243)	(6)

36. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation of approximately RM13,254,000 (2015 - RM6,879,000) by the weighted average number of ordinary shares in issue of 56,222,725 (2015 - 56,807,917) after taking into account the effects of treasury shares.

	The Group	
	2016	2015
Profit after taxation (RM'000)	12,355	6,344
Profit attributable to owners of the Company (RM'000)	13,254	6,879
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 May	56,393	56,949
Effects of treasury shares held	(170)	(141)
Weighted average number of ordinary shares at 30 April	56,223	56,808
Basic earnings per share (sen)	23.57	12.11

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

37. DIVIDEND

	The Group/ The Company	
	2016 RM'000	2015 RM'000
Interim single tier tax-exempt dividend of 3 sen per ordinary share in respect of the financial year ended 30 April 2016	1,685	-
Interim tax-exempt dividend of 3 sen per ordinary share in respect of the financial year ended 30 April 2015	-	1,694

38. ACQUISITION OF SUBSIDIARY

(a) In the previous financial year:-

On 23 December 2014, Analabs Resources Berhad acquired the entire equity interest in Sapphire Lifestyle Sdn. Bhd. ("SLSB") for a total consideration of RM2.

The total fair values of the identifiable assets and liabilities of SLSB at the date of acquisition were:-

	At Date Of Acquisition	
	Carrying Amount RM'000	Fair Value Recognised RM'000
Cash on hand	*	*
Net identifiable assets and liabilities	*	*
Total purchase consideration		*
Less: Cash and cash equivalents of subsidiary acquired		*
Net cash outflow for acquisition of subsidiary		-

The acquired subsidiary has contributed the following results to the Group:-

	The Group 2015 RM'000
Revenue	-
Loss after taxation	(1)

If the acquisition had taken place at the beginning of the previous financial year, the Group's revenue and profit after taxation would have been RM142,087,884 and RM6,343,531 respectively.

* - RM2

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

39. PURCHASE OF PLANT AND EQUIPMENT

	The Group	
	2016 RM'000	2015 RM'000
Cost of plant and equipment purchased (Note 7)	1,382	2,631
Amount financed through hire purchase	-	(702)
Cash disbursed for purchase of plant and equipment	1,382	1,929

40. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed deposits with licensed banks (Note 16)	4,306	4,237	80	76
Cash and bank balances	34,749	28,958	169	81
Bank overdrafts (Note 30)	(1,657)	(64)	-	-
	37,398	33,131	249	157
Less: Deposits pledged to licensed banks (Note 16)	(4,306)	(4,237)	(80)	(76)
	33,092	28,894	169	81

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

41. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors				
<u>Directors of the Company</u>				
<i>Executive Directors:</i>				
Short-term employee benefits:				
- fee	167	167	24	24
- salaries, bonuses and other benefits	96	121	96	96
	263	288	120	120
Defined contribution benefits	6	6	6	6
	269	294	126	126
<i>Non-Executive Directors:</i>				
Short-term employee benefits:				
- fee	36	28	36	28
Total directors' remuneration	305	322	162	154
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors:</i>				
Short-term employee benefits:				
- fee	427	195	-	-
- salaries, bonuses and other benefits	1,606	1,325	-	-
	2,033	1,520	-	-
Defined contribution benefits	165	129	-	-
	2,198	1,649	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

41. KEY MANAGEMENT PERSONNEL COMPENSATION Cont'd

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

	The Group		The Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Other Key Management Personnel				
Short-term employee benefits	620	439	-	-
Defined contribution benefits	42	50	-	-
Total compensation for other key management personnel	662	489	-	-

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

	The Company			
	2016		2015	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	5	-	3
RM50,001 - RM100,000	1	-	1	-
RM100,001 - RM250,000	1	-	1	-

42. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

42. SIGNIFICANT RELATED PARTY DISCLOSURES Cont'd

(b) Significant Related Party Transactions and Balances

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

	The Company	
	2016 RM'000	2015 RM'000
Advances to subsidiaries	5,010	1,951
Advances from subsidiaries	(651)	(2,592)
Amount owing by subsidiaries written off	37,780	-
Dividend from subsidiaries	(37,966)	-
Interest charged to a subsidiary	144	144
Management fee charged to subsidiaries	360	358
Payment on behalf by subsidiaries	(433)	(650)
Payment on behalf for subsidiaries	3	208
Repayment from subsidiaries	(5,107)	(2,208)
Waiver of debts by subsidiaries	(1,076)	-

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

43. OPERATING SEGMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

43. OPERATING SEGMENTS Cont'd

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

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

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

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

BUSINESS SEGMENTS

2016	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Revenue						
External revenue	101,500	27,877	1,005	327	24,467	155,176
Inter-segment revenue	2,333	-	-	38,417	4,797	45,547
	103,833	27,877	1,005	38,744	29,264	200,723
Consolidation adjustments and eliminations						(45,547)
Consolidated revenue						155,176
Results						
Segment profit/(loss) before interest and taxation	40,066	6,035	999	8,029	(2,177)	52,952
Finance costs						(617)
Income tax expense						(2,926)
Consolidation adjustments						(37,054)
Consolidated profit after taxation						12,355

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

43. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS Cont'd

2016	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Segment profit before interest and taxation includes the following:-						
Bad debts written off	(45)	-	-	-	(38)	(83)
Depreciation of property, plant and equipment	(2,630)	(1,989)	(270)	(459)	(2,984)	(8,332)
Dividend income from investments:						
- quoted shares	986	12	-	303	-	1,301
- unit trust	-	-	-	86	-	86
Foreign exchange gain/(loss):						
- realised	1,842	-	-	-	129	1,971
- unrealised	1,055	(6)	-	-	-	1,049
Gain on disposal of equipment	4	-	-	-	635	639
Impairment loss on:						
- trade receivables	(103)	-	-	-	(94)	(197)
- quoted shares	(32)	(132)	-	(899)	-	(1,063)
Interest expense	(427)	-	-	(435)	-	(862)
Interest income	425	5	-	4	-	434
Inventories written down	(276)	-	-	-	-	(276)
Rental expense	(3)	-	-	-	(757)	(760)
Rental income	-	57	-	24	104	185
Reversal of impairment loss:						
- trade receivables	235	-	-	-	56	291
Staff costs	(3,236)	(3,747)	(198)	-	(9,625)	(16,806)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

43. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS Cont'd

2016	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Assets						
Segment assets	161,496	55,746	20,393	100,989	29,358	367,982
Unallocated assets:						
- current tax assets						932
Consolidation adjustments						(79,327)
Consolidated total assets						<u>289,587</u>
Additions to non-current assets other than financial instruments are:-						
Property, plant and equipment	455	661	-	-	266	1,382
Liabilities						
Segment liabilities	21,510	3,166	47	31,793	13,095	69,611
Unallocated liabilities:						
- deferred tax liabilities						17,501
Consolidation adjustments						(18,777)
Consolidated total liabilities						<u>68,335</u>
2015						
Revenue						
External revenue	93,255	25,415	544	218	22,656	142,088
Inter-segment revenue	1,589	-	-	450	4,133	6,172
	<u>94,844</u>	<u>25,415</u>	<u>544</u>	<u>668</u>	<u>26,789</u>	<u>148,260</u>
Consolidation adjustments and eliminations						(6,172)
Consolidated revenue						<u>142,088</u>
Results						
Segment profit/(loss) before interest and taxation	5,296	5,310	(218)	(10)	(1,038)	9,340
Finance costs						(986)
Income tax expense						(1,866)
Consolidation adjustments						(144)
Consolidated profit after taxation						<u>6,344</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

43. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS Cont'd

2015	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Segment profit before interest and taxation includes the following:-						
Bad debts written off	(1,395)	-	-	-	-	(1,395)
Depreciation of property, plant and equipment	(3,128)	(1,716)	(284)	(454)	(2,917)	(8,499)
Dividend income from investments:						
- quoted shares	522	14	-	145	-	681
- unit trust	-	-	-	120	-	120
Foreign exchange gain/(loss):						
- realised	(145)	-	-	-	28	(117)
- unrealised	(1,982)	-	-	-	-	(1,982)
Gain on disposal of equipment	27	-	-	-	3	30
Impairment loss on trade receivables	(17)	-	-	-	(204)	(221)
Interest expense	(570)	-	-	-	(416)	(986)
Interest income	362	1	4	98	-	465
Inventories written down	(214)	-	-	-	-	(214)
Property, plant and equipment written off	(28)	-	-	-	-	(28)
Rental expense	(107)	-	-	-	(859)	(966)
Rental income	-	31	-	60	30	121
Reversal of impairment loss:						
- trade receivables	-	309	-	-	-	309
Staff costs	(2,888)	(3,670)	(181)	-	(9,637)	(16,376)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

43. OPERATING SEGMENTS Cont'd

BUSINESS SEGMENTS Cont'd

2015	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	The Group RM'000
Assets						
Segment assets	169,918	74,240	22,721	130,655	33,022	430,556
Unallocated assets:						
- tax recoverable						1,270
Consolidation adjustments						(147,087)
Consolidated total assets						<u>284,739</u>
Additions to non-current assets other than financial instruments are:-						
Property, plant and equipment	464	1,046	-	-	1,121	2,631
Liabilities						
Segment liabilities	49,943	1,811	1,186	62,601	12,093	127,634
Unallocated liabilities:						
- deferred tax liabilities						18,400
Consolidation adjustments						(71,209)
Consolidated total liabilities						<u>74,825</u>

GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

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

Group	Revenue		Non-current Assets	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Singapore	39,707	37,172	33,236	34,815
Malaysia	115,469	104,916	158,220	152,838
	<u>155,176</u>	<u>142,088</u>	<u>191,456</u>	<u>187,653</u>

MAJOR CUSTOMERS

There are no customers which contributed 10% or more to the Group's revenue during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

44. 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	
	2016	2015
	RM	RM
United States Dollar	3.9	3.6
Euro	4.4	4.0
Singapore Dollar	2.9	2.7

45. CONTINGENT LIABILITIES

(a) Litigation

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

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

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

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

(b) Corporate guarantees

	The Company	
	2016	2015
	RM'000	RM'000
Corporate guarantees issued to:		
- licensed banks for credit facilities granted to subsidiaries	57,429	51,924
- suppliers for purchases made by a subsidiary	850	3,500
	58,279	55,424

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016
Cont'd

46. 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.

46.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

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

Foreign Currency Exposure

	Euro	United States Dollar	Singapore Dollar	Ringgit Malaysia	Others	Total
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016						
<u>Financial Assets</u>						
Investments in quoted shares	-	-	669	28,629	764	30,062
Other investments	-	-	-	1,364	-	1,364
Trade receivables	5,326	4,516	10,040	14,396	-	34,278
Other receivables and deposits	411	174	303	842	-	1,730
Fixed deposits with licensed banks	-	-	582	3,724	-	4,306
Cash and bank balances	13,480	8,986	5,899	6,381	3	34,749
	19,217	13,676	17,493	55,336	767	106,489

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

Foreign Currency Exposure Cont'd

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2016						
<u>Financial Liabilities</u>						
Trade payables	427	3,456	4,755	4,380	620	13,638
Other payables and accruals	12	-	6,347	8,440	-	14,799
Derivative liability	-	-	-	86	-	86
Hire purchase payables	-	-	771	122	-	893
Bankers' acceptances	-	2,210	152	2,723	-	5,085
Term loans	-	-	14,676	-	-	14,676
Bank overdrafts	-	-	1,354	303	-	1,657
	439	5,666	28,055	16,054	620	50,834
Net financial assets/ (liabilities)	18,778	8,010	(10,562)	39,282	147	55,655
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	-	-	10,562	(39,282)	-	(28,720)
Less: Forward foreign currency contracts (contracted notional principal)	-	(2,210)	-	-	-	(2,210)
Currency Exposure	18,778	5,800	-	-	147	24,725

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

Foreign Currency Exposure Cont'd

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2015						
<u>Financial Assets</u>						
Investments in quoted shares	-	-	864	19,359	950	21,173
Other investments	-	-	-	1,549	-	1,549
Trade receivables	5,750	2,604	8,346	16,430	-	33,130
Other receivables and deposits	95	52	369	2,449	-	2,965
Fixed deposits with licensed banks	-	-	539	3,698	-	4,237
Cash and bank balances	9,739	5,064	8,609	5,544	2	28,958
	15,584	7,720	18,727	49,029	952	92,012
<u>Financial Liabilities</u>						
Trade payables	1,284	585	3,225	5,151	-	10,245
Other payables and accruals	-	-	5,845	5,284	-	11,129
Hire purchase payables	-	-	1,121	223	-	1,344
Bankers' acceptances	232	-	393	14,054	128	14,807
Term loans	-	-	18,427	-	-	18,427
Bank overdrafts	-	-	-	64	-	64
	1,516	585	29,011	24,776	128	56,016
Net financial assets/(liabilities)	14,068	7,135	(10,284)	24,253	824	35,996
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	-	-	10,284	(24,253)	-	(13,969)
Currency Exposure	14,068	7,135	-	-	824	22,027

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(i) Foreign Currency Risk Cont'd

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2016	2015
	RM'000	RM'000
Effects on Profit After Taxation		
Euro/RM - strengthened by 10%	+1,427	+1,055
- weakened by 10%	- 1,427	- 1,055
USD/RM - strengthened by 10%	+441	+535
- weakened by 10%	- 441	- 535

(ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk that is based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 46.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

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

	The Group	
	2016	2015
	RM'000	RM'000
Effects on Profit After Taxation		
Increase of 100 basis points	- 163	- 250
Decrease of 100 basis points	+163	+250

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(a) Market Risk Cont'd

(iii) Equity Price Risk

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

Equity Price Risk Sensitivity Analysis

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

	The Group	
	2016	2015
	RM'000	RM'000
Effect on Other Comprehensive Income		
Increase of 5%	+1,562	+1,127
Decrease of 5%	- 1,562	- 1,127

(b) Credit Risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(b) Credit Risk Cont'd

(i) Credit Risk Concentration Profile

The Group major concentration of credit risk relates to the amount owing by a customer which constituted approximately 11% of its trade receivables at the end of the reporting period.

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

	The Group	
	2016 RM'000	2015 RM'000
Australia	2,577	2,754
Asia	3,386	3,438
South East Asia	12,362	9,136
Malaysia	14,396	16,430
Others	1,557	1,372
	34,278	33,130

(ii) Exposure to Credit Risk

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

(iii) Ageing Analysis

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

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
The Group			
2016			
Not past due	25,167	-	25,167
Past due:			
- less than 3 months	7,649	-	7,649
- 3 to 6 months	1,287	-	1,287
- more than 6 months	522	(347)	175
	34,625	(347)	34,278

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(b) Credit Risk Cont'd

(iii) Ageing Analysis Cont'd

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2015			
Not past due	15,656	-	15,656
Past due:			
- less than 3 months	14,655	-	14,655
- 3 to 6 months	2,411	-	2,411
- more than 6 months	871	(463)	408
	33,593	(463)	33,130

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

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

(c) Liquidity Risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(c) Liquidity Risk Cont'd

Maturity Analysis

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

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2016						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	13,638	13,638	13,638	-	-
Other payables and accruals	-	14,799	14,799	14,799	-	-
Hire purchase payables	3.53 - 5.30	893	953	284	634	35
Bankers' acceptances	2.65 - 5.13	5,085	5,085	5,085	-	-
Term loans	2.80 - 5.85	14,676	15,038	5,574	6,998	2,466
Bank overdrafts	6.00 - 8.19	1,657	1,657	1,657	-	-
		50,748	51,170	41,037	7,632	2,501
<u>Derivative Financial</u>						
<u>Liability</u>						
Forward currency contracts (gross settled):						
- gross payments	-	86	86	86	-	-
		86	86	86	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.1 FINANCIAL RISK MANAGEMENT POLICIES Cont'd

(c) Liquidity Risk Cont'd

Maturity Analysis Cont'd

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):- Cont'd

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2015						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	10,245	10,245	10,245	-	-
Other payables and accruals	-	11,129	11,129	11,129	-	-
Hire purchase payables	3.53 - 5.30	1,344	1,439	418	932	89
Bankers' acceptances	6.00 - 6.18	14,807	14,807	14,807	-	-
Term loans	1.80 - 2.80	18,427	19,127	5,202	11,029	2,896
Bank overdrafts	8.10	64	64	64	-	-
		56,016	56,811	41,865	11,961	2,985
The Company						
2016						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	188	188	188	-	-
Amount owing to a subsidiary	-	940	940	940	-	-
		1,128	1,128	1,128	-	-
2015						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	207	207	207	-	-
Amount owing to subsidiaries	-	25,002	25,002	25,002	-	-
		25,209	25,209	25,209	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.2 CAPITAL RISK MANAGEMENT

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2016	2015
	RM'000	RM'000
Hire purchase payables (Note 24)	893	1,344
Term loans (Note 25)	14,676	18,427
Bankers' acceptances (Note 29)	5,085	14,807
Bank overdrafts (Note 30)	1,657	64
	22,311	34,642
Less: Fixed deposits with licensed banks (Note 16)	(4,306)	(4,237)
Less: Cash and bank balances	(34,749)	(28,958)
(Excess funds)/Net debt	(16,744)	1,447
Total equity	221,252	209,914
Debt-to-equity ratio	N/A	0.01

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Financial Assets				
<u>Available-for-sale Financial Assets</u>				
Investments in quoted shares (Note 9)	30,062	21,173	795	1,121
Other investments (Note 10)	1,364	1,549	1,184	1,369
	31,426	22,722	1,979	2,490
<u>Loans and Receivables Financial Assets</u>				
Trade receivables (Note 14)	34,278	33,130	-	-
Other receivables and deposits	1,730	2,965	2	5
Amount owing by subsidiaries (Note 11)	-	-	1,003	25,883
Fixed deposits with licensed banks	4,306	4,237	80	76
Cash and bank balances	34,749	28,958	169	81
	75,063	69,290	1,254	26,045
Financial liabilities				
<u>Other Financial Liabilities</u>				
Trade payables	13,638	10,245	-	-
Other payables and accruals (Note 27)	14,799	11,129	188	207
Amount owing to subsidiaries (Note 11)	-	-	940	25,002
Hire purchase payables (Note 24)	893	1,344	-	-
Bankers' acceptances	5,085	14,807	-	-
Term loans (Note 25)	14,676	18,427	-	-
Bank overdrafts	1,657	64	-	-
	50,748	56,016	1,128	25,209
<u>Fair Value through Profit or Loss:</u>				
<u>Held-for-trading</u>				
Derivative liability (Note 28)	86	-	-	-
	86	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.4 FAIR VALUE INFORMATION

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

The fair value of the Group's other investment with carrying amount of RM180,000 (2015 - RM180,000) is not presented due to the lack of marketability of the club membership and the fair value cannot be reliably measured.

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

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Group								
2016								
<u>Financial Assets</u>								
Investments in quoted shares	30,062	-	-	-	-	-	30,062	30,062
Other investments	1,184	-	-	-	-	180	1,364	1,364
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	893	-	893	893
Term loans	-	-	-	-	14,676	-	14,676	14,676
Derivative liability	-	86	-	-	-	-	86	86
2015								
<u>Financial Assets</u>								
Investments in quoted shares	21,173	-	-	-	-	-	21,173	21,173
Other investments	1,369	-	-	-	-	180	1,549	1,549
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	1,344	-	1,344	1,344
Term loans	-	-	-	-	18,427	-	18,427	18,427

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

46. FINANCIAL INSTRUMENTS Cont'd

46.4 FAIR VALUE INFORMATION Cont'd

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
The Company								
2016								
<u>Financial Assets</u>								
Investments in quoted shares	795	-	-	-	-	-	795	795
Other investments	1,184	-	-	-	-	-	1,184	1,184
2015								
<u>Financial Assets</u>								
Investments in quoted shares	1,121	-	-	-	-	-	1,121	1,121
Other investments	1,369	-	-	-	-	-	1,369	1,369

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

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

- (i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current, forward prices for the residual maturity of the contract using a risk-free interest rate.

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

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

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

- (i) The fair value of hire purchases payables are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows range from 3.53% to 5.30% (2015 - 3.53% to 12.02%) per annum.
- (ii) The carrying amounts of the term loans approximated their fair values as these are floating rate instruments that are repriced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2016

Cont'd

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:-

	The Group		The Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the Company and its subsidiaries:				
- realised	142,346	136,518	19,970	21,955
- unrealised	(2,247)	(6,010)	-	-
	140,099	130,508	19,970	21,955
Less: Consolidated adjustments	(27,002)	(28,980)	-	-
At 30 April	113,097	101,528	19,970	21,955

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 30/04/2016 (RM)	Date of Revaluation
1	M-Field Sdn Bhd (Note: 1)	PN 5288 Lot No 55, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 33 years old	156	Owner Occupied 4 Storey Office	624	664,173	Revalued on 02/04/2014
2	M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 33 years old	156	Owner Occupied 4 Storey Office	616	682,067	Revalued on 02/04/2014
3	M-Field Sdn Bhd	Nos 302 & 304, 2 1/2 Mile, Jalan Ipoh, 51200 Kuala Lumpur.	Freehold	Freehold Land & Buildings 35 years old	336	Owner Occupied 2 units of four-storey shop/offices (intermediate unit)	1322.90	6,478,217	9/8/2011
4	M-Field Sdn Bhd	HS (D) 4791 PT NO 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 60 years expiring 4th June 2046	Leasehold Land & Buildings 26 years old	5,811	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	5,605,074	Revalued on 02/04/2014
5	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 18 years old	121	Owner Occupied Single Storey Terrace House	74	113,000	Revalued on 02/04/2014
6	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	2,285,000	Revalued on 02/04/2014
7	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 19 years old	20,234	Owner Occupied 2 Storey Office Block, Factory & Warehouse	5,982	15,041,412	Revalued on 02/04/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2016 (RM)	Date of Revaluation
8	Centralised Waste Treatment Plant Sdn Bhd	HS (M) 976, 980, 987, 988 and PT Nos 743, 747, 754, 755, Mukim of Setul, District of Seremban, Negeri Sembilan Darul Khusus.	Leasehold for 99 years expiring 2nd October 2085	Leasehold Land & Buildings 23 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,162	4,104,101	Revalued on 02/04/2014
9	Resources Conservation Sdn Bhd	HS (D) 80016 PT No 14329, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 17 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Warehouse	1,682	6,358,011	Revalued on 02/04/2014
10	Resources Conservation Sdn Bhd	HS (D) 51801 PT No 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 18 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,450	8,647,059	Revalued on 02/04/2014
11	Resources Conservation Sdn Bhd	GM 146 Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 16 years old	2,317	Owner Occupied Industrial Land	n/a	2,600,000	Revalued on 02/04/2014
12	Striketech Sdn Bhd (Note: 3)	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 15 years old	1,035,000	Owner Occupied Buildings for Research & Development & Operations	1,975	19,929,210	Revalued on 02/04/2014
13	Cleanway Disposal Services Pte Ltd	Lot 7889L Mukim 5 Bearing Postal Address 40 Penjuru Road Singapore	Leasehold for 30 years expiring 31st December 2031	Leasehold Building 13 years old	4,004.90	Owner Occupied A Part Single/ Part 3-Storey Single Factory	3,241.80	15,458,919 (exchange rate 2.9054)	Revalued on 23/01/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2016 (RM)	Date of Revaluation
14	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson Negeri Sembilan	Leasehold for 99 years expiring 1st April 2075	Leasehold Land & Building 28 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	9,737,333	Revalued on 02/04/2014
15	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3 1/2 Mile, Kapar Road, Mukim Kapar, Klang, Selangor	Freehold	Freehold Industrial Land & Buildings 19 years old	19,450	Owner Occupied 3 Storey Office Block, Factory & Warehouse	9,140	18,698,916	Revalued on 02/04/2014
16	Lux Distributor Sdn Bhd	Lot 16435, Block 5, Jalan 4, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor.	Freehold	Freehold Industrial Land & Buildings 19 years old	3,006	Owner Occupied 3 Storey Office & Warehouse	2,706	6,521,053	Revalued on 02/04/2014
17	Lux Distributor Sdn Bhd	Lot 182924, Mukim of Plentong District of Johor Bahru (A 1 1/2-storey Semi-Detached Factory Bearing Address No. 27, Jalan Sri Plentong 3, Taman Perindustrian Sri Plentong 81750 Masai)	Freehold	1 1/2-storey Semi-Detached Factory 25 years old	1,951	Owner Occupied 1 1/2 Storey Office & Warehouse	1,094	2,304,872	Revalued on 02/04/2014
18	Toh Ban Seng Contractor Pte Ltd	287 Kaki Bukit Avenue 1, Shun Li Industrial Park, Singapore 416078	Leasehold for 60 years expiring 30th Oct 2056	A 3-Storey Strata Terrace Factory 25 years old	643	Owner Occupied Dormitory, Office & Warehouse	643	7,189,935 (exchange rate 2.9054)	Revalued on 04/04/2014

Notes:

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

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

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

Note 3 property transferred from Analabs Biotech Sdn. Bhd. to Striketech Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

As at 29 July 2016

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	:	56,164,600 ordinary shares of RM1.00 each (excludes 3,859,400 ordinary shares bought back and retained as treasury shares as at 29 July 2016)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	34	2.33	596	0.00
100 – 1,000	219	15.04	164,190	0.30
1,001 – 10,000	996	68.41	3,595,240	6.40
10,001 – 100,000	180	12.36	4,982,522	8.87
100,001 to less than 5% of issued shares	25	1.72	15,877,500	28.27
5% and above of issued shares	2	0.14	31,544,552	56.16
Total	1,456	100.00	56,164,600	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 29 July 2016)

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	31,544,552	56.16	1,186,500*	2.11

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 29 July 2016)

No.	Name of Directors	Direct		Indirect	
		No. of Shares	% of issued share capital	No. of Shares	% of issued share capital
1.	Kan Yow Kheong	31,544,552	56.16	1,186,500*	2.11
2.	Lim Yoke Soo	212,277	0.38	-	-
3.	Lai Yew Choong	-	-	-	-
4.	Low Chin Ann @ Han Chin Ann	-	-	-	-
5.	Lim Chee Beng	-	-	-	-
6.	Tan Suat Eam	-	-	-	-
7.	Clifton Heath Fernandez	-	-	-	-

* Deemed interested by virtue of the shares held by his spouse and child pursuant to Section 134 (12)(c) 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

As at 29 July 2016

No.	Name of Shareholders	No. of Shares	% of issued share capital [^]
1	KAN YOW KHEONG	21,347,552	38.01
2	KAN YOW KHEONG	10,197,000	18.16
3	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA 1)</i>	2,538,700	4.52
4	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)</i>	2,301,300	4.10
5	CHUA SIM NEO @ DIANA CHUA	2,290,400	4.08
6	PUI CHENG WUI	2,277,600	4.05
7	KAN MUN HOOW	1,177,500	2.10
8	CHAN YEW SIANG	759,000	1.35
9	LIM KHUAN ENG	560,000	1.00
10	PUI BOON KENG	439,700	0.78
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)</i>	339,900	0.60
12	TOHTONKU SDN. BERHAD	319,400	0.57
13	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN</i>	317,300	0.56
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)</i>	295,700	0.53
15	GOH THONG BENG	293,800	0.52
16	LAI CHIN LOY	286,100	0.51
17	PUI BOON HEAN	238,700	0.42
18	SOW TIAP	204,000	0.36
19	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)</i>	200,000	0.36
20	CHONG TONG KU	189,400	0.34
21	PUI CHENG WUI	164,500	0.29
22	LIM TEAN TEONG	133,000	0.24
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GOH EU JIM (PB)	120,000	0.21
24	LEYU CHONG HUA @ LEO CHONG HUA	113,500	0.20
25	LIM BAN JOO	112,000	0.20
26	FOLLOW ME INDUSTRIES SDN. BHD.	104,000	0.19
27	CHUAH SAW LEE	102,000	0.18
28	KENANGA NOMINEES (ASING) SDN BHD <i>RHB SECURITIES SINGAPORE PTE. LTD. FOR ANALYTICAL LABORATORIES (S) PTE LTD (63-13172)</i>	100,000	0.18
29	TAN AH LEK @ TAN BAN CHUAN	100,000	0.18
30	YAP CHOO JOO @ YAP TSE LOO	100,000	0.18
	Total	47,722,052	84.97

[^] Excludes a total of 3,859,400 shares bought back by the Company and retained as treasury shares as at 29 July 2016.

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting (“18th AGM”) of the Company will be held at the Royal Ballroom of the Sultan Abdul Aziz Shah Golf & Country Club, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 5 October 2016 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 2016. (Please refer to Explanatory Note)
2. To approve the payment of Directors’ Fees of RM84,000.00 in respect of the financial year ended 30 April 2016. (Resolution 1)
3. **3.1 To re-elect the following Directors who retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who being eligible offer themselves for re-election:-**
 - (i) Kan Yow Kheong (Resolution 2)
 - (ii) Lim Yoke Soo (Resolution 3)
 - (iii) Lai Yew Choong (Resolution 4)
 - (iv) Low Chin Ann @ Han Chin Ann (Resolution 5)
 - (v) Lim Chee Beng (Resolution 6)
- 3.2 **To re-elect the following Directors who retire by rotation in accordance with Article 85 of the Company’s Articles of Association and who being eligible offer themselves for re-election:-**
 - (i) Clifton Heath Fernandez (Resolution 7)
 - (ii) Tan Suat Eam (Resolution 8)
4. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 9)

5. SPECIAL BUSINESS

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

- 5.1 **ORDINARY RESOLUTION I
AUTHORITY TO ISSUE SHARES** (Resolution 10)

“**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.”

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

Cont'd

5.2 ORDINARY RESOLUTION II PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES

(Resolution 11)

“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 available up to the date of a transaction pursuant to the Proposed Renewal;

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.”

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

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

Cont'd

BY ORDER OF THE BOARD

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

Petaling Jaya
Selangor Darul Ehsan
30 August 2016

Notes:

- (1) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 29 September 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 18th AGM.*
- (2) *A member entitled to attend and to vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- (3) *A member who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (4) *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (5) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.*
- (7) *The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.*

Explanatory Notes:-

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2016**
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 10)**
The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 18th AGM.

The proposed resolution if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 18th AGM, to allot and issue ordinary shares up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being 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.

3. **Proposed Renewal of Authority for the Purchase by the Company of its Own Ordinary Shares (Resolution 11)**
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 30 August 2016.

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

Cont'd

PERSONAL DATA PRIVACY

By lodging of a completed Form of Proxy for appointing a proxy(ies) and/or representative(s) to attend and vote in person at the 18th AGM and any adjournment thereof, a member of the Company is hereby:

- (i) consented to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 18th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warranted that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company(or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes ("**Warranty**"); and
- (iii) agreed that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

The Profile of the Directors who are standing for re-election at the Eighteenth Annual General Meeting of Analabs Resources Berhad (“Analabs”) which will be held at the Royal Ballroom of the Sultan Abdul Aziz Shah Golf & Country Club, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 5 October 2016 at 11.00 a.m. are stated on pages 5 to 7 of the 2016 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries held by the said Directors are stated on page 118 of the 2016 Annual Report.



CDS ACCOUNT NO.	
NO. OF SHARES HELD	

FORM OF PROXY

I/We _____

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

of _____

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

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

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of the Company to be held at the Royal Ballroom of the Sultan Abdul Aziz Shah Golf & Country Club, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 5 October 2016 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:-

RESOLUTIONS		FOR	AGAINST
Resolution 1	Approval of Directors' fees.		
Resolution 2	Re-election of Mr. Kan Yow Kheong as a Director.		
Resolution 3	Re-election of Mr. Lim Yoke Soo as a Director.		
Resolution 4	Re-election of Mr. Lai Yew Choong as a Director.		
Resolution 5	Re-election of Mr. Low Chin Ann @ Han Chin Ann as a Director.		
Resolution 6	Re-election of Mr. Lim Chee Beng as a Director.		
Resolution 7	Re-election of Mr. Clifton Heath Fernandez		
Resolution 8	Re-election of Ms. Tan Suat Eam		
Resolution 9	Re-appointment of Messrs Crowe Horwath as Auditors.		
Resolution 10	Authority to allot and issue shares pursuant to Section 132D of the Companies Act 1965.		
Resolution 11	Proposed Renewal of Share Buy-Back.		

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

Date: _____

Signature of Shareholder(s)

Notes:

- (1) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 29 September, 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 18th AGM.
- (2) A member entitled to attend and to vote at a meeting of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (3) A member who is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, is allowed to appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (4) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (6) The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.
- (7) The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Fold This Flap For Sealing

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AFFIX
STAMP

The Secretary

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

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**ANALABS
RESOURCES
BERHAD**

(468971-A)

ANALABS RESOURCES BERHAD (468971-A)

Unit 621, 6th Floor, Block A
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