

**A N N U A L**

**2013**

**R E P O R T**

**Reducing Waste For A Better Environment**

Corporate Social Responsibility - Recycling Waste Since 1980



**ANALABS  
RESOURCES  
BERHAD**

(468971-A)



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Kan Yow Kheong**

Executive Chairman

**Lim Yoke Soo**

Executive Director

**Ganesan a/l Sundaraj**

Senior Independent Non-Executive Director

**Lai Yew Choong**

Independent Non-Executive Director

**Low Chin Ann @ Han Chin Ann**

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  
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: 03-2166 0000  
Fax: 03-2166 1000

## PRINCIPAL BANKERS

Hong Leong Bank Berhad  
RHB Bank Berhad  
AmBank Berhad  
Maybank Berhad

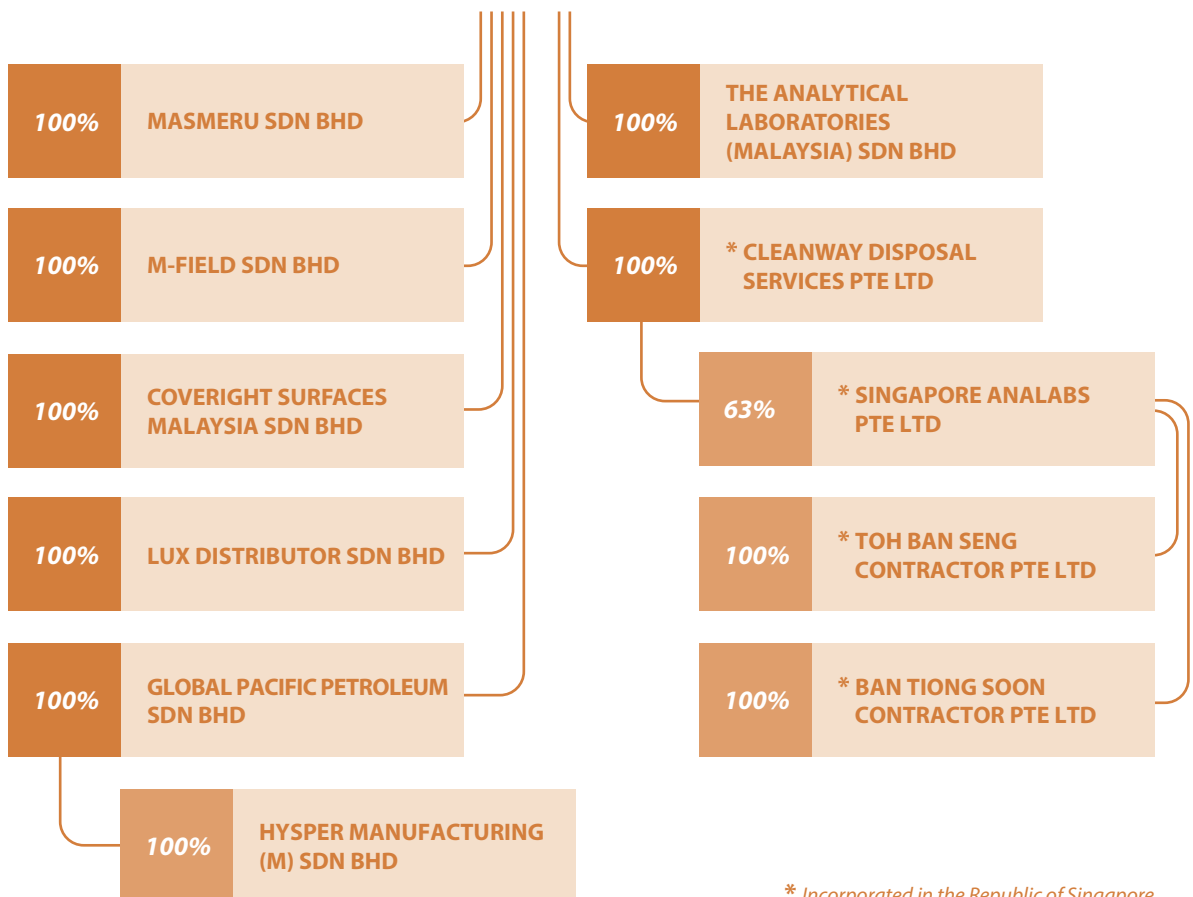
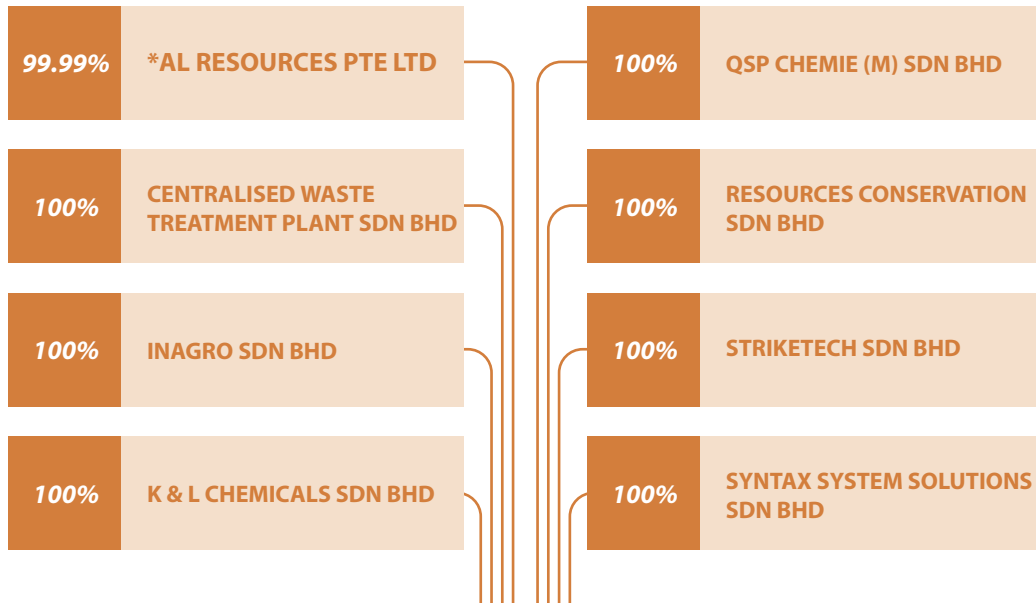
## STOCK EXCHANGE

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

## WEBSITE

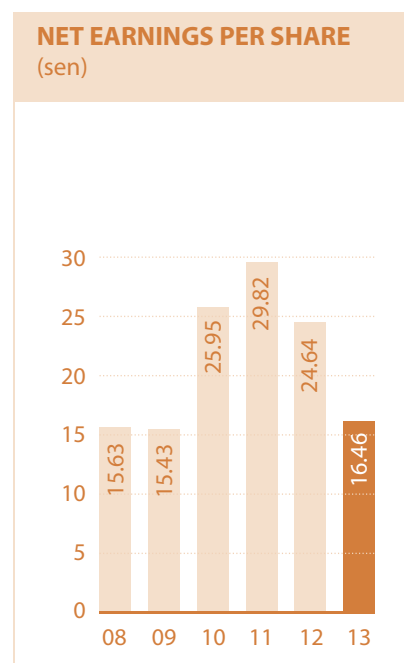
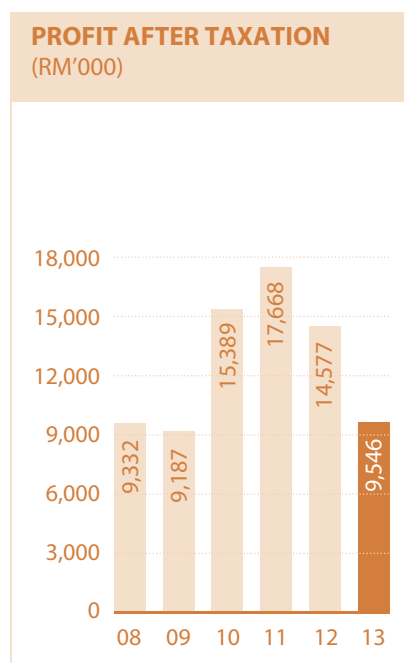
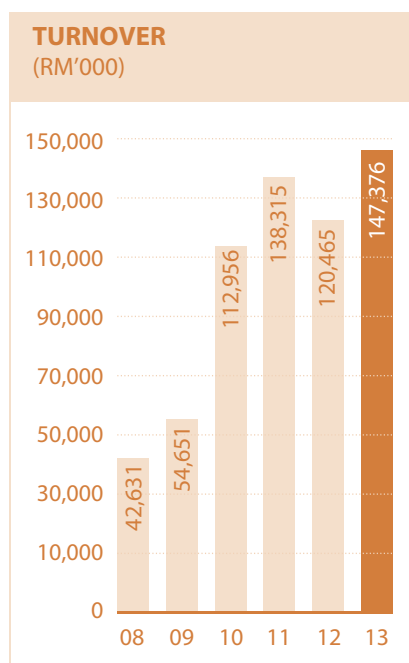
[www.analabs.com.my](http://www.analabs.com.my)

# GROUP STRUCTURE



\* Incorporated in the Republic of Singapore

# FINANCIAL HIGHLIGHTS



YEAR ENDED 30 APRIL	2013	2012	2011	2010	2009	2008
TURNOVER (RM'000)	147,376	120,465	138,315	112,956	54,651	42,631
PROFIT AFTER TAXATION (RM'000)	9,546	14,577	17,668	15,389	9,187	9,332
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	9,546	14,577	17,668	15,389	9,187	9,332
NET EARNING PER SHARE (sen)	16.46	24.64	29.82	25.95	15.43	15.63
NET ASSETS (RM'000)	163,257	158,787	148,858	129,645	115,388	103,081
NET ASSETS PER SHARE (RM)	2.83	2.70	2.51	2.16	1.92	1.72
GROSS DIVIDEND PER SHARE (%)	5.50	5.00	5.00	5.00	4.50	3.30

## PROFILE OF DIRECTORS

### **MR. KAN YOW KHEONG**

*Executive Chairman*

Mr. Kan Yow Kheong, a Malaysian, aged 60, was appointed to the Board of Analabs as the Executive Chairman on 19 November 1999. Mr Kan, who is also the major shareholder, joined The Analytical Laboratories (Malaysia) Sdn Bhd (TAL) as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

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

He is the Chairman of the Remuneration Committee. He has attended all seven (7) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 10 years.

### **MR. LIM YOKE SOO**

*Executive Director*

Mr. Lim Yoke Soo, a Malaysian, aged 62, 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 seven (7) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted for any offences in the past 10 years.

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

*Senior Independent Non-Executive Director*

Mr. Ganesan a/l Sundaraj, a Malaysian, aged 51, was appointed to the Board of Directors of the Company on 18 November 2005 as an Independent Non-Executive Director and was identified as the Senior Independent Non-Executive Director of Analabs on 25 September 2013. He is a certified Chartered Accountant (CA) of the Malaysian Institute of Accountants and an Associate Member of the Chartered Institute of Management Accountants (CIMA). He is also a Chartered Audit Committee Director (CACD) with the Malaysian Institute of Internal Auditors. Mr Ganesan was first employed in Ernst & Young in Malaysia as Corporate & Restructuring Services Consultant. Mr. Ganesan is a member of the board for Pan Asia Pacific Bhd, Promto Berhad, CHG Industries Berhad, Bukit Katil Resources Berhad and Perdana Petroleum Berhad.

He is the Chairman of the Audit Committee and Nomination Committee and also serving as 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 or has not been convicted for any offences in the past 10 years.

## PROFILE OF DIRECTORS (CONT'D)

### **MR. LAI YEW CHOONG**

*Independent Non-Executive Director*

Mr. Lai Yew Choong, a Malaysian, aged 65, 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 carried the position of 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 before he set up a partnership in fruits farming from year 2001 to 2011.

Mr Lai is a member of the Audit Committee, Nomination Committee and Remuneration Committee. As Mr Lai only joined the Board in December 2012, he has only attended three (3) Board Meetings 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 or has not been convicted for any offences in the past 10 years.

### **MR. LOW CHIN ANN @ HAN CHIN ANN**

*Independent Non-Executive Director*

Mr. Low Chin Ann @ Han Chin Ann, a Malaysian, aged 33, was appointed to the Board of Directors of the Company on 1 December 2012 as an Independent Non-Executive Director. 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 in Johor Bahru and Vietnam. He is also a member of the examination team in an internationally recognised professional accountancy body since 2009.

Mr. Low is a member of the Audit Committee, Nomination Committee and Remuneration Committee. As Mr. Low only joined the Board in December 2012, he has only attended three (3) Board Meetings 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 or has not been convicted for any offences in the past 10 years.



# CHAIRMAN'S STATEMENT

" DEAR SHAREHOLDERS, on behalf of the Board of Directors of Analabs Resources Berhad, I hereby present the Annual Report and the Financial Statements for the financial year ended 30 April 2013 ("FYE2013")."

## Operating Environment

The industry has experienced progressively more challenging market conditions with volumes and prices coming under intense pressure. Taking into account these adverse market conditions, Analabs continues to deliver a favourable growth in revenue and the core businesses performed satisfactorily.

The Group also made a significant investment to accelerate our growth in the waste recycling business. In May 2013, we subscribed a 63% interest in Singapore Analabs Pte. Ltd. via our wholly owned subsidiary in Singapore, Cleanway Disposal Services Pte. Ltd. ("Cleanway") which subsequently acquired Toh Ban Seng Contractor Pte. Ltd. ("TBS") and Ban Tiong Soon Contractor Pte. Ltd. ("BTS") for a total consideration of S\$12.5 million, equivalent to approximately RM30.084 million. TBS and BTS are principally involved in pipe laying and rehabilitation works which are synergistic and complementary to the operations of Cleanway.

The new investment into the pipe laying and rehabilitation sector is key for driving longer-term growth.

## Group's Results

The Analabs Group recorded a revenue of RM147 million for FYE2013, an increase of RM27 million or 22.5% as compared to RM120 million recorded for financial year ended 30 April 2012 (FYE2012). Profit after taxation for FYE2013 declined by RM5 million to RM9.5 million, as compared to RM14.5 million in FYE2012 due to weaker prices resulting from harsh competition and emergence of new players. Correspondingly, earnings per share dropped to 16.46 sen compared to 24.64 sen recorded in FYE2012.

The financial position of the Group remains very strong due to conservative and prudent administration. Cash at Bank grew to RM29 million from RM20 million the previous year whilst shareholders funds built up to RM163 million from RM159 million the previous year.

## Dividend and Share Buy Backs

Analabs's 48-year track record 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 return value to shareholders, the Group has paid out an interim dividend of 5.5 sen per share on 20 March 2013.

We continued with share buybacks, buying 1,158,100 shares at an average price of RM1.54 per share during the financial year and held as treasury shares, as part of our efforts to improve shareholders value.

# CHAIRMAN'S STATEMENT (CONT'D)

## Directorate

During the year, there were several changes in the Board as follows:-

- Encik Ali Riza Bin A. Samad and Mr. Ho Lai Leng retired as the Independent Non-Executive Directors at the Annual General Meeting of the Company held on 24 October 2012. On behalf of the Board, I wish to record our sincere thanks and appreciation to them for their invaluable contributions to the Group.
- We are pleased to welcome Mr. Lai Yew Choong and Mr. Low Chin Ann who joined the Board on 1 December 2012 as Independent Non-Executive Directors. Their broad experience in corporate, financial and taxation will be of considerable benefit to the Board. Their profiles are stated in page 6 of the Annual Report.

## Business Outlook and Strategy

While sovereign debt and fiscal problems in Europe and the United States of America and also slowing growth in China and India continue to present a downside risk to the global economies, the domestic economy is envisaged to expand between 4% and 5%, sustained by government policy measures, private consumption and private investments supported by domestic-oriented industries and on-going implementation of projects under the Economic Transformation Programme.

Given the cautious economic outlook, the Group will continue to explore new business opportunities prudently, locally and overseas and continue to selectively invest and position the business for future growth.

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

Barring any unforeseen circumstances, the Board of Directors is positive towards the future growth prospects of the Group for the coming financial year and performance moving forward should remain healthy.

## Corporate Governance

To ensure transparency, accountability and protection of shareholders' interests, the Board places great emphasis on ensuring and maintaining the highest standards of corporate governance throughout the Group. Our statement on corporate governance and related reports are on pages 10 to 32.

## Corporate Social Responsibility

Recycle, Reuse and Reduce has been our motto since 1980. Among others, Analabs has adopted responsible environmental practices by recycling millions of liters and kilograms of toxic wastes, instead of discharging them to the air and waterways.

Analabs is committed to care for the environment through the most effective management and recycling of waste.



# 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 : THE BOARD OF DIRECTORS

### BOARD COMPOSITION AND BALANCE

The Board of Directors consists of 5 members comprising:

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

The Company complies with the criteria of Bursa Malaysia’s Listing Requirements of having at least one third or two of the board members as Independent Non-Executive Directors and the Recommendation 3.5 of the Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The profile of each of the Directors is presented on page 5 to page 6 of this Annual Report.

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 judgement. 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 all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The Board appointed Mr. Ganesan a/l Sundaraj as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

### **DUTIES 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.
- 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.

### **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. More information on the Board Charter can be found on the Company's website at [www.analabs.com.my](http://www.analabs.com.my).

### **BOARD MEETINGS**

The Board met 7 times during the financial year ended 30 April 2013.

The number of Board meetings held during the financial year 2013 and the attendance of the Board at the Board Meetings are detailed below:-

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
<b>Kan Yow Kheong</b> Executive Chairman	7/7	100
<b>Lim Yoke Soo</b> Executive Director	7/7	100
<b>Ganesan a/l Sundaraj</b> Senior Independent Non-Executive Director	6/7	86
<b>Lai Yew Choong</b> Independent Non-Executive Director (Appointed w.e.f. 1.12.2012)	3/3	100
<b>Low Chin Ann @ Han Chin Ann</b> Independent Non-Executive Director (Appointed w.e.f. 1.12.2012)	3/3	100
<b>Ho Lai Leng @ Ho Nai Leng</b> Independent Non-Executive Director (Retired at the 14th Annual General Meeting held on 24.10.2012)	1/3	33
<b>Ali Riza Bin A. Samad</b> Independent Non-Executive Director (Retired at the 14th Annual General Meeting held on 24.10.2012)	3/3	100

### SUPPLY OF INFORMATION

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

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

All Directors have access to the advice of the Company Secretary, Independent Professional Advisors and Internal/External Auditors in appropriate circumstances at the Company's expense.

### APPOINTMENT OF DIRECTORS

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

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### 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.

### DIRECTORS' REMUNERATION

The Remuneration Committee will review and propose the remuneration of the Executive Director to the Board. To assist the Committee in its function, the Committee may obtain the services of external parties in order to provide a fair determination of the salary. The remuneration that is proposed is based on industry standards and job responsibilities. The Board as a whole determines the remuneration of the Non-Executive Directors. The quantum proposed is tabled to the shareholders at the Annual General Meeting for their approval.

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

	Salaries & Bonuses RM	Fees RM	Other emoluments RM	Benefits-in-kind RM
<b>Executive Directors</b>				
- Company	97,035.00	24,000.00	-	-
- Subsidiaries	647,833.16	557,500.00	-	-
<b>Subtotal</b>	<b>744,868.16</b>	<b>581,500.00</b>	<b>-</b>	<b>-</b>
<b>Non-Executive Directors</b>				
- Company	-	82,000.00	-	-
- Subsidiaries	-	-	-	-
<b>Total</b>	<b>744,868.16</b>	<b>663,500.00</b>	<b>-</b>	<b>-</b>

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Group	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	2	-	1	3
RM50,001 - RM 100,000	2	-	-	-
RM100,001 - RM 250,000	2	-	3	-
RM250,001-RM500,000	1	-	-	-

### DIRECTORS' TRAINING AND EDUCATION

#### Directors' Training

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

During the financial year, the Directors have attended an in-house training in relation to the Malaysian Code on Corporate Governance 2012.

The Directors will continue to participate other relevant training programmes to further enhance their knowledge in the latest statutory and regulatory developments as well as to keep abreast with developments in the business environment to enable them to discharge their responsibilities more effectively.

### SECTION 2 : COMMITTEES OF THE BOARD

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

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



## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### AUDIT COMMITTEE

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

### NOMINATION COMMITTEE

The Nomination Committee was established on 25 June 2001. Presently, the committee comprised of three (3) Independent Non-Executive Directors. The Committee shall be responsible for nominating the appropriate Board balance and size as well as ensuring that the Board possesses the required mix of responsibilities, skills and experience. The Nomination Committee shall conduct a review of the mix of skills, experience and other core competencies for the Board on annual basis.

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

- Mr. Ganesan a/I Sundaraj  
Chairman - Senior Independent Non-Executive Director
- Mr. Lai Yew Choong  
Member - Independent Non-Executive Director
- Mr. Low Chin Ann @ Han Chin Ann  
Member - Independent Non-Executive Director

### REMUNERATION COMMITTEE

The Board has set up a Remuneration Committee in June 2001 to assist the Board in determining the remuneration of the Directors and key senior management. The Committee meets at least once a year. The members of the Remuneration Committee who served during the financial year are:

- Mr. Kan Yow Kheong  
Chairman - Executive Chairman
- Mr. Ganesan a/I Sundaraj  
Member - Senior Independent Non-Executive Director
- Mr. Lai Yew Choong  
Member - Independent Non-Executive Director
- Mr. Low Chin Ann @ Han Chin Ann  
Member - Independent Non-Executive Director

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

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

### **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.

### **Gender Diversity**

The Board does not have any gender diversity policies and targets or any set measures to meet any target. The Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

### **Code Of Ethics and Conduct**

The Board is committed to the highest ethical standards and observe the Company Directors' Code of Ethics ("Code of Ethics") established by the Companies Commission Malaysia ("CCM") towards this aim. The Code of Ethics can be viewed from CCM's website at [www.ssm.com.my](http://www.ssm.com.my).

### **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.

## **SECTION 3 : SHAREHOLDERS**

### **DIALOGUE WITH INVESTORS**

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

- I. Annual Report
- II. The various disclosures and announcements made to Bursa 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](http://www.bursamalaysia.com.my) and the Company's website at [www.analabs.com.my](http://www.analabs.com.my).

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### THE ANNUAL GENERAL MEETING ("AGM")

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

### SECTION 4 : ACCOUNTABILITY AND AUDIT

#### FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provision of the Companies Act, 1965, and Applicable Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates. The quarterly results were reviewed by the Audit Committee and approved by the Board of Directors before being released to Bursa Malaysia. By presenting the quarterly results and financial statements, the Company is mindful of the necessity to present a balanced assessment of the Group's financial position. The details of the Company and the Group's financial statements for the financial year ended 30 April 2013 can be found on pages 33 to 129 of the Annual Report.

#### 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 21 to 23.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### RELATIONSHIP WITH THE AUDITORS

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

The Audit Committee did meet up twice with the External Auditors without the presence of the Executive Directors and Management.

### SECTION 5 : DIRECTORS' RESPONSIBILITY STATEMENT

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

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

The Group undertook various steps to play its part in contributing to the welfare of the society and communities in the environment it operates. Analabs recognises that for long term sustainability, it would need to look beyond financial parameters. In line with Analabs's motto, "Recycle, Reuse and Reduce", Analabs has adopted responsible environmental practices by recycling millions of liters and kilograms of toxic wastes, instead of discharging them to the air and waterways. The Group also supports important causes such as donation to the needy and community services.

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

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

### SECTION 7 : COMPLIANCE WITH THE CODE

The Company has substantially complied with the best practices of the Code during the financial year ended 30 April 2013.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 25 September 2013.

## ADDITIONAL COMPLIANCE INFORMATION

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

### Non-Audit Fee

There was no non-audit fees paid by the Group to the external auditors for the financial year ended 30 April 2013.

### Utilization of Proceeds

There were no proceeds raised from any corporate proposal or any utilization of such for the financial year ended 30 April 2013.

### Share Buybacks

The Company has purchased a total of 1,158,100 ordinary shares during the financial year, all of which are retained as treasury shares. None of the shares purchased have been sold or cancelled. Details of the shares purchased, are set out below:-

Month	No. of Ordinary Shares	*Consideration (RM)	Min. price paid per share (RM)	Max price paid per share (RM)	Average price paid per share
October 2012	200,000	316,823.09	1.55	1.59	1.58
January 2013	328,000	492,053.40	1.48	1.52	1.50
February 2013	618,100	954,030.05	1.49	1.55	1.54
April 2013	12,000	18,030.77	1.49	1.50	1.50

*\*Inclusive of transaction costs*

As at 30 April 2013, a total of 2,426,100 ordinary shares were held as treasury shares.

### Options, Warrants and Convertible Securities

There were no options, warrants or convertible securities issued for the financial year ended 30 April 2013.

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

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

### Imposition of Sanctions and/or Penalties

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

## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### **Variation in Results**

The Group's audited results for the financial year ended 30 April 2013 has not varied by 10% or more from the unaudited results for the quarter ended 30 April 2013 previously announced.

### **Profit Guarantee**

The Company did not give any Profit Guarantee during the financial year ended 30 April 2013.

### **Material Contracts**

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest either subsisting at the end of the financial year ended 30 April 2013 or entered into since the end of the previous financial year.

### **Recurrent Related Party Transactions**

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

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance 2012 (“Code”) requires the Board of 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.

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.

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

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.

### **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 Group has undertaken a review of its risk profile and the updated risk profile was presented to the Audit Committee meeting on 24 August 2011. Resulting from this review, an internal audit plan for the period ended 30 April 2012 and 30 April 2013 has been presented to the Audit Committee for endorsement.

This 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**

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

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

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

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

### CONCLUSION

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 25 September 2013.

# AUDIT COMMITTEE

## COMPOSITION OF THE AUDIT COMMITTEE

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

1. Mr. Ganesan a/l Sundaraj (Senior Independent Non-Executive Director; Chairman)
2. Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
3. Mr. Low Chin Ann @ Han Chin Ann (Independent Non-Executive Director; Member)

## THE ROLE OF THE AUDIT COMMITTEE

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

## TERMS OF REFERENCE OF AUDIT COMMITTEE

### TERMS OF MEMBERSHIP

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

The Committee shall include at least one member:

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

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

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

## AUDIT COMMITTEE (CONT'D)

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

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

### MEETINGS AND QUORUM OF THE AUDIT COMMITTEE

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

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

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

### DUTIES

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

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

## AUDIT COMMITTEE (CONT'D)

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

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

### AUTHORITY

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

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

## AUDIT COMMITTEE (CONT'D)

### PROCEDURE OF AUDIT COMMITTEE

The Audit Committee regulates its own procedures which include:

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

### REVIEW OF THE AUDIT COMMITTEE

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

### ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 30 April 2013 are as follows:

<b>Directors</b>	<b>Meetings Attended by the Directors/ Total Number of Meetings held During the Financial Year Ended 30 April 2013</b>	<b>% of Attendance</b>
Mr. Ganesan a/l Sundaraj	5/6	83
Mr. Lai Yew Choong <i>(Appointed w.e.f. 1.12.2012)</i>	3/3	100
Mr. Low Chin Ann @ Han Chin Ann <i>(Appointed w.e.f. 1.12.2012)</i>	3/3	100
*Encik Ali Riza Bin A. Samad	3/3	100
*Mr. Ho Lai Leng @ Ho Nai Leng	1/3	33

*\*Encik Ali Riza bin A. Samad and Mr Ho Lai Leng @ Ho Nai Leng had ceased be members of the Audit Committee following their retirement as Directors of Analabs at the 14th Annual General Meeting held on 24.10.2012.*

## AUDIT COMMITTEE (CONT'D)

### ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 30 April 2013 include the following:

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

### INTERNAL AUDIT FUNCTION

Pursuant to Paragraph 9.25(1), Part A of Appendix 9C(30) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board is pleased to set out below its internal audit function.

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

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

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

During the financial period, a summary of activities carried out by the outsourced Internal Auditors include:

- Performed internal audit review on Coveright Surfaces Malaysia Sdn. Bhd., Lux Distributor Sdn. Bhd. and Cleanway Disposal Services Pte. Ltd.
- Issued reports on the results of the internal audit review, identifying weaknesses with suggested recommendations for improvements to management for further action to improve the system of internal control.
- Attended Audit Committee's meetings to table and discuss the audit reports.
- Followed-up on the implementation of corrective action plans agreed by Management.

During the year, the Audit Committee has met 3 times to carry out its responsibility in reviewing the internal audit function and to assure itself on the soundness of internal control system. The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM42,000.00.

# NOMINATION COMMITTEE

## TERMS OF REFERENCE OF NOMINATION COMMITTEE

### CONSTITUTION AND PURPOSE

The Nomination Committee was established on 25 June 2001. The Nomination Committee's primary function among others is to consider suitable new nominees for appointment as Directors of the Company. The Committee must moreover assess Directors on an on-going basis. The actual decision stipulating who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

### COMPOSITION

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

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

- (i) Mr. Ganesan a/l Sundaraj (Senior Independent Non-Executive Director; Chairman)
- (ii) Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
- (iii) Mr. Low Chin Ann @ Han Chin Ann (Independent Non-Executive Director; Member)

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

### RIGHTS

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

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

## NOMINATION COMMITTEE (CONT'D)

### TERMS OF REFERENCE OF NOMINATION COMMITTEE

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

#### FUNCTIONS

The functions of the Nomination Committee shall include:

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

#### MEETINGS

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

During the financial year under review, the Nomination Committee has carried out an assessment of the Directors, reviewed the retirement of directors by rotation eligible for re-election at the forthcoming Annual General Meeting and reviewed the independence of the Independent Directors to ensure that the Board would be able to discharge its duties and responsibilities effectively. None of the current Independent Directors had served as a director for more than nine (9) years. Should the tenure of the Independent Director exceed nine (9) years, shareholders approval will be sought at a General Meeting or the director concerned will be re-designated as a Non-Independent Director.

There was one (1) meeting held during the financial year 2013.



# REMUNERATION COMMITTEE

## TERMS OF REFERENCE OF REMUNERATION COMMITTEE

### CONSTITUTION AND PURPOSE

The Remuneration Committee was established on 25 June 2001.

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

### COMPOSITION

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

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

- (i) Mr. Kan Yow Kheong (Executive Chairman)
- (ii) Mr. Ganesan a/l Sundaraj (Senior Independent Non-Executive Director; Member)
- (iii) Mr. Lai Yew Choong (Independent Non-Executive Director; Member)
- (iv) Mr. Low Chin Ann @ Han Chin Ann (Independent Non-Executive Director; Member)

## REMUNERATION COMMITTEE (CONT'D)

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.

### 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.

### 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.

### MEETINGS

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

There was one (1) meeting held during the financial year 2013.

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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 2013.

## PRINCIPAL ACTIVITIES

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

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	<u>9,546</u>	<u>276</u>

## DIVIDENDS

Since the end of the previous financial year, the Company paid an interim dividend of 5.5 sen per ordinary share, less income tax of 25%, amounting to RM2,376,406 in respect of the financial year ended 30 April 2013.

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

## RESERVES AND PROVISIONS

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

## DIRECTORS' REPORT (CONT'D)

### ISSUES OF SHARES AND DEBENTURES

During the financial year,

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

### TREASURY SHARES

The details of the treasury shares are set out in Note 20 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.

## DIRECTORS' REPORT (CONT'D)

### 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.

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### CHANGE OF CIRCUMSTANCES

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

## DIRECTORS' REPORT (CONT'D)

### ITEMS OF AN UNUSUAL NATURE

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

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

### DIRECTORS

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

Kan Yow Kheong  
Ganesan A/L Sundaraj  
Lim Yoke Soo  
Lai Yew Choong (Appointed on 1.12.2012)  
Low Chin Ann@ Han Chin Ann (Appointed on 1.12.2012)  
Ali Riza Bin A. Jamed (Resigned on 24.10.2012)  
Ho Lai Leng@ Ho Nai Leng (Resigned on 24.10.2012)

### DIRECTORS' INTERESTS

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

	At	Number Of Ordinary Shares Of RM1 Each		At
	1.5.2012/ Date of Appointment	Bought	Sold	30.4.2013
<b>Direct Interests</b>				
Kan Yow Kheong	30,284,052	500,000	-	30,784,052
Lim Yoke Soo	212,277	-	-	212,277
Low Chin Ann@Han Chin Ann	4,500	-	-	4,500
<b>Indirect Interest</b>				
Kan Yow Kheong*	1,186,500	-	-	1,186,500

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

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

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

## DIRECTORS' REPORT (CONT'D)

### **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.

### **SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

The significant event occurring after the reporting period is disclosed in Note 42 to the financial statements.



## DIRECTORS' REPORT (CONT'D)

### AUDITORS

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

Signed in accordance with a resolution of the directors dated 21 August 2013

**Kan Yow Kheong**

**Lim Yoke Soo**

## STATEMENT BY DIRECTORS

We, Kan Yow Kheong and Lim Yoke Soo, being two of the directors of Analabs Resources Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 128 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 state of affairs of the Group and of the Company at 30 April 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 43, 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 21 August 2013

**Kan Yow Kheong**

**Lim Yoke Soo**

## STATUTORY DECLARATION

I, Zuraimi Binti Mohamed, I/C No. 810104-08-6254, being the officer primarily responsible for the financial management of Analabs Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 128 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
Zuraimi Binti Mohamed, I/C No. 810104-08-6254  
at Kuala Lumpur in the Federal Territory  
on this 21 August 2013

**Zuraimi Binti Mohamed**

Before me  
Yap Lee Chin  
No. W 591  
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 2013 of the Group and of the Company, and the statements of 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 44 to 128.

## **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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANALABS RESOURCES BERHAD (CONT'D)

(Incorporated in Malaysia)

Company No: 468971 - A

## *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 2013 and of its 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.

The supplementary information set out in Note 43 on page 129 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANALABS RESOURCES BERHAD (CONT'D)

(Incorporated in Malaysia)

Company No: 468971 - A

## Other Matters

1. As stated in Note 3.1 to the financial statements, Analabs Resources Berhad adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. 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

21 August 2013

Kuala Lumpur

**Ooi Song Wan**  
Approval No: 2901/10/14 (J)  
Chartered Accountant

## STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2013

	Note	The Group			The Company		
		30.4.2013	30.4.2012	1.5.2011	30.4.2013	30.4.2012	1.5.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Investment in subsidiaries	5	-	-	-	<b>79,787</b>	69,535	86,990
Investment in an associate	6	-	-	-	-	-	-
Property, plant and equipment	7	<b>95,228</b>	91,273	81,663	-	-	-
Goodwill	8	<b>8,397</b>	7,089	7,089	-	-	-
Investment in quoted shares	9	<b>6,463</b>	14,314	19,118	<b>1,415</b>	3,507	5,804
Other investments	10	<b>1,051</b>	1,051	1,051	<b>870</b>	870	870
Amount owing by subsidiaries	11	-	-	-	<b>12,220</b>	16,500	16,500
		<b>111,139</b>	113,727	108,921	<b>94,292</b>	90,412	110,164
<b>CURRENT ASSETS</b>							
Inventories	12	<b>24,894</b>	22,356	18,174	-	-	-
Trade receivables	13	<b>35,258</b>	24,062	29,397	-	-	-
Other receivables, deposits and prepayments	14	<b>2,740</b>	2,333	2,965	<b>4</b>	1,082	8
Amount owing by subsidiaries	11	-	-	-	<b>12,930</b>	15,912	3,389
Tax recoverable		<b>1,162</b>	563	518	<b>35</b>	76	135
Fixed deposits with licensed banks	15	<b>4,221</b>	298	2,121	<b>74</b>	72	70
Cash and bank balances		<b>24,854</b>	20,168	12,292	<b>108</b>	1,428	110
		<b>93,129</b>	69,780	65,467	<b>13,151</b>	18,570	3,712
Non-current assets classified as held for sales		-	-	6,275	-	-	-
<b>TOTAL ASSETS</b>		<b>204,268</b>	183,507	180,663	<b>107,443</b>	108,982	113,876

# STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2013 (CONT'D)

	Note	The Group			The Company		
		30.4.2013 RM'000	30.4.2012 RM'000	1.5.2011 RM'000	30.4.2013 RM'000	30.4.2012 RM'000	1.5.2011 RM'000
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	16	60,024	60,024	60,024	60,024	60,024	60,024
Share premium	17	6,248	6,248	6,248	6,248	6,248	6,248
Revaluation reserve	18	10,015	10,015	11,272	-	-	-
Foreign exchange translation reserve	19	710	269	269	-	-	-
Treasury shares	20	(3,205)	(1,431)	(660)	(3,205)	(1,431)	(660)
Fair value reserve	21	466	1,833	3,506	35	342	1,200
Retained profits	22	88,999	81,829	68,199	25,935	28,035	38,011
<b>TOTAL EQUITY</b>		<b>163,257</b>	158,787	148,858	<b>89,037</b>	93,218	104,823
<b>NON-CURRENT LIABILITIES</b>							
Deferred tax liabilities	23	10,299	9,590	10,562	-	-	-
Hire purchase payable	24	107	-	6	-	-	-
		<b>10,406</b>	9,590	10,568	-	-	-
<b>CURRENT LIABILITIES</b>							
Trade payables	25	13,383	5,470	14,367	-	-	-
Other payables and accruals		6,052	6,491	6,483	194	202	204
Amount owing to subsidiaries	11	-	-	-	18,212	15,562	8,849
Amount owing to a director	26	150	-	382	-	-	-
Hire purchase payable	24	146	6	5	-	-	-
Bankers' acceptances	27	10,874	3,163	-	-	-	-
		<b>30,605</b>	15,130	21,237	<b>18,406</b>	15,764	9,053
<b>TOTAL LIABILITIES</b>		<b>41,011</b>	24,720	31,805	<b>18,406</b>	15,764	9,053
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>204,268</b>	183,507	180,663	<b>107,443</b>	108,982	113,876
<b>NET ASSETS PER SHARE (RM)</b>	28	<b>2.83</b>	2.70				

# STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
REVENUE	29	147,376	120,465	675	2,235
COST OF SALES		(119,508)	(88,929)	-	-
GROSS PROFIT		27,868	31,536	675	2,235
OTHER INCOME		4,062	3,176	476	1,142
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(17,764)	(16,660)	(736)	(10,916)
FINANCE COSTS		(540)	(206)	-	-
PROFIT/(LOSS) BEFORE TAXATION	30	13,626	17,846	415	(7,539)
INCOME TAX EXPENSE	31	(4,080)	(3,269)	(139)	(233)
PROFIT/(LOSS) AFTER TAXATION		9,546	14,577	276	(7,772)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Available-for-sale financial assets:					
- fair value changes during the financial year		(695)	(1,357)	(167)	(858)
- reclassification adjustment to profit and loss on disposal		(1,284)	(777)	(437)	-
- impairment loss		612	461	297	-
Foreign currency translation		441	-	-	-
		(926)	(1,673)	(307)	(858)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		8,620	12,904	(31)	(8,630)



## STATEMENTS OF COMPREHENSIVE INCOMES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>9,546</b>	14,577	<b>276</b>	(7,772)
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>8,620</b>	12,904	<b>(31)</b>	(8,630)
<b>EARNINGS PER SHARE (SEN)</b>					
Basic	32	<b>16.46</b>	24.64		
Diluted	32	<b>Not applicable</b>	Not applicable		

# STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

	Attributable To Owners Of The Company			Distributable			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Exchange Translation Reserve RM'000	
The Group							
Balance at 1.5.2011	60,024	6,248	(660)	11,272	3,506	269	148,858
Profit after taxation for the financial year	-	-	-	-	-	-	14,577
Other comprehensive income for the financial year, net of tax:							
- Revaluation reserve	-	-	-	(1,257)	-	-	1,257
- Available-for-sale financial assets:							
- fair value changes during the financial year	-	-	-	-	(1,357)	-	(1,357)
- reclassification adjustment to profit and loss on disposal	-	-	-	-	(777)	-	(777)
- impairment loss	-	-	-	-	461	-	461
Total comprehensive income for the financial year	-	-	-	(1,257)	(1,673)	-	15,834
Contributions by and distributions to owners of the Company:							
- treasury shares acquired	-	-	(771)	-	-	-	(771)
- dividend	-	-	-	-	-	-	(2,204)
Balance at 30.4.2012	60,024	6,248	(1,431)	10,015	1,833	269	158,787

## Note

The Group  
Balance at 1.5.2011

Profit after taxation for the financial year

Other comprehensive income for the financial year, net of tax:

- Revaluation reserve
- Available-for-sale financial assets:
  - fair value changes during the financial year
  - reclassification adjustment to profit and loss on disposal
  - impairment loss

Total comprehensive income for the financial year

Contributions by and distributions to owners of the Company:

- treasury shares acquired 20
- dividend 33

Balance at 30.4.2012

# STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

	Attributable To Owners Of The Company			Distributable			Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Exchange Translation Reserve RM'000		Retained Profits RM'000
The Group (Cont'd)	60,024	6,248	(1,431)	10,015	1,833	269	81,829	158,787
Balance at 1.5.2012	-	-	-	-	-	-	9,546	9,546
Profit after taxation for the financial year	-	-	-	-	-	-	-	441
Other comprehensive income for the financial year, net of tax:	-	-	-	-	(695)	-	-	(695)
- foreign currency translation	-	-	-	-	(1,284)	-	-	(1,284)
- Available-for-sale financial assets:	-	-	-	-	612	-	-	612
- changes during the financial year	-	-	-	-	-	-	-	-
- reclassification adjustment to profit and loss on disposal	-	-	-	-	-	-	-	-
- impairment loss	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	(1,367)	441	9,546	8,620
Contributions by and distributions to owners of the Company:	-	-	(1,774)	-	-	-	-	(1,774)
- treasury shares acquired	-	-	-	-	-	-	(2,376)	(2,376)
- dividend	-	-	-	-	-	-	-	-
Balance at 30.4.2013	60,024	6,248	(3,205)	10,015	466	710	88,999	163,257

## Note

The Group (Cont'd)

Balance at 1.5.2012

Profit after taxation for the financial year

Other comprehensive income for the financial year, net of tax:

- foreign currency translation
- Available-for-sale financial assets:
- changes during the financial year
- reclassification adjustment to profit and loss on disposal
- impairment loss

Total comprehensive income for the financial year

Contributions by and distributions to owners of the Company:

- treasury shares acquired
- dividend

20

33

Balance at 30.4.2013

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

		← Attributable To Owners Of The Company →					
		← Non-Distributable →			Distributable		
The Company	Note	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.5.2011		60,024	6,248	(660)	1,200	38,011	104,823
Loss after taxation for the financial year		-	-	-	-	(7,772)	(7,772)
Other comprehensive income for the financial year, net of tax:							
- fair value changes on available-for-sale financial assets		-	-	-	(858)	-	(858)
Total comprehensive expenses for the financial year		-	-	-	(858)	(7,772)	(8,630)
Contributions by and distributions to owners of the Company:							
- treasury shares acquired	20	-	-	(771)	-	-	(771)
- dividend	33	-	-	-	-	(2,204)	(2,204)
Balance at 30.4.2012		60,024	6,248	(1,431)	342	28,035	93,218

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

		← Attributable To Owners Of The Company →					
		← Non-Distributable →			Distributable		
The Company (Cont'd)	Note	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.5.2012		60,024	6,248	(1,431)	342	28,035	93,218
Profit after taxation for the financial year		-	-	-	-	276	276
Other comprehensive income for the financial year, net of tax:							
- Available-for-sale financial assets:							
- fair value changes during the financial year		-	-	-	(167)	-	(167)
- reclassification adjustment to profit and loss on disposal		-	-	-	(437)	-	(437)
- impairment loss		-	-	-	297	-	297
Total comprehensive expenses for the financial year		-	-	-	(307)	276	(31)
Contributions by and distributions to owners of the Company:							
- treasury shares acquired	20	-	-	(1,774)	-	-	(1,774)
- dividend	33	-	-	-	-	(2,376)	(2,376)
Balance at 30.4.2013		60,024	6,248	(3,205)	35	25,935	89,037

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	<b>13,626</b>	17,846	<b>415</b>	(7,539)
Adjustments for:-				
Allowance for impairment loss on receivables	<b>1,525</b>	433	-	-
Inventories written down	<b>296</b>	1,681	-	-
Inventories written off	<b>154</b>	9	-	-
Bad debts written off	<b>14</b>	84	-	-
Depreciation of property, plant and equipment	<b>5,865</b>	4,258	-	-
Impairment loss on investment in subsidiaries	-	-	-	10,464
Impairment loss on available-for-sales investment	<b>612</b>	461	<b>297</b>	-
Interest expense	<b>540</b>	62	-	-
Loss on foreign exchange - unrealised	<b>244</b>	419	-	-
Dividend income	<b>(477)</b>	(625)	<b>(65)</b>	(1,551)
Gain on disposal of quoted shares	<b>(1,829)</b>	(953)	<b>(330)</b>	(469)
Gain on disposal of property, plant and equipment	<b>(101)</b>	(1,086)	-	-
Interest income	<b>(345)</b>	(343)	<b>(146)</b>	(187)
Writeback of allowance for impairment loss on receivables	<b>(333)</b>	(3)	-	-
Operating profit before working capital changes	<b>19,791</b>	22,243	<b>171</b>	718
Decrease/(Increase) in inventories	<b>1,818</b>	(5,872)	-	-
Decrease/(Increase) in trade and other receivables	<b>10,618</b>	5,453	<b>1,078</b>	(1,074)
Decrease in trade payables	<b>(9,827)</b>	(8,889)	<b>(8)</b>	(2)
CASH FLOWS FROM/(FOR) OPERATIONS/CARRIED FORWARD	<b>22,400</b>	12,935	<b>1,241</b>	(358)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
BALANCE BROUGHT FORWARD		22,400	12,935	1,241	(358)
Income tax paid		(4,354)	(4,286)	(98)	(174)
Interest paid		(540)	(62)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		17,506	8,587	1,143	(532)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Dividends received		477	625	65	1,551
Interest received		345	343	146	187
Repayment from/(Advances to) subsidiaries		-	-	7,262	(12,523)
Cash outflow for acquisition of a subsidiary	34	(7,127)	-	(10,252)	-
Proceeds from disposal of property, plant and equipment		286	7,361	-	-
Proceeds from disposal of quoted shares		8,557	3,866	1,835	1,925
Purchase of quoted shares		(843)	(243)	(17)	(17)
Purchase of property, plant and equipment		(890)	(13,868)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		805	(1,916)	(961)	(8,877)
BALANCE CARRIED FORWARD		18,311	6,671	182	(9,409)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

	Note	The Group		The Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
BALANCE BROUGHT FORWARD		18,311	6,671	182	(9,409)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Dividend paid		(2,376)	(2,204)	(2,376)	(2,204)
Purchase of treasury shares (Repayment to)/Drawdown from bankers' acceptances		(1,774)	(771)	(1,774)	(771)
Repayment of hire purchase obligations		(5,295)	3,163	-	-
Advances from subsidiaries		(188)	(5)	-	-
Advances from/(Repayment to) a director		-	-	2,650	13,704
		150	(382)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(9,483)	(199)	(1,500)	10,729
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,828	6,472	(1,318)	1,320
Effect of exchange rate differences		(219)	(419)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		20,466	14,413	1,500	180
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35	29,075	20,466	182	1,500



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

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

Principal place of business : No. 18, Jalan 6/89B,  
Kawasan Perindustrian Trisegi,  
Off Jalan Sungai Besi,  
57100 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 August 2013.

## 2. PRINCIPAL ACTIVITIES

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

## 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 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

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

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

- 3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations.

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material impact on the financial statements of the Group upon its initial application.

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no material impact on the financial statements of the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

- 3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations (Cont'd).

The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 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.

#### (b) Income Taxes

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

#### (c) 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (d) 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.

#### (e) Impairment of Trade and Other Receivables

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

#### (f) Revaluation of Properties

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

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (g) 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.

#### (h) 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.

#### (i) Fair Value Estimates for Certain Financial Assets and Liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.2 BASIS OF CONSOLIDATION

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

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

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. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

#### (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. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent 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.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

#### (c) Acquisitions of Non-controlling Interests

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 and attributed to owners of the parent.

#### (d) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal 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 (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 jointly controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition 1 May 2011. Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

#### (e) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

#### (e) Goodwill (Cont'd)

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.

### 4.3 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.

#### (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.

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.4 FINANCIAL INSTRUMENTS

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

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

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

#### (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.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### (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 revenue recognised on an effective yield basis.

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.

##### (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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial Liabilities

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

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

#### (c) Equity Instruments

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

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

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

#### (d) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.5 INVESTMENTS IN SUBSIDIARIES

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

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

### 4.6 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.

The investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits of the associate is included in the consolidated statement of comprehensive income and the Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves.

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

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

### 4.7 PROPERTY, PLANT AND EQUIPMENT

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

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	20 - 50 years
Leasehold land	Over the lease period of 34 - 89 years
Plant and machinery	5 - 10 years
Renovation	5 - 10 years
Office equipment	5 years
Furniture and fittings	5 - 10 years
Laboratory equipment	5 - 10 years
Motor vehicles	4 - 5 years

The depreciation method, useful 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Capital work-in-progress represents machinery which is not ready for commercial use at the end of the reporting period. Capital work-in-progress is not depreciated until they are ready for intended use.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.8 IMPAIRMENT

#### (a) Impairment of Financial Assets

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.8 IMPAIRMENT (CONT'D)

#### (b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

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

### 4.9 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.10 INVENTORIES

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

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

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

### 4.11 INCOME TAXES

Income tax for the year comprises current and deferred tax.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.11 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 income taxes relate to the same taxation authority.

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

### 4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.13 EMPLOYEE BENEFITS

#### (a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits 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 2013

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

### 4.14 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.
  
- (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).

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 entity.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.15 PROVISIONS

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

### 4.16 REVENUE RECOGNITION AND OTHER INCOME

#### (a) **Sale of Goods**

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

#### (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) **Interest Income**

Interest income is recognised using the effective interest method.

#### (d) **Dividend Income**

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

#### (e) **Rental Income**

Rental income is recognised on an accrual basis.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

### 4.17 NON-CURRENT ASSETS HELD FOR SALE

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

### 4.18 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.

### 4.19 BORROWING COSTS

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

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

### 4.20 EARNINGS PER SHARE

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost		
- in Malaysia	<b>83,643</b>	73,391
- outside Malaysia	<b>6,828</b>	6,828
	<b>90,471</b>	80,219
Accumulated impairment losses:-		
At 1 May 2012/2011	<b>(10,684)</b>	(7,104)
Addition during the financial year	-	(10,464)
Write-off during the financial year	-	6,884
	<b>(10,684)</b>	(10,684)
At 30 April	<b>79,787</b>	69,535

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	<b>100</b>	100	Industrial consultancy and analytical chemists.
Masmeru Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding.
K & L Chemicals Sdn. Bhd.	Malaysia	<b>100</b>	100	Investment holding and trading of industrial chemicals.
Centralised Waste Treatment Plant Sdn. Bhd.	Malaysia	<b>100</b>	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
M-Field Sdn. Bhd.	Malaysia	<b>100</b>	100	Property letting and investment holding.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Inagro Sdn. Bhd.	Malaysia	100	100	Formulation and repackaging of agriculture chemical products and the provision of storage handling services for these products.
Syntax System Solutions Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery of industrial waste and sale of recycled products.
Sriketech Sdn. Bhd.	Malaysia	100	100	Culture and sale of prawn, and collection, treatment, recovery and recycling of organic waste.
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Trading in industrial chemical and its related products.
AL Resources Pte. Ltd. *	Singapore	99.99	99.99	Manufacture and trading in paint and its related products.
Global Pacific Petroleum Sdn. Bhd.	Malaysia	100	100	Manufacturing and trading in lubricant products.
Cleanway Disposal Services Pte. Ltd. *	Singapore	100	100	Providing containerised waste disposal services.
Hysper Manufacturing (M) Sdn. Bhd. #	Malaysia	100	100	Dormant.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.
Lux Distributor Sdn. Bhd.	Malaysia	100	-	Trading in, import and distribution of ceramic tiles and building materials.

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

# Held through Global Pacific Petroleum Sdn. Bhd.

During the financial year, the Company acquired the entire equity interest in Lux Distributor Sdn. Bhd. for a total consideration of RM10,252,000. The financial effects are disclosed in Note 34 to the financial statements.

Impairment losses on certain investments in subsidiaries were recognised in the previous financial year to reduce the carrying amounts of the investments in subsidiaries to their recoverable amounts. The recoverable amount of the cash-generating units is determined using the fair value less costs to sell approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

## 6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	#	#	#	#
Less: Impairment loss	-	-	(#)	(#)
	#	#	-	-
Share of post-acquisition losses	(#)	(#)	-	-
	-	-	-	-

# - RM40.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

### 5. INVESTMENTS IN ASSOCIATE

Details of the associate are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
Titan Crest Sdn. Bhd.	Malaysia	40	40	Dormant.

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.5.2012	Additions	Acquisition of A Subsidiary	Reclassification	Disposal	Translation difference	Depreciation Charge	At 30.4.2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Book Value	22,600	-	-	-	-	-	-	22,600
Freehold land	20,058	-	5,220	-	-	-	(283)	24,995
Leasehold land	27,730	44	2,285	864	-	231	(1,049)	30,105
Buildings	4,810	83	-	12,715	-	3	(3,210)	14,401
Plant and machinery	36	-	118	-	-	-	(70)	84
Renovation	228	96	64	-	-	1	(119)	270
Office equipment	43	3	50	-	-	-	(20)	76
Furniture and fittings	281	108	-	-	-	11	(101)	299
Laboratory equipment	1,908	459	1,073	-	(185)	59	(1,013)	2,301
Motor vehicles	13,579	97	-	(13,579)	-	-	-	97
Capital work-in-progress	91,273	890	8,810	-	(185)	305	(5,865)	95,228

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

	At 1.5.2011 RM'000	Additions RM'000	Depreciation Charge RM'000	At 30.4.2012 RM'000
Net Book Value				
Freehold land	22,600	-	-	22,600
Leasehold land	20,343	-	(285)	20,058
Buildings	28,688	-	(958)	27,730
Plant and machinery	6,960	87	(2,237)	4,810
Renovation	58	-	(22)	36
Office equipment	309	36	(117)	228
Furniture and fittings	52	-	(9)	43
Laboratory equipment	281	79	(79)	281
Motor vehicles	2,372	87	(551)	1,908
Capital work-in-progress	-	13,579	-	13,579
	81,663	13,868	(4,258)	91,273

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
The Group At 30.4.2013				
Freehold land	-	22,600	-	22,600
Leasehold land	5,220	22,827	(3,052)	24,995
Buildings	2,285	31,939	(4,119)	30,105
Plant and machinery	99,352	-	(84,951)	14,401
Renovation	420	-	(336)	84
Office equipment	4,640	-	(4,370)	270
Furniture and fittings	842	-	(766)	76
Laboratory equipment	4,544	-	(4,245)	299
Motor vehicles	13,420	-	(11,119)	2,301
Capital work-in-progress	97	-	-	97
	130,820	77,366	(112,958)	95,228

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 30.4.2012				
Freehold land	-	22,600	-	22,600
Leasehold land	-	22,827	(2,769)	20,058
Buildings	-	30,800	(3,070)	27,730
Plant and machinery	86,551	-	(81,741)	4,810
Renovation	302	-	(266)	36
Office equipment	4,479	-	(4,251)	228
Furniture and fittings	789	-	(746)	43
Laboratory equipment	4,425	-	(4,144)	281
Motor vehicles	12,014	-	(10,106)	1,908
Capital work-in-progress	13,579	-	-	13,579
	<b>122,139</b>	<b>76,227</b>	<b>(107,093)</b>	<b>91,273</b>

Certain land and buildings of the Group with a net carrying value amounting to RM8,275,835 (2012 - RM8,352,614) have been pledged to licensed banks as security for banking facilities granted to the Group.

Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM677,476 (2012 - Nil), which were acquired under hire purchase terms.

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

	2013 RM'000	2012 RM'000
Freehold land	9,878	9,878
Leasehold land	6,052	6,098
Factory buildings	14,753	10,937
	<b>30,683</b>	<b>26,913</b>

## 8. GOODWILL

	The Group	
	2013 RM'000	2012 RM'000
At 1 May	7,089	7,089
Addition during the financial year (Note 34)	1,308	-
At 30 April	<b>8,397</b>	<b>7,089</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 8. GOODWILL (CONT'D)

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

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

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

	The Group	
	2013 RM'000	2012 RM'000
Manufacturing and formulation of resin and chemicals	7,704	6,396
Recovery and sale of recycled products	279	279
Culture and sale of prawns	2	2
Investment holding	412	412
	<b>8,397</b>	<b>7,089</b>

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

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

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

	Growth Rate		Discount Rate	
	2013	2012	2013	2012
Manufacturing and formulation of resin and chemicals	3% to 10%	6% to 10%	8%	9%
Others	3% to 5%	3% to 20%	8%	9%

(a) Growth rate                      The growth rates used are based on the expected projection of the relevant operating segments.

(b) Discount rate                      The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 9. INVESTMENT IN QUOTED SHARES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At costs:-				
Quoted shares in Malaysia	14,005	15,006	3,518	4,303
Quoted shares outside Malaysia	921	1,348	285	271
Allowance for impairment loss	-	(200)	-	-
As previously reported	14,926	16,154	3,803	4,574
Additions	843	243	17	17
Disposals	(8,014)	(2,913)	(1,941)	(1,457)
Impairment loss	(612)	(461)	(297)	-
Fair value adjustments	(695)	1,291	(167)	373
Foreign exchange differences	15	-	-	-
At 30 April	6,463	14,314	1,415	3,507
Represented by:-				
At Fair Value	6,463	14,314	1,415	3,507

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Investment in trust fund	2,000	2,000	2,000	2,000
Club membership	70	70	-	-
Allowance for impairment loss	(1,100)	(1,100)	(1,100)	(1,100)
As previously reported	970	970	900	900
Fair value adjustment	81	81	(30)	(30)
	1,051	1,051	870	870

Other investments of the Group are designated as available-for-sale financial assets and are measured at fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

### 11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	The Company	
	2013 RM'000	2012 RM'000
Amount owing by:-		
Current	12,930	15,912
Non-current	12,220	16,500
	<b>25,150</b>	32,412
Represented by:-		
At cost	12,220	16,500
At amortised cost	12,930	15,912
	<b>25,150</b>	32,412
Amount owing to, at amortised cost:-		
- Current	<b>(18,212)</b>	(15,562)

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 11. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D)

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

	The Company	
	2013 RM'000	2012 RM'000
Singapore Dollar	(135)	(171)

Included in the amount owing by the subsidiaries is an amount of RM12,220,000 owing by the subsidiaries for which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance, a part of the Company's net investment in the subsidiaries. Accordingly, these amounts are classified as non-current assets and stated at cost less accumulated impairment loss.

## 12. INVENTORIES

	The Group	
	2013 RM'000	2012 RM'000
At cost:-		
Livestocks	96	41
Raw materials	19,782	19,442
Packing materials	26	27
Spares	126	126
Finished goods	4,421	1,089
	<b>24,451</b>	20,725
At net realisable value:-		
Raw materials	443	1,631
	<b>24,894</b>	22,356

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 13. TRADE RECEIVABLES

	The Group	
	2013 RM'000	2012 RM'000
Trade receivables	38,259	25,200
Allowance for impairment loss	(3,001)	(1,138)
	<b>35,258</b>	<b>24,062</b>
Allowance for impairment losses:-		
At 1 May	(1,138)	(708)
Addition during the financial year	(1,525)	(433)
Acquisition of new subsidiary	(685)	-
Written off during the financial year	14	-
Writeback during the financial year	333	3
At 30 April	<b>(3,001)</b>	<b>(1,138)</b>

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

## 14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables	1,983	381	2	6
Deposits	338	1,360	2	1,076
Prepayments	419	592	-	-
	<b>2,740</b>	<b>2,333</b>	<b>4</b>	<b>1,082</b>

## 15. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits with licensed banks of the Group is an amount of RM4,197,743 (2012 - RM284,364) which has been pledged to licensed banks for banking facilities granted to the Group.

The effective interest rate per annum of the fixed deposits at the end of the reporting period ranged from 2.67% - 3.25% (2012 - 2.61% - 3.30%). The fixed deposits have maturity periods ranging from 1 to 12 months (2012 - 12 months).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 16. SHARE CAPITAL

	2013 Number Of Shares '000	The Company 2012 Number Of Shares '000	2013 RM'000	2012 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

## 17. SHARE PREMIUM

The share premium 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.

## 18. 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).

## 19. FOREIGN EXCHANGE TRANSLATION RESERVE

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 20. 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	
	No. of Shares	Total Consideration RM'000
Balance at 1 May 2011	790,000	660
Addition during the financial year	478,000	771
Balance at 30 April 2012/1 May 2012	1,268,000	1,431
Addition during the financial year	1,158,100	1,774
Balance at 30 April 2013	2,426,100	3,205

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

## 21. FAIR VALUE RESERVE

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

## 22. RETAINED PROFITS

Subject to the agreement of the tax authorities, at the end of the reporting period, the Company has tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends of approximately RM3,020,000 (2012 – RM5,400,000) out of its retained profits.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 23. DEFERRED TAX LIABILITIES

	The Group	
	2013 RM'000	2012 RM'000
At 1 May 2012/2011	9,590	10,562
Acquisition of subsidiary	375	-
Recognised in profit or loss (Note 31)	313	(972)
Exchange differences	21	-
At 30 April	<b>10,299</b>	9,590

Deferred tax liabilities are attributable to the following items:-

	The Group	
	2013 RM'000	2012 RM'000
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	3,180	2,717
Revaluation of land and buildings	7,176	6,873
Unabsorbed capital allowances	(8)	-
Unutilised tax losses	(49)	-
	<b>10,299</b>	9,590

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 24. HIRE PURCHASE PAYABLE

	The Group	
	2013 RM'000	2012 RM'000
Minimum hire purchase payments:		
- not later than one year	111	7
- later than one year and not later than five years	156	-
	267	7
Less: Future finance charges	(14)	(1)
Present value of hire purchase payable	253	6

The net hire purchase payable is repayable as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Current:		
- not later than one year	146	6
Non-current:		
- later than one year and not later than five years	107	-
	253	6

## 25. TRADE PAYABLES

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

## 26. AMOUNT OWING TO A DIRECTOR

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 27. BANKERS' ACCEPTANCES

The bankers' acceptances bore weighted average effective interest rates ranging from 4.75% to 5.23% (2012: 1.72% to 3.26%) per annum at the end of the reporting period.

The bankers' acceptances are secured by:-

- (i) a legal charge on the properties of the Group as disclosed in Note 7 to the financial statements;
- (ii) a joint and several guarantee of the directors; and
- (iii) a pledge of the fixed deposits of the Group as disclosed in Note 15 to the financial statements.

## 28. 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 RM163,257,000 (2012 - RM158,787,000) divided by the number of ordinary shares in issue at the end of the reporting period of 57,597,900 (2012 - 58,756,000) excluding treasury shares held by the Company.

## 29. REVENUE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	118,224	90,836	-	-
Recovery and sale of recycled products	28,021	27,584	-	-
Culture and sale of prawns	703	1,472	-	-
Rental income	4	1	-	-
Dividend income from:				
- subsidiaries	-	-	-	1,440
- quoted shares	424	572	65	111
Management fee from subsidiaries	-	-	610	684
	<b>147,376</b>	120,465	<b>675</b>	2,235

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 30. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation after charging/(crediting):-				
Audit fee:				
- current financial year	204	185	33	33
- underprovision in the previous financial year	22	2	12	12
Allowance for impairment loss on receivables	1,525	433	-	-
Bad debts written off	14	84	-	-
Inventories written down	296	1,681	-	-
Inventories written off	154	9	-	-
Depreciation of property, plant and equipment	5,865	4,258	-	-
Directors' fee	249	279	106	136
Directors' non-fee emoluments	97	102	97	102
Impairment loss on investment in subsidiaries	-	-	-	10,464
Impairment loss on available-for-sales investment	612	461	297	-
Interest expense:				
- bank overdraft	10	10	-	-
- hire purchase	18	1	-	-
- bankers' acceptances	512	51	-	-
Rental expense:				
- apartment	1	1	-	-
- office	128	1	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	6,174	7,068	-	-
- defined contribution plan	774	551	-	-
- other benefits	685	576	-	-
Foreign exchange loss:				
- realised	58	619	-	-
- unrealised	244	419	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

### 30. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation after charging/(crediting):-				
Dividend income from:				
- quoted shares	(477)	(625)	(65)	(111)
- subsidiaries (unquoted)	-	-	-	(1,440)
Gain on disposal of:				
- quoted shares	(1,829)	(953)	(330)	(469)
- property, plant and equipment	(101)	(1,086)	-	-
Interest income:				
- fixed deposits	(98)	(49)	(2)	(2)
- others	(247)	(294)	(144)	(185)
Rental income	(22)	(19)	-	-
Writeback of allowance for impairment loss on receivables	(333)	(3)	-	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 31. INCOME TAX EXPENSE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense:				
- for the financial year	<b>3,009</b>	4,270	<b>140</b>	173
- under/(over)provision in the previous financial year	<b>758</b>	(29)	<b>(1)</b>	60
	<b>3,767</b>	4,241	<b>139</b>	233
Deferred tax expense (Note 23):				
- relating to origination and reversal of temporary differences	<b>425</b>	(550)	-	-
- overprovision in the previous financial year	<b>(112)</b>	(422)	-	-
	<b>313</b>	(972)	-	-
	<b>4,080</b>	3,269	<b>139</b>	233

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

### 31. INCOME TAX EXPENSE (CONT'D)

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

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

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation	<b>13,626</b>	17,846	<b>415</b>	(7,539)
Tax at the statutory tax rate of 25%	<b>3,407</b>	4,462	<b>104</b>	(1,885)
Tax effects of:-				
Non-deductible expenses	<b>802</b>	875	<b>121</b>	2,669
Tax exempt income	<b>(300)</b>	(62)	<b>(85)</b>	-
Tax incentive	<b>(4)</b>	(2)	-	-
Non-taxable gain	<b>(166)</b>	(1,359)	-	(611)
Deferred tax assets not recognised during the financial year	<b>12</b>	550	-	-
Reversal of temporary differences	-	(468)	-	-
Under/(Over)provision in the previous financial year:				
- current tax	<b>758</b>	(29)	<b>(1)</b>	60
- deferred tax	<b>(112)</b>	(422)	-	-
Differential in tax rates	<b>(221)</b>	(114)	-	-
Tax rebate	<b>(75)</b>	-	-	-
Others	<b>(21)</b>	(162)	-	-
Income tax expense for the financial year	<b>4,080</b>	3,269	<b>139</b>	233

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 32. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation of approximately RM9,546,000 (2012 - RM14,577,000) by the weighted average number of ordinary shares in issue of 59,148,000 (2012 - 59,248,000) after taking into account the effects of treasury shares.

	The Group	
	2013	2012
Profit attributable to owners of the Company (RM'000)	9,546	14,577
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 May	58,756	59,234
Effects of treasury shares held	(774)	(86)
Weighted average number of ordinary shares	57,982	59,148
Basic earnings per share (Sen)	16.46	24.64

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

	The Group/The Company	
	2013 RM'000	2012 RM'000
Paid:-		
In respect of the current financial year:		
- interim dividend of 5.5 sen less 25% tax (2012 - 5.0 sen less 25% tax)	2,376	2,204

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 34. ACQUISITION OF A SUBSIDIARY

During the financial year, the Group acquired the entire equity interest in Lux Distributor Sdn. Bhd. for a total consideration of RM10,252,000.

The effects of the acquisition of the subsidiary on the Group's financial statements are as follows:-

	<b>2013 Fair Value At Date Of Acquisition RM'000</b>
Property, plant and equipment	8,810
Inventories	4,803
Trade and other receivables	23,263
Fixed deposits	3,838
Cash in hand	6
Trade and other payables	(17,241)
Bankers' acceptances	(13,006)
Hire purchase payables	(435)
Bank overdraft	(719)
Deferred tax liabilities	(375)
Net identifiable assets and liabilities	8,944
Goodwill (Note 8)	1,308
Total purchase consideration	10,252
Less: Cash at bank of the subsidiary	(3,125)
Net cash outflow for acquisition of subsidiary	<b>7,127</b>

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

	<b>2013 RM'000</b>
Revenue	46,957
Profit after taxation	<b>42</b>

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after taxation would have been RM179,379,195 and RM10,855,119 respectively.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 35. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed deposits with licensed banks (Note 15)	4,221	298	74	72
Cash and bank balances	24,854	20,168	108	1,428
	<b>29,075</b>	20,466	<b>182</b>	1,500

## 36. DIRECTORS' REMUNERATION

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors:				
- basic salaries, Employees	97	102	97	102
- Provident Fund and bonus	167	167	24	24
- fee				
Non-executive directors:				
- fee	82	112	82	112
	<b>346</b>	381	<b>203</b>	238

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

	2013		2012	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	-	3	-	3
RM50,001 - RM100,000	1	-	1	-
RM100,001 - RM150,000	1	-	1	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 37. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Management fee charged to subsidiaries	-	-	610	684
Dividend income from subsidiaries	-	-	-	1,440
Key management personnel compensation: - Short-term employee benefits	1,142	2,043	203	238

## 38. OPERATING SEGMENTS

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

The Group is organised into 4 main business segments as follows:-

Business 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	Involved in investment holding, management services and property letting.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

	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	Group RM'000
<b>Business Segments</b>					
2013					
Revenue					
External revenue	118,224	28,021	703	428	147,376
Inter-segment revenue	1,604	661	-	701	2,966
	119,828	28,682	703	1,129	150,342
Adjustments and eliminations					(2,966)
Consolidated revenue					147,376
Results					
Segment results	15,292	11,408	411	759	27,870
Interest income	330	7	4	4	345
Other material items of income	574	18	-	1,889	2,481
Depreciation	(4,389)	(1,112)	(265)	(99)	(5,865)
	11,807	10,321	150	2,553	24,831
Balance carried forward	11,807	10,321	150	2,553	24,831



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

	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	Group RM'000
<b>Business Segments</b>					
2013					
Balance brought forward	11,807	10,321	150	2,553	24,831
Other material items of expenses	(5,859)	(3,531)	(123)	(612)	(10,125)
Other non-cash expenses	(540)	-	-	-	(540)
	5,408	6,790	27	1,941	14,166
Finance costs					(540)
Income tax expense					(4,080)
Consolidated profit after taxation					9,546

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

Business Segments 2013	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	Eliminations RM'000	Group RM'000
Other Information	147,359	44,396	19,245	118,800	(125,532)	204,268
Segment assets #	59,224	4,656	324	18,959	(42,152)	41,011
Segment liabilities *						
Capital expenditure	616	274	-	-	-	890
Depreciation and amortisation	4,389	1,112	265	99	-	5,865

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

	Manufacturing and Formulation of Resin and Chemicals RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Group RM'000
<b>Business Segments</b>					
2012					
Revenue					
External revenue	90,836	27,584	1,472	573	120,465
Inter-segment revenue	2,861	630	-	2,215	5,706
	93,697	28,214	1,472	2,788	126,171
Adjustments and eliminations					(5,706)
Consolidated revenue					120,465
Results					
Segment results	17,838	12,003	977	552	31,370
Interest income	288	6	4	45	343
Other material items of income	1,069	47	-	942	2,058
Depreciation	(2,738)	(1,127)	(288)	(105)	(4,258)
	16,457	10,929	693	1,434	29,513
Balance carried forward	16,457	10,929	693	1,434	29,513

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

Business Segments 2012	Manufacturing and Formulation of Resin and Chemicals RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Group RM'000
Balance brought forward	16,457	10,929	693	1,434	29,513
Other material items of expenses	(4,613)	(4,156)	(131)	(461)	(9,361)
Other non-cash expenses	(2,100)	-	-	-	(2,100)
	9,744	6,773	562	973	18,052
Finance costs					(206)
Income tax expense					(3,269)
Consolidated profit after taxation					14,577

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

Business Segments 2012	Manufacturing and Formulation of Resin and Chemicals RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Eliminations RM'000	Group RM'000
Other Information Segment assets #	91,693	39,092	16,029	100,421	(63,728)	183,507
Segment liabilities *	14,897	5,129	334	719	3,641	24,720
Capital expenditure Depreciation and amortisation	13,774	94	-	-	-	13,868
	2,738	1,127	288	105	-	4,258

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

### Business Segments (Cont'd)

(a) Other items of income consist of the following:-

	The Group	
	2013 RM'000	2012 RM'000
Gain on disposal of quoted shares	1,829	953
Gain on disposal of property, plant and equipment	101	1,086
Rental income	18	19
Writeback of allowance for diminution value	200	-
Writeback of allowance for impairment loss on receivables	333	-
	<b>2,481</b>	<b>2,058</b>

(b) Other items of expenses consist of the following:-

	The Group	
	2013 RM'000	2012 RM'000
Realised loss on foreign exchange	58	619
Rental expenses	129	2
Staff costs	7,633	8,195
Bad debts written off	14	84
Impairment loss on quoted shares	612	461
Impairment loss on trade receivables	1,525	-
Inventories written off	154	-
	<b>10,125</b>	<b>9,361</b>

(c) Other non-cash expenses consist of the following:-

	The Group	
	2013 RM'000	2012 RM'000
Inventories written down	296	1,681
Unrealised loss on foreign exchange	244	419
	<b>540</b>	<b>2,100</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 38. OPERATING SEGMENTS (CONT'D)

### Geographical Information

	Revenue		Non-current Assets	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Singapore	16,843	15,696	7,587	7,688
Malaysia	130,533	104,769	103,552	106,039
	<b>147,376</b>	120,465	<b>111,139</b>	113,727

### Major Customers

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

## 39. 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	
	2013	2012
United States Dollar	3.1	3.0
Euro	4.0	4.0
Singapore Dollar	2.5	2.4

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 40. CAPITAL COMMITMENTS

	The Group	
	2013 RM'000	2012 RM'000
Approved and contracted for:-		
Plant and machinery	47	1,984
Single storey house	-	81

## 41. FINANCIAL INSTRUMENTS

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

### (a) Financial Risk Management Policies

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

- (i) **Market Risk**
- (i) **Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Euro and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### (i) Foreign Currency Risk (Cont'd)

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

	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
The Group						
2013						
Financial assets						
Investment in quoted shares	-	-	554	5,909	-	6,463
Other investment	-	-	-	1,051	-	1,051
Trade receivables	10,033	1,711	3,989	19,525	-	35,258
Other receivables and deposits	6	819	77	1,419	-	2,321
Fixed deposits with licensed banks	-	-	-	4,221	-	4,221
Cash and bank balances	4,958	2,556	3,562	13,776	2	24,854
	14,997	5,086	8,182	45,901	2	74,168

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### (i) Foreign Currency Risk (Cont'd)

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2013						
<b>Financial liabilities</b>						
Trade payables	961	748	936	10,738	-	13,383
Other payables and accruals	-	-	168	5,884	-	6,052
Amount owing to a director	-	-	-	150	-	150
Banker's acceptance	-	-	-	10,874	-	10,874
Hire purchase payable	-	-	-	253	-	253
	961	748	1,104	27,899	-	30,712
Net financial assets	14,036	4,338	7,078	18,002	2	43,456
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(7,049)	(18,002)	-	(25,051)
<b>Currency exposure</b>	14,036	4,338	29	-	2	18,405

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### (i) Foreign Currency Risk (Cont'd)

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

	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group					
2012					
<b>Financial assets</b>					
Investment in quoted shares	-	-	366	13,948	14,314
Other investment	-	-	-	1,051	1,051
Trade receivables	11,813	2,484	3,424	6,341	24,062
Other receivables and deposits	-	-	346	1,395	1,741
Fixed deposits with licensed banks	-	-	-	298	298
Cash and bank balances	4,769	1,264	1,253	12,882	20,168
	16,582	3,748	5,389	35,915	61,634

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (i) Financial Risk Management Policies (Cont'd)

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

##### (i) Foreign Currency Risk (Cont'd)

	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
The Group					
2012					
<b>Financial liabilities</b>					
Trade payables	328	575	923	3,644	5,470
Other payables and accruals	821	-	456	5,214	6,491
Bankers' acceptances	-	2,707	-	456	3,163
Hire purchase payable	-	-	-	6	6
	<b>1,149</b>	<b>3,282</b>	<b>1,379</b>	<b>9,320</b>	<b>15,130</b>
Net financial assets	15,433	466	4,010	26,595	46,504
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(4,010)	(26,595)	(30,605)
<b>Currency exposure</b>	<b>15,433</b>	<b>466</b>	<b>-</b>	<b>-</b>	<b>15,899</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign currency risk sensitivity analysis

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

	The Group	
	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000
<b>Effects on profit after taxation/ Effect on equity</b>		
Euro:-		
strengthened by 5%	526	772
weakened by 5%	(526)	(772)
United States Dollar:-		
strengthened by 5%	163	23
weakened by 5%	(163)	(23)
Singapore Dollar:-		
strengthened by 5%	1	-
weakened by 5%	(1)	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 41(a)(iii) to the financial statements.

#### Interest rate risk sensitivity analysis

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (i) 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 sensitivity analysis

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

	The Group	
	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000
<b>Effect on Equity</b>		
Increase of 5%	323	716
Decrease of 5%	(323)	(716)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (ii) Credit Risk

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

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

#### Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

#### Exposure to credit risk

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### Exposure to credit risk

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

	The Group	
	2013 RM'000	2012 RM'000
Australia	6,097	9,806
Asia	4,217	3,814
South East Asia	4,244	3,641
Malaysia	19,601	6,708
Others	1,099	93
	<b>35,258</b>	<b>24,062</b>

##### Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
The Group				
2013				
Not past due	24,856	(128)	-	24,728
Past due:-				
- less than 3 months	6,890	(100)	-	6,790
- 3 to 6 months	4,166	(1,092)	-	3,074
- over 6 months	2,347	(1,681)	-	666
	<b>38,259</b>	<b>(3,001)</b>	<b>-</b>	<b>35,258</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

##### Ageing analysis (Cont'd)

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
The Group				
2012				
Not past due	11,649	-	-	11,649
Past due:-				
- less than 3 months	10,120	-	-	10,120
- 3 to 6 months	1,217	-	-	1,217
- over 6 months	2,214	(1,138)	-	1,076
	25,200	(1,138)	-	24,062

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

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

##### *Trade receivables that are past due but not impaired*

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

##### *Trade receivables that are neither past due nor impaired*

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (iii) Liquidity Risk

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

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

	Effective 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
The Group						
2013						
Trade payables	-	13,383	13,383	13,383	-	-
Other payables and accruals	-	6,052	6,052	6,052	-	-
Amount owing to a director	-	150	150	150	-	-
Bankers' acceptances	4.75- 5.23	10,874	10,874	10,874	-	-
Hire purchase payables	4.42- 6.60	253	267	111	156	-
		30,712	30,726	30,570	156	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

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

#### (iii) Liquidity Risk (Cont'd)

	Effective 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
The Group						
2012						
Trade payables	-	5,470	5,470	5,470	-	-
Other payables and accruals	-	6,491	6,491	6,491	-	-
Bankers' acceptances	1.72- 3.26	3,163	3,163	3,163	-	-
Hire purchase payables	3.5	6	7	7	-	-
		15,130	15,131	15,131	-	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

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

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
The Company						
2013						
Other payables and accruals	-	194	194	194	-	-
Amount owing to subsidiaries	-	18,212	18,212	18,212	-	-
		18,406	18,406	18,406	-	-
2012						
Other payables and accruals	-	202	202	202	-	-
Amount owing to subsidiaries	-	15,562	15,562	15,562	-	-
		15,764	15,764	15,764	-	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (b) 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 their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as external borrowings less cash and cash equivalents. As the Group has no significant external borrowings as at the end of the reporting period, the debt-to-equity ratio is not presented.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Classification Of Financial Instruments

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Financial assets</b>				
<u>Available-for-sale financial assets</u>				
Investments in quoted shares, at fair value	6,463	14,314	1,415	3,507
Other investments, at fair value	1,051	1,051	870	870
	<b>7,514</b>	15,365	<b>2,285</b>	4,377
<u>Loans and receivables financial assets</u>				
Trade receivables	35,258	24,062	-	-
Other receivables and deposits	2,321	1,741	4	1,082
Fixed deposits with licensed banks	4,221	298	74	72
Amount owing by subsidiaries	-	-	25,150	32,412
Cash and bank balances	24,854	20,168	108	1,428
	<b>66,654</b>	46,269	<b>25,336</b>	34,994
<b>Financial liability</b>				
<u>Other financial liabilities</u>				
Trade payables	13,383	5,470	-	-
Other payables and accruals	6,052	6,491	194	202
Amount owing to subsidiaries	-	-	18,212	15,562
Amount owing to a director	150	-	-	-
Bankers' acceptances	10,874	3,163	-	-
Hire purchase payable	253	6	-	-
	<b>30,712</b>	15,130	<b>18,406</b>	15,764

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (d) Fair Values Of Financial Instruments

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

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

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

### (e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (e) Fair Value Hierarchy (Cont'd)

As at 30 April 2013, the Group's financial instruments carried at fair values are analysed below:-

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2013				
<b>Financial assets</b>				
Investment in quoted shares	6,463	-	-	6,463
Other investment	870	181	-	1,051
	7,333	181	-	7,514
The Group				
2012				
<b>Financial assets</b>				
Investment in quoted shares	14,314	-	-	14,314
Other investment	870	181	-	1,051
	15,184	181	-	15,365
The Company				
2013				
<b>Financial assets</b>				
Investments in quoted shares	1,415	-	-	1,415
Other investment	870	-	-	870
	2,285	-	-	2,285

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

## 41. FINANCIAL INSTRUMENTS (CONT'D)

### (e) Fair Value Hierarchy (Cont'd)

As at 30 April 2013, the Group's financial instruments carried at fair values are analysed below (Cont'd):-

The Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2012				
<b>Financial assets</b>				
Investments in quoted shares	3,507	-	-	3,507
Other investment	870	-	-	870
	<b>4,377</b>	<b>-</b>	<b>-</b>	<b>4,377</b>

## 42. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 20 May 2013, Singapore Analabs Pte Ltd, a 63% owned subsidiary of Cleanway Disposal Services Pte Ltd ("CDS"), entered into an agreement with Lee Chee Yoon and Wan Siong Fah to acquire 1,000,000 and 300,000 ordinary shares of S\$1 each in Toh Ban Seng Contractor Pte Ltd ("TBS") and Ban Tiong Soon Contractor Pte Ltd ("BTS") respectively which representing 100% equity interest in TBS and BTS. CDS is a wholly owned subsidiary of the Company. The acquisition was completed on 18 June 2013 subsequently.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

### 43. 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits/(accumulated losses):				
- realised	122,481	113,653	25,935	28,035
- unrealised	(3,367)	(3,136)	-	-
	<b>119,114</b>	110,517	<b>25,935</b>	28,035
Less: Consolidation adjustments	(30,115)	(28,688)	-	-
At 30 April	<b>88,999</b>	81,829	<b>25,935</b>	28,035

# 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 30/04/2013 (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 63 years expiring 21st March 2043	Leasehold Land & Buildings 30 years old	156	Owner Occupied 4 Storey Office	624	306,122	Revalued on 29/06/2009 (Building only)
2	M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 63 years expiring 21st March 2043	Leasehold Land & Buildings 30 years old	156	Owner Occupied 4 Storey Office	616	322,895	Revalued on 29/06/2009 (Building only)
3	M-Field Sdn Bhd	HS (D) 4791 PT NO 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 57 years expiring 4th June 2046	Leasehold Land & Buildings 23 years old	5,811	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	1,066,472	Revalued on 29/06/2009 (Building only)
4	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 15 years old	121	Owner Occupied Single Storey Terrace House	74	75,989	Revalued on 29/06/2009
5	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land & Building 10 years old	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	3,100,000	Revalued on 29/06/2009
6	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 16 years old	20,234	Owner Occupied 2 Storey Office Block, Factory & Warehouse	5,982	9,362,926	Revalued on 29/06/2009

## 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 30/04/2013 (RM)	Date of Revaluation
7	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 98 years expiring 2nd October 2085	Leasehold Land & Buildings 20 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,162	2,738,794	Revalued on 29/06/2009 (Building only)
8	Resources Conservation Sdn Bhd	HS (D) 80016 PT No 14329, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 14 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Warehouse	1,682	3,345,969	Revalued on 29/06/2009
9	Resources Conservation Sdn Bhd	HS (D) 51801 PT No 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 15 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,450	3,000,549	Revalued on 29/06/2009
10	Resources Conservation Sdn Bhd	GM 146 Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 13 years old	2,317	Owner Occupied Industrial Land	n/a	1,594,359	Revalued on 29/06/2009
11	Strikotech Sdn Bhd (Note: 3)	HS (D) 5464 Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan.	Leasehold for 98 years expiring 24th September 2094	Leasehold Land & Buildings 12 years old	1,035,000	Owner Occupied Buildings for Research & Development & Operations	1,975	17,269,216	Revalued on 29/06/2009 (Building only)
12	Cleanway Disposal Services Pte Ltd	Lot 7889L Mukim 5 Bearing Postal Address 40 Penjuru Road Singapore	Leasehold for 29 years expiring 31st December 2031	Leasehold Building 10 years old	4,004.90	Owner Occupied A Part Single/Part 3-Storey Single Factory	3,241.80	5,459,522 (exchange rate 2.465)	Revalued on 01/03/2010

## 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 30/04/2013 (RM)	Date of Revaluation
13	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson Negeri Sembilan	Leasehold for 98 years expiring 31st December 2074	Leasehold Land & Building 25 years old	62,220.90	Owner Occupied Plant Tank Farm, Compressor Room, Drum Filling Station, Double Storey Warehouse cum administrative office, Single Storey Detached Factory & Laboratory	17,726.70	6,156,290	Revalued on 31/12/2007 (Building only)
14	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3 1/2 Mile, Kapar Road, Mukim Kapar, Klang, Selangor	Freehold	Freehold Industrial Land & Buildings 16 years old	19,450	Owner Occupied 3 Storey Office Block, Factory & Warehouse	9,140	12,741,127	Revalued on 15/04/2008
15	Lux Distributor Sdn Bhd	Lot 16435, Block 5, Jalan 4, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor.	Freehold	Freehold Industrial Land & Buildings 16 years old	30,962 sq ft	Owner Occupied 3 Storey Office & Warehouse		6,326,977.50	Revalued on 30/08/2012
<p><b>Notes:</b></p> <p>Notes 1 to 4 being list of properties that affected by the internal rationalisation exercise of the Group announced in May 2004.</p> <p>Note 1 property transferred from Masmeru Sdn. Bhd. to M-Field Sdn. Bhd.</p> <p>Note 2 property transferred from Electronic Resource Sdn. Bhd. to M-Field Sdn. Bhd.</p> <p>Note 3 property transferred from Analabs Biotech Sdn. Bhd. to Striketech Sdn. Bhd.</p>									

## ANALYSIS OF SHAREHOLDINGS AS AT 30 AUGUST 2013

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 : 57,597,900 ordinary shares of RM1.00 each  
 (excludes 2,426,100 ordinary shares bought back and retained as treasury shares as at 30 August 2013)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	34	2.10	600	0.00
100 – 1,000	233	14.40	183,286	0.32
1,001 – 10,000	1,133	70.03	4,220,740	7.33
10,001 – 100,000	186	11.50	5,577,022	9.68
100,001 to less than 5% of issued shares	30	1.85	16,832,200	29.22
5% and above of issued shares	2	0.12	30,784,052	53.45
Total	1,618	100.00	57,597,900	100.00

### SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 30 August 2013)

No.	Name of Substantial Shareholder	Direct		Indirect	
		No. of Shares	% of issued share capital	No. of Shares	% of issued share capital
1.	Kan Yow Kheong	30,784,052	53.45	1,186,500*	2.06

### DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 30 August 2013)

No.	Name of Substantial Shareholder	Direct		Indirect	
		No. of Shares	% of issued share capital	No. of Shares	% of issued share capital
1.	Kan Yow Kheong	30,784,052	53.45	1,186,500*	2.06
2.	Ganesan a/l Sundaraj	-	-	-	-
3.	Lim Yoke Soo	212,277	0.37	-	-
4.	Lai Yew Choong	-	-	-	-
5.	Low Chin Ann @ Han Chin Ann	-	-	-	-

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

### In the subsidiaries

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

## LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Share Capital <sup>^</sup>
1	KAN YOW KHEONG	20,925,052	36.33
2	KAN YOW KHEONG	9,859,000	17.12
3	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	2,765,000	4.80
4	TEO KWEE HOCK	2,356,300	4.09
5	CHUA SIM NEO @ DIANA CHUA	1,827,300	3.17
6	PUI CHENG WUI	1,719,100	2.98
7	KAN MUN HOOW	1,177,500	2.04
8	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (MARGIN)	558,800	0.97
9	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	514,000	0.89
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)	494,500	0.86
11	LIM KHUAN ENG	490,000	0.85
12	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEW HAR (M09)	422,500	0.73
13	LEE YEN ENG	400,700	0.70
14	KHOO YOK KEE	358,500	0.62
15	PUI BOON KENG	343,400	0.60
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)	337,400	0.59
17	LIM SIEW SEE	300,000	0.52
18	ETAVEST SDN BHD	296,900	0.52
19	LAI CHIN LOY	286,100	0.50
20	WONG MENG CHEE	255,000	0.44
21	PUI BOON HEAN	238,700	0.41
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEW EE	210,000	0.36
23	SOW TIAP	204,000	0.35
24	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)	200,000	0.35
25	LYDIA CLAIRE LIM LIH YUEAH	200,000	0.35
26	CHAN YEW SIANG	185,100	0.32
27	LIM GAIK BWAY @ LIM CHIEW AH	121,900	0.21
28	LIM PENG HUAT	120,000	0.21
29	LEE AH NGA	117,900	0.20
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (E-KLC)	116,100	0.20
	<b>Total</b>	<b>47,400,752</b>	<b>82.30</b>

<sup>^</sup>Excludes a total of 2,426,100 Analabs Resources Berhad shares bought back by the Company and retained as treasury shares as at 30 August 2013



# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

## NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifteenth Annual General Meeting (“15th AGM”) of the Company will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 October 2013 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 2013. (Please refer to Explanatory Note)
2. To approve the payment of Directors’ Fees of RM106,000.00 in respect of the financial year ended 30 April 2013. (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) Mr. Kan Yow Kheong (Resolution 2)
  - (ii) Mr. Lim Yoke Soo (Resolution 3)
  - (iii) Mr. Ganesan a/l Sundaraj (Resolution 4)  
**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) Mr. Lai Yew Choong (Resolution 5)
  - (ii) Mr. Low Chin Ann @ Han Chin Ann (Resolution 6)
4. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

### 5. SPECIAL BUSINESS

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

#### 5.1 ORDINARY RESOLUTION I AUTHORITY TO ISSUE SHARES (Resolution 8)

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

# NOTICE OF THE FIFTEENTH 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 9)

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

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

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING (CONT'D)

## 5.3 SPECIAL RESOLUTION

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(Resolution 10)

**"THAT** the Articles of Association of the Company be hereby amended in the form and manner as set out in Appendix I of the 2013 Annual Report.

**AND THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

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

BY ORDER OF THE BOARD

CYNTHIA GLORIA LOUIS (MAICSA 7008306)

CHEW MEI LING (MAICSA 7019175)

Secretaries

Petaling Jaya

Selangor Darul Ehsan

7 October 2013

Notes:

- (1) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 24 October 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 15th 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.

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING (CONT'D)

## Explanatory Notes:-

**1. Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2013**

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

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

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 15th AGM.

The proposed resolution if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 15th 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 9)**

The proposed resolution if passed, will empower the Company to purchase up to ten per centum (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Securities. For further information, please refer to the Circular to Shareholders dated 7 October 2013.

**4. Proposed Amendments to the Articles of Association of the Company ("Proposed Amendments") (Resolution 10)**

The proposed Resolution 10, if passed, will enable the Company to amend the Articles of Association to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING (CONT'D)

## Appendix I

Article No. and short title	Existing Article	Amended or New Article
Article 2 – Definitions	New Provision	<b>Exempt Authorised Nominee – An authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act 1991</b>
Article 6 Allotment of shares	<p>(2) Every issue of shares or options to employees and/or Directors of the Company shall be approved by the members in general meeting and no Director shall participate in such issue of shares or options unless:-</p> <p>(a) the members in general meeting have approved of the specific allotment to be made to such Director; and</p> <p>(b) he holds office in the Company in an executive capacity provided always that a Director not holding office in an executive capacity may so participate in any issue of shares or options, such participation to be approved by the relevant authorities if required.</p>	<p>(2) No Director shall participate in <b>a scheme that involves a new issuance of shares</b> to employees of the Company unless the shareholders in general meeting have approved the specific allotment to be made to such director.</p> <p><b>(a) deleted</b></p> <p><b>(b) deleted</b></p>
Article 36 Transmission of Shares	<p>(1) Where:-</p> <p>(a) .....</p> <p>(b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules of the Depository in respect of such securities,.....</p>	<p>(1) Where:</p> <p>(a) ....</p> <p>(b) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depositories) Act, 1991 or Section 29 of the Securities Industry (Central Depositories) (Amendment) <b>(No. 2)</b> Act, 1998, as the case may be, under the Rules of the Depository in respect of such securities, .....</p>
Article 63 Notice that Proxy is Allowed	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote, is entitled to appoint not more than two (2) proxies to attend and vote instead of him, and that a proxy need not also be a member, an advocate, approved company auditor or a person approved by the Registrar of Companies. Where a holder of shares appoint two proxies to attend at the same meeting, the holder shall specify the proportion of his shareholdings to be represented by each proxy.	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote, is entitled to appoint <b>proxy(ies)</b> to attend and vote instead of him <b>in accordance with the Article 77.</b>

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING (CONT'D)

## Appendix I

Article No. and short title	Existing Article	Amended or New Article
Article 70 How a Poll to be taken	New Provision	<b>A poll may be carried out in any manner including electronically via any electronic voting devices or online, from any where including remotely at any time on or before the general meetings.</b>
Article 72 Voting	(4) Where a member of the Company is an authorised nominee as defined under the Depositories Act, it may appoint at least one 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 of the Company is an authorised nominee as defined under the Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. <b>The appointment of two (2) or more proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.</b>
Article 77 Appointment of proxies	(a) A holder of shares may appoint not more than two (2) proxies to attend at the same meeting and the holder shall specify the proportion of his shareholdings to be represented by each proxy.	(a) A holder of shares may appoint not more than two (2) proxies to attend at the same meeting and the holder of shares shall specify the proportion of his shareholdings to be represented by each proxy. <b>A proxy may, but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar of Companies. A proxy shall be entitled to vote on a show of hands on any question at general meeting and shall have the same rights as the member to speak at the meeting. There shall be no restriction as to the qualification of the proxy.</b>
Article 77 Appointment of proxies	New Provision	<b>(c) 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.</b>

# NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING (CONT'D)

## Appendix I

Article No. and short title	Existing Article	Amended or New Article
Article 78- Form of Proxy  Note	A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.	A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. <b>Where a member appoints more than one proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.</b>
Article 78- Form of proxy  Note	Where a member appoints more than one proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	<b>deleted</b>
Article 78 Form of proxy  Note	New Provision	<b>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. The appointment of two (2) or more proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.</b>
Article 78 Form of proxy  Note	New Provision	<b>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.</b>

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

The Profile of the Directors who are standing for re-election at the Fifteenth Annual General Meeting of Analabs Resources Berhad ("Analabs") which will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 October 2013 at 11.00 a.m. are stated on pages 5 to 6 of the 2013 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries held by the said Directors are stated on page 133 of the 2013 Annual Report.





**ANALABS RESOURCES BERHAD** (468971 A)  
(Incorporated in Malaysia)

CDS ACCOUNT NO.	
NO. OF SHARES HELD	

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 Fifteenth Annual General Meeting ("15th AGM") of the Company to be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Tuesday, 29 October 2013 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. Ganesan a/l Sundaraj as a Director.		
Resolution 5	Re-election of Mr. Lai Yew Choong as a Director.		
Resolution 6	Re-election of Mr. Low Chin Ann @ Han Chin Ann as a Director.		
Resolution 7	Re-appointment of Messrs Crowe Horwath as Auditors.		
Resolution 8	Authority to allot and issue shares pursuant to Section 132D of the Companies Act 1965.		
Resolution 9	Proposed Renewal of Share Buy-Back.		
Resolution 10	Proposed Amendments to the Articles of Association of the Company		

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 24 October, 2013 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 15th 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.

1ST FOLD HERE

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

THEN FOLD HERE

## LOCATION OF OPERATIONS

PULAU  
PINANG

BUTTERWORTH

MALAYSIA

KLANG

KUALA LUMPUR

KUANTAN

SHAH  
ALAM

NILAI

PORT  
DICKSON

JOHOR  
BAHRU

SINGAPORE





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

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

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