



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


T +603. 7880 9699
F +603. 7880 8699
E enquiry@analabs.com.my
www.analabs.com.my

ANALABS RESOURCES BERHAD (468971-A)

ANNUAL REPORT 2014







Corporate Information • **P2** • Group Structure • **P3** •
Five Years Financial Highlights • **P4** •
Profile of Directors • **P5** • Chairman’s Statement • **P7** •
Statement on Corporate Governance • **P10** •
Additional Compliance Information • **P18** •
Statement on Risk Management & Internal Control • **P19** •
Audit Committee • **P22** • Nomination Committee • **P26** •
Remuneration Committee • **P28** • Financial Statements • **P31** •
List of Properties held by the Group • **P109** •
Analysis of Shareholdings • **P112** •
List of 30 Largest Shareholders • **P113** •
Notice of the Sixteenth Annual General Meeting • **P114** •
Statement Accompanying Notice of
Annual General Meeting • **P117** •

Form of Proxy

CONTENTS



BOARD OF DIRECTORS

Executive Chairman

Kan Yow Kheong

Executive Director

Lim Yoke Soo

Independent Non-Executive Directors

Ganesan a/l Sundaraj

Lai Yew Choong

Low Chin Ann @ Han Chin Ann

CORPORATE INFORMATION

COMPANY SECRETARIES

Cynthia Gloria Louis (MAICSA 7008306)

Chew Mei Ling (MAICSA 7019175)

REGISTERED OFFICE

Unit 621, 6th Floor, Block A
Kelana Centre Point
No. 3 Jalan SS7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7880 9699
Fax : 03 7880 8699

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(Company No. 378993-D)
Level 6 Symphony House
Block D13 Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03 7841 8000
Fax : 03 7841 8151/03 7841 8152

AUDITORS

Crowe Horwath (AF 1018)
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : 03-2788 9999
Fax : 03-2788 9998

PRINCIPAL BANKERS

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

STOCK EXCHANGE

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

WEBSITE

www.analabs.com.my

GROUP STRUCTURE



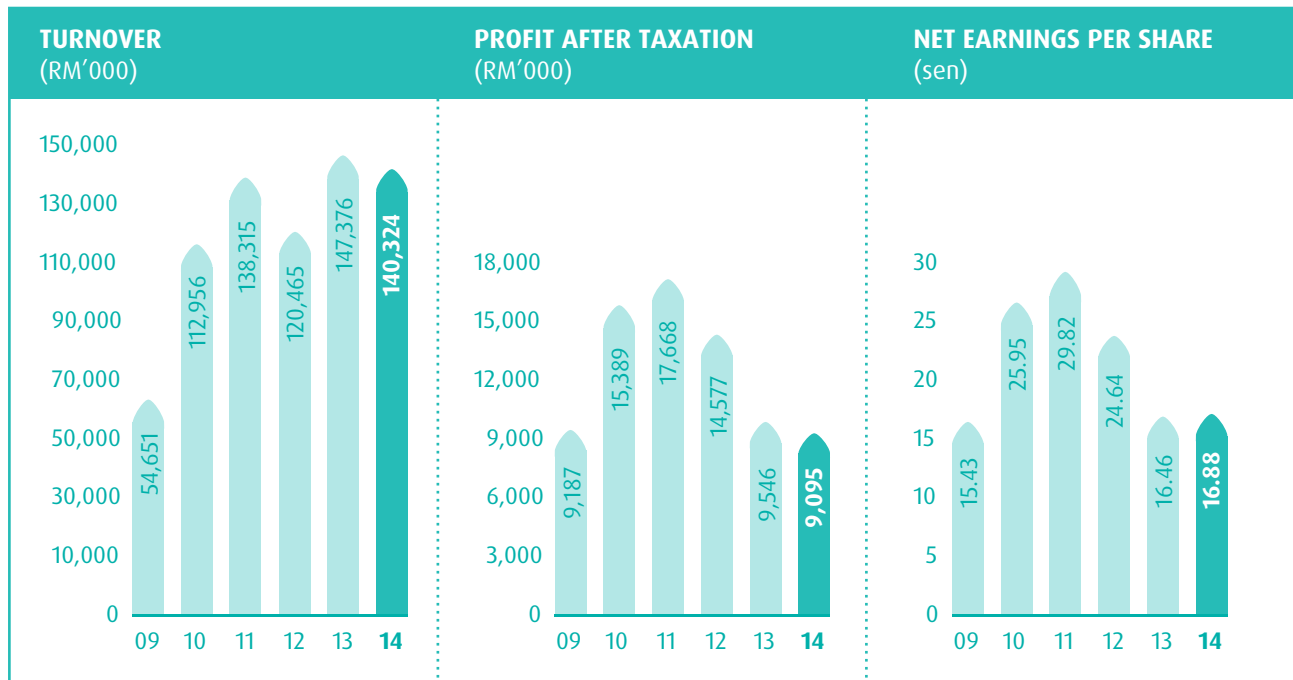
MALAYSIA

	100%	COVERIGHT SURFACES MALAYSIA SDN BHD
	100%	CENTRALISED WASTE TREATMENT PLANT SDN BHD
	100%	INAGRO SDN BHD
	100%	K & L CHEMICALS SDN BHD
	100%	LUX DISTRIBUTOR SDN BHD
	100%	MASMERU SDN BHD
	100%	M-FIELD SDN BHD
	100%	QSP CHEMIE (M) SDN BHD
	100%	RESOURCES CONSERVATION SDN BHD
	100%	STRIKETECH SDN BHD
	100%	SYNTAX SYSTEM SOLUTIONS SDN BHD
	100%	THE ANALYTICAL LABORATORIES (MALAYSIA) SDN BHD
	100%	GLOBAL PACIFIC PETROLEUM SDN BHD
	100%	<i>Hysper Manufacturing (M) Sdn Bhd</i>

SINGAPORE

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

FIVE YEARS FINANCIAL HIGHLIGHTS



YEAR ENDED 30 APRIL	2009	2010	2011	2012	2013	2014
TURNOVER (RM'000)	54,651	112,956	138,315	120,465	147,376	140,324
PROFIT AFTER TAXATION (RM'000)	9,187	15,389	17,668	14,577	9,546	9,095
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	9,187	15,389	17,668	14,577	9,546	9,695
NET EARNINGS PER SHARE (sen)	15.43	25.95	29.82	24.64	16.46	16.88
NET ASSETS (RM'000)	115,388	129,645	148,858	158,787	163,257	207,022
NET ASSETS PER SHARE (RM)	1.92	2.16	2.51	2.70	2.83	3.64
DIVIDEND RATE PER SHARE (%)	4.50	5.00	5.00	5.00	5.50	4.125

PROFILE OF DIRECTORS

MR. KAN YOW KHEONG

Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, aged 61, was appointed to the Board of Analabs as the Executive Chairman on 19 November 1999. Mr. Kan, who is also the major shareholder, joined The Analytical Laboratories (Malaysia) Sdn Bhd (TAL) as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

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

He is the Chairman of the Remuneration Committee. He has attended all 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 63, 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 (Malaysia) 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 52, 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 of 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 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 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 66, 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. He has attended seven (7) Board Meetings during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company 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 34, 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 of an internationally recognised professional accountancy body since 2009.

Mr. Low is a member of the Audit Committee, Nomination Committee and 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.

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 2014 (“FYE2014”). ”

CHAIRMAN'S STATEMENT

Cont'd

OPERATING ENVIRONMENT

The industry experienced progressively more challenging market conditions with volumes and prices coming under intense pressure. Taking into account these adverse market conditions, Analabs achieved lower revenue for the year. Core businesses performed satisfactorily but our acquisition of the two Singapore's subsidiaries namely, Toh Ban Seng Contractor Pte. Ltd. and Ban Tiong Soon Contractor Pte. Ltd., which is in pipe laying and rehabilitation works, did not perform as expected.

GROUP'S RESULTS

The Analabs Group recorded a revenue of RM140.3 million for FYE2014, a reduction of RM7 million as compared to RM147.3 million recorded for financial year ended 30 April, 2013 (FYE2013). Profit after taxation for FYE2014 declined by RM0.5 million to RM9.09 million, as compared to RM 9.54 million in FYE2013 due to weaker prices resulting from harsh competition and emergence of new players. Earnings per share was 16.88 sen compared to 16.46 sen recorded in FYE2013.

The financial position of the Group remains very strong due to conservative and prudent administration. Bank balances remained healthy at RM21.6 million compared to RM24.9 million in year 2013 in whilst shareholders funds increased to RM207.6 million from RM163.3 million the previous year.

DIVIDEND AND SHARE BUY BACKS

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

As part of the Group's on-going efforts to reward the shareholders, the Group paid out an interim single tier dividend of 4.125 sen per share on 20 March 2014.

During the FYE2014, the Company purchased 649,000 shares at an average price of RM1.72. As at 19 September 2014, being the latest practical date prior to the printing of this annual report, the Company held in total 3,075,100 shares of RM1.00 each as treasury shares.

DIRECTORATE

Mr. Ganesan a/l Sundaraj, has expressed his desire not to seek re-election at the upcoming Annual General Meeting of the Company. On behalf of the Board, I would like to express our sincere appreciation to him for his valuable contribution and guidance to the Group during his term of office.

BUSINESS OUTLOOK AND STRATEGY

This year, Analabs was affected by the tile trading business and the investment in Singapore which affected the Net Profit after Tax of the Group .

Given the cautious economic outlook, the Group will continue to explore new business opportunities prudently, both locally and overseas and continue to selectively invest and position the business for future growth. In the next five years, we will develop the tiles trading and Singapore sewage businesses.

Operations performance for the 5 segments are as follows:-

	Revenue	
	FYE 2014 Million	FYE 2013 Million
Manufacturing , Formulation and Sale of Resin Chemicals and Building Materials	RM96.43	RM119.83
Recovery and Sale of Recycled Products	RM28.13	RM28.68
Culture and Sale of Prawns	RM1.03	RM0.70
Investment Holding and Property Letting	RM0.97	RM1.13
New Contract Work , Pipe Laying and Rehabilitation	RM18.79	-

The Group's performance for the financial year was as follows:

	FYE2014 Million	FYE2013 Million
Group's revenue	RM140.324	RM147.376
Profit after tax	RM9.095	RM9.546

CHAIRMAN'S STATEMENT

Cont'd

BUSINESS OUTLOOK AND STRATEGY *Cont'd*

Continuous efforts would be made to develop talent and improve business efficiencies so that we remain well positioned to deal with a changing economic environment. With the above business strategy, we are optimistic that our tile trading and the Singapore technical services would recover and achieve a favourable revenue and profit.

The Board of Directors is positive on 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 29.

CORPORATE SOCIAL RESPONSIBILITY

Recycling, 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 into the air and waterways. Analabs is committed to care for the environment through the most effective management and recycling of waste.

The Group is committed to ensure a safe working environment that promotes safety, protects rights, enhances work life balance and propels employee growth to achieve their fullest potential. On the job training are conducted to enhance the employees' skill development.

During the financial year, the Group has also provided valuable assistance in the form of monetary donation to Rumah Berhala Sau Seng Lum.

ACKNOWLEDGEMENT

I personally would like to extend my sincere appreciation to my fellow directors, Mr. Ganesan Sundaraj, Mr. Lai, Mr. Low and Mr. Lim for their valuable insights, guidance and dedication towards the improvement of Analabs.

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

Y K KAN

Executive Chairman



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 member, whichever is the higher, as Independent Non-Executive Directors and the Recommendation 3.5 of the Code which states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The profile of each of the 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.

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.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 1: THE BOARD OF DIRECTORS *Cont'd*

DUTIES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT *Cont'd*

- 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.

BOARD MEETINGS

The Board met 7 times during the financial year ended 30 April 2014.

The number of Board meetings held during the financial year 2014 and the attendance of the Board at the Board Meetings are detailed here below:-

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
Kan Yow Kheong <i>Executive Chairman</i>	7/7	100
Lim Yoke Soo <i>Executive Director</i>	7/7	100
Ganesan a/l Sundaraj <i>Senior Independent Non-Executive Director</i>	7/7	100
Lai Yew Choong <i>Independent Non-Executive Director</i>	7/7	100
Low Chin Ann @ Han Chin Ann <i>Independent Non-Executive Director</i>	6/7	86

SUPPLY OF INFORMATION

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 1: THE BOARD OF DIRECTORS *Cont'd*

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
Executive Directors				
- Company	80,388	24,000.00	-	-
- Subsidiaries	1,551,799	317,500.00	-	-
Subtotal	1,632,187	341,500.00	-	-
Non-Executive Directors				
- Company	-	60,000.00	-	-
- Subsidiaries	-	-	-	-
Total	1,632,187	401,500.00	-	-

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

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

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 Immediate Disclosure of Material Information.

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.

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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

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 22 to page 25 of this Annual Report.

NOMINATION COMMITTEE

The Nomination Committee was established on 25 June 2001. Presently, the Committee is 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/l 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*

THE NOMINATION AND ELECTION PROCESS OF BOARD MEMBERS ARE AS FOLLOWS:-

Appointment of New Directors

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

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

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 2: COMMITTEES OF THE BOARD *Cont'd*

Appointment of New Directors *Cont'd*

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

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

Re - Election

In accordance with the Articles of Association, all Directors (including all newly appointed Directors) shall retire from office at each Annual General Meeting and may offer themselves 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.

Mr. Ganesan a/l Sundaraj whose tenure of office as an Independent Non-Executive Director of the Company will be nine (9) years cumulatively in November 2014. He has expressed his intention not to seek re-election at the forthcoming Annual General Meeting. Hence, he will retain office until the close of the forthcoming Annual General Meeting.

Annual Assessment of Existing Directors

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

Assessment on Independence of Directors

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

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

During the financial year 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.

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/l 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

SECTION 2: COMMITTEES OF THE BOARD *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 Company does not have a policy on boardroom diversity, including gender diversity. The Group is an equal opportunity employer and in its selection for Board representation, the Company believes in, and provides equal opportunity to candidates based on merit.

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.

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 and the Company's website at www.analabs.com.my.

THE ANNUAL GENERAL MEETING ("AGM")

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

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 2014 can be found on pages 31 to 107 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 19 to 21.

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 during the financial year ended 30 April 2014.

SECTION 5: DIRECTORS' RESPONSIBILITY STATEMENT

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

STATEMENT ON CORPORATE GOVERNANCE

Cont'd

SECTION 6: CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

The Group undertook various steps to play its part in contributing to the welfare of the society and communities in the environment it operates. Analabs recognises that for long term sustainability, it would need to look beyond 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 2014.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 27 August 2014.

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

The non-audit fees paid by the Group to the external auditors for the financial year ended 30 April 2014 was RM51,000.00.

Utilization of Proceeds

There were no proceeds raised from any corporate proposal or any utilization of such for the financial year ended 30 April 2014.

Share Buybacks

The Company has purchased a total of 649,000 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
September 2013	10,000	17,628.25	1.75	1.75	1.76
October 2013	30,000	52,077.71	1.72	1.73	1.74
February 2014	564,000	971,874.66	1.70	1.74	1.72
March 2014	45,000	77,310.53	1.70	1.71	1.72

* Inclusive of transaction costs

As at 30 April 2014, a total of 3,075,100 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 2014.

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.

Variation in Results

The Group's audited results for the financial year ended 30 April 2014 has not varied by 10% or more from the unaudited results for the quarter ended 30 April 2014 previously announced.

Profit Guarantee

The Company did not give any Profit Guarantee during the financial year ended 30 April 2014.

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 2014 or enter into since the end of the previous financial year.

Recurrent related Party Transactions

There were no Recurrent Related Party Transactions of a revenue or trading nature between the Company and its related parties other than that as disclosed in Note 42 to the Financial Statements.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

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

RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

INTERNAL CONTROL ENVIRONMENT

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

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

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

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Cont'd

RISK MANAGEMENT FRAMEWORK

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

The risk management process can be briefly summarised as follows:



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

INFORMATION AND COMMUNICATION

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

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

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

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

CONCLUSION

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

This Statement is made in accordance with the resolution of the Board of Directors dated 27 August 2014.

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.

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 representatives 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.

MEETINGS AND QUORUM OF THE AUDIT COMMITTEE *Cont'd*

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

DUTIES

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

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

AUDIT COMMITTEE

Cont'd

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.

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 2014 are as follows:

Directors	Meetings Attended by the Directors/ Total Number of Meetings held During the Financial Year Ended 30 April 2014	% of Attendance
Mr. Ganesan a/l Sundaraj	6/6	100
Mr. Lai Yew Choong	6/6	100
Mr. Low Chin Ann @ Han Chin Ann	6/6	100

ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 30 April 2014 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;

ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE *Cont'd*

The activities of the Audit Committee during the financial year ended 30 April 2014 include the following:

- d. reviewed related party transactions within the Group;
- e. reviewed 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;
- h. considered and recommended to the Board for approval, the audit fees paid to Internal and External Auditors; and
- i. reviewed the significant transaction which falls under the Chapter 10 of the Main Market Listing Requirements.

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. Based on these audits, the outsourced internal auditors provided the Audit Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

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

- Performed internal audit review on Resources Conservation Sdn. Bhd., Syntax System Solutions Sdn. Bhd. and Lux Distributor Sdn. Bhd.
- 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 on Lux Distributor Sdn. Bhd., Coveright Surfaces Malaysia Sdn. Bhd. and Cleanway Disposal Services Pte. Ltd.

During the year, the Audit Committee has met the internal auditor twice to review 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/I 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.

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 or third party referrals;
- (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.

NOMINATION COMMITTEE

Cont'd

FUNCTIONS *Cont'd*

- (vi) Develops succession planning policy and ensure that the policy is kept under review;
- (vii) Ensures that the policy on selection criteria and succession planning is well documented and approved by the full Board and any change thereto should be subjected to the endorsement of the full Board; and
- (viii) Review the term of office and performance of each of the Committee members of its various standing committees at least once in every three years.

MEETINGS

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

There was one (1) meeting held during the financial year 2014.

REMUNERATION COMMITTEE

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

CONSTITUTION AND PURPOSE

The Remuneration Committee was established on 25 June 2001.

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

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

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

COMPOSITION

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

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 2014.





Directors' Report	• P32 •
Statement by Directors	• P36 •
Statutory Declaration	• P36 •
Independent Auditors' Report	• P37 •
Statements of Financial Position	• P39 •
Statements of Profit or Loss and Other Comprehensive Income	• P41 •
Statements of Changes in Equity	• P42 •
Statements of Cash Flows	• P45 •
Notes to the Financial Statements	• P47 •

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2014.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group	The Company
	RM'000	RM'000
Profit/(Loss) after taxation for the financial year	9,095	(122)
Attributable to:-		
Owners of the Company	9,695	(122)
Non-controlling interests	(600)	-
	9,095	(122)

DIVIDENDS

Since the end of the previous financial year, the Company paid a single-tier interim dividend of 4.125 sen per ordinary share, amounting to RM2,351,001 in respect of the financial year ended 30 April 2014.

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.

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 21 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 46 to the financial statements. At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT

Cont'd

DIRECTORS

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

Kan Yow Kheong
Lim Yoke Soo
Ganesan A/L Sundaraj
Lai Yew Choong
Low Chin Ann@ Han Chin Ann

DIRECTORS' INTERESTS

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

	← Number Of Ordinary Shares Of RM1 Each →			
	At 1.5.2013	Bought	Sold	At 30.4.2014
<i>Direct Interests In The Company</i>				
Kan Yow Kheong	30,784,052	422,500	-	31,206,552
Lim Yoke Soo	212,277	-	-	212,277
Low Chin Ann@ Han Chin Ann	4,500	-	(4,500)	-
<i>Indirect Interest In The Company</i>				
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 in Malaysia.

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' 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 42 to the financial statements.

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 DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 48 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors dated 27 August 2014

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 39 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 April 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 50, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 August 2014

Kan Yow Kheong

Lim Yoke Soo

STATUTORY DECLARATION

I, Kan Mun Hoow, I/C No. 800114-10-5341, 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 39 to 107 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
Kan Mun Hoow, I/C No. 800114-10-5341
at Kuala Lumpur in the Federal Territory
on this 27 August 2014

Kan Mun Hoow

Before me
Lai Din
No. W 668
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 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 107.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of **Analabs Resources Berhad**

(Incorporated in Malaysia) Company No: 468971-A

Cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 50 on page 108 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Firm No: AF 1018

Chartered Accountants

27 August 2014

Kuala Lumpur

Chong Tuck Wai

Approval No: 3023/03/15 (J)

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

At 30 April 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	79,787	79,787
Investment in an associate	6	-	-	-	-
Property, plant and equipment	7	159,840	95,228	-	-
Goodwill	8	9,755	8,397	-	-
Investment in quoted shares	9	13,427	6,463	1,137	1,415
Other investments	10	1,406	1,051	1,226	870
Amount owing by subsidiaries	11	-	-	12,220	12,220
		184,428	111,139	94,370	94,292
CURRENT ASSETS					
Inventories	12	20,203	24,894	-	-
Amount owing by contract customers	13	1,092	-	-	-
Trade receivables	14	35,789	35,258	-	-
Other receivables, deposits and prepayments	15	13,377	2,740	3	4
Amount owing by subsidiaries	11	-	-	13,354	12,930
Tax recoverable		734	1,162	-	35
Fixed deposits with licensed banks	16	3,620	4,221	77	74
Cash and bank balances		21,583	24,854	96	108
		96,398	93,129	13,530	13,151
TOTAL ASSETS		280,826	204,268	107,900	107,443

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

STATEMENTS OF FINANCIAL POSITION

At 30 April 2014

Cont'd

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	60,024	60,024	60,024	60,024
Share premium	18	6,248	6,248	6,248	6,248
Revaluation reserve	19	47,194	10,015	-	-
Foreign exchange translation reserve	20	1,276	710	-	-
Treasury shares	21	(4,320)	(3,205)	(4,320)	(3,205)
Fair value reserve	22	791	466	414	35
Retained profits	23	96,343	88,999	23,462	25,935
Equity attributable to owners of the Company		207,556	163,257	85,828	89,037
Non-controlling interest		(534)	-	-	-
TOTAL EQUITY		207,022	163,257	85,828	89,037
NON-CURRENT LIABILITIES					
Deferred tax liabilities	24	19,955	10,299	-	-
Hire purchase payables	25	641	107	-	-
Term loans	26	17,859	-	-	-
		38,455	10,406	-	-
CURRENT LIABILITIES					
Amount owing to contract customers	13	190	-	-	-
Trade payables	27	13,325	13,383	-	-
Other payables and accruals	28	10,860	6,052	254	194
Amount owing to subsidiaries	11	-	-	21,760	18,212
Amount owing to a director	29	150	150	-	-
Hire purchase payables	25	336	146	-	-
Bankers' acceptances	30	5,489	10,874	-	-
Term loans	26	4,506	-	-	-
Bank overdrafts	31	493	-	-	-
Provision for taxation		-	-	58	-
		35,349	30,605	22,072	18,406
TOTAL LIABILITIES		73,804	41,011	22,072	18,406
TOTAL EQUITY AND LIABILITIES		280,826	204,268	107,900	107,443
NET ASSETS PER SHARE (RM)	32	3.64	2.83		

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 April 2014

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE	33	140,324	147,376	624	675
COST OF SALES		(116,949)	(119,508)	-	-
GROSS PROFIT		23,375	27,868	624	675
OTHER INCOME		7,486	4,062	147	476
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(18,070)	(17,764)	(701)	(736)
FINANCE COSTS		(926)	(540)	-	-
PROFIT BEFORE TAXATION	34	11,865	13,626	70	415
INCOME TAX EXPENSE	35	(2,770)	(4,080)	(192)	(139)
PROFIT/(LOSS) AFTER TAXATION		9,095	9,546	(122)	276
OTHER COMPREHENSIVE INCOME/(EXPENSES)	36				
<u>Item that will not be reclassified subsequently to profit or loss</u>					
Revaluation of property		37,253	-	-	-
<u>Items that may be reclassified subsequently to profit or loss</u>					
Fair value changes of available-for-sale financial assets		325	(1,367)	379	(307)
Foreign currency translation differences		558	441	-	-
		883	(926)	379	(307)
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSES)		38,136	(926)	379	(307)
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		47,231	8,620	257	(31)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		9,695	9,546	(122)	276
Non-controlling interest		(600)	-	-	-
		9,095	9,546	(122)	276
TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		47,765	8,620	257	(31)
Non-controlling interest		(534)	-	-	-
		47,231	8,620	257	(31)
EARNINGS PER SHARE (SEN)					
Basic	37	16.88	16.46		
Diluted	37	Not applicable	Not applicable		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2014

	Non-Distributable				Distributable			Attributable To Owner Of The Company		Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Fair Value Reserve	Foreign Exchange Translation Reserve	Retained Profits	RM'000	RM'000		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.5.2012	60,024	6,248	(1,431)	10,015	1,833	269	81,829	158,787	-	158,787	
Profit after taxation for the financial year	-	-	-	-	-	-	9,546	9,546	-	9,546	
Other comprehensive income for the financial year:											
- Foreign currency translation differences	-	-	-	-	-	441	-	441	-	441	
- Fair value changes of available-for-sale financial assets	-	-	-	-	(1,367)	-	-	(1,367)	-	(1,367)	
Total comprehensive income for the financial year	-	-	-	-	(1,367)	441	9,546	8,620	-	8,620	
Contributions by and distributions to owners of the Company:											
- Treasury shares acquired	-	-	(1,774)	-	-	-	-	(1,774)	-	(1,774)	
- Dividend	-	-	-	-	-	-	(2,376)	(2,376)	-	(2,376)	
Total transactions with owners	-	-	(1,774)	-	-	-	(2,376)	(4,150)	-	(4,150)	
Balance at 30.4.2013	60,024	6,248	(3,205)	10,015	466	710	88,999	163,257	-	163,257	

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2014

Cont'd

	Non-Distributable				Distributable			Attributable To Owner Of The Company	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Fair Value Reserve	Foreign Exchange Translation Reserve	Retained Profits			
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 30.4.2013/1.5.2013	60,024	6,248	(3,205)	10,015	466	710	88,999	163,257	-	163,257
Profit/(Loss) after taxation for the financial year	-	-	-	-	-	-	9,695	9,695	(600)	9,095
Other comprehensive income for the financial year:										
- Revaluation of property	-	-	-	37,179	-	-	-	37,179	74	37,253
- Foreign currency translation differences	-	-	-	-	-	566	-	566	(8)	558
- Fair value changes of available-for-sale financial assets	-	-	-	-	325	-	-	325	-	325
Total comprehensive income for the financial year	-	-	-	37,179	325	566	9,695	47,765	(534)	47,231
Contributions by and distributions to owners of the Company:										
- Treasury shares acquired	-	-	(1,115)	-	-	-	-	(1,115)	-	(1,115)
- Dividend	-	-	-	-	-	-	(2,351)	(2,351)	-	(2,351)
Total transactions with owners	-	-	(1,115)	-	-	-	(2,351)	(3,466)	-	(3,466)
Balance at 30.4.2014	60,024	6,248	(4,320)	47,194	791	1,276	96,343	207,556	(534)	207,022

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2014

Cont'd

The Company	Note	Non-Distributable			Distributable		Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Retained Profits 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 expenses for the financial year:	36						
- Fair value changes of available-for-sale financial assets		-	-	-	(307)	-	(307)
Total comprehensive expenses for the financial year		-	-	-	(307)	276	(31)
Contributions by and distributions to owners of the Company:							
- Treasury shares acquired	21	-	-	(1,774)	-	-	(1,774)
- Dividend	38	-	-	-	-	(2,376)	(2,376)
Total transactions with owners		-	-	(1,774)	-	(2,376)	(4,150)
Balance at 30.4.2013/1.5.2013		60,024	6,248	(3,205)	35	25,935	89,037
Loss after taxation for the financial year		-	-	-	-	(122)	(122)
Other comprehensive income for the financial year:	36						
- Fair value of changes available-for-sale financial assets		-	-	-	379	-	379
Total comprehensive income for the financial year		-	-	-	379	(122)	257
Contributions by and distributions to owners of the Company:							
- Treasury shares acquired	21	-	-	(1,115)	-	-	(1,115)
- Dividend	38	-	-	-	-	(2,351)	(2,351)
Total transactions with owners		-	-	(1,115)	-	(2,351)	(3,466)
Balance at 30.4.2014		60,024	6,248	(4,320)	414	23,462	85,828

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2014

	The Group		The Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	11,865	13,626	70	415
Adjustments for:-				
Allowance for impairment loss on receivables	148	1,525	-	-
Bad debts written off	-	14	-	-
Depreciation of property, plant and equipment	7,682	5,865	-	-
Impairment loss on available-for-sales investment	637	612	308	297
Interest expense	926	540	-	-
Inventories written down	475	296	-	-
Inventories written off	-	154	-	-
Loss/(Gain) on disposal of property, plant and equipment	18	(101)	-	-
Dividend income	(231)	(477)	(24)	(65)
Gain on disposal of quoted shares	(181)	(1,829)	-	(330)
(Gain)/Loss on unrealised foreign exchange	(1,727)	244	-	-
Interest income	(624)	(345)	(146)	(146)
Reversal of impairment loss on a property	(201)	-	-	-
Reversal of inventories written down	(110)	-	-	-
Writeback of allowance for impairment loss on receivables	(1,009)	(333)	-	-
Operating profit before working capital changes	17,668	19,791	208	171
Decrease in inventories	4,337	1,818	-	-
Decrease in trade and other receivables	11,735	10,618	1	1,078
(Decrease)/Increase in trade and other payables	(10,784)	(9,827)	60	(8)
CASH FLOWS FROM OPERATIONS	22,956	22,400	269	1,241
Income tax paid	(4,482)	(4,354)	(144)	(98)
Income tax refunded	1,982	-	45	-
Interest paid	(926)	(540)	-	-
NET CASH FROM OPERATING ACTIVITIES	19,530	17,506	170	1,143

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2014

Cont'd

	Note	The Group		The Company	
		2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividends received		231	477	24	65
Interest received		624	345	146	146
(Advances to)/Repayment from subsidiaries		-	-	(424)	7,262
Cash outflow for acquisition of subsidiaries	39	(18,955)	(7,127)	-	(10,252)
Proceeds from disposal of property, plant and equipment		75	286	-	-
Proceeds from disposal of quoted shares		2,362	8,557	-	1,835
Purchase of quoted shares		(9,793)	(843)	(7)	(17)
Purchase of property, plant and equipment		(8,176)	(890)	-	-
Withdrawal/(Placement) of fixed deposit pledged		592	(3,913)	(3)	(2)
NET CASH FOR INVESTING ACTIVITIES		(33,040)	(3,108)	(264)	(963)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(2,351)	(2,376)	(2,351)	(2,376)
Purchase of treasury shares		(1,115)	(1,774)	(1,115)	(1,774)
Drawdown of term loan		22,448	-	-	-
Repayment of term loan		(3,660)	-	-	-
Repayment of bankers' acceptances		(5,385)	(5,295)	-	-
Repayment of hire purchases obligations		(1,115)	(188)	-	-
Advances from subsidiaries		-	-	3,548	2,650
Advances from directors		-	150	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		8,822	(9,483)	82	(1,500)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(4,688)	4,915	(12)	(1,320)
EFFECT OF EXCHANGE RATE DIFFERENCES		915	(219)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		24,877	20,181	108	1,428
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40	21,104	24,877	96	108

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

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 27 August 2014.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 (2011) Employee Benefits
MFRS 127 (2011) Separate Financial Statements
MFRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to MFRSs 2009 – 2011 Cycle

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

3. BASIS OF PREPARATION *Cont'd*

- 3.1 The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements except as follows:-

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 is no financial impact on the financial statements of the Company 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 is no financial impact on the financial statements of the Group upon its initial application but may impacts 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. MFRS 13 has been applied prospectively as of the beginning of the current financial year and there is no financial impact on the financial statements of the Group upon its initial application.

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 is 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 is 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 Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments 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 2014

Cont'd

3. BASIS OF PREPARATION *Cont'd*

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments)
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures)
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

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

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, 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 financial impact on the financial statements of the Group upon its initial application.

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 amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

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) Construction Contracts

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

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

(c) Income Taxes

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

(d) Impairment of Non-Financial Assets

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

(e) Write-down of Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *Cont'd*

(f) Impairment of Trade and Other Receivables

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

(g) Revaluation of Properties

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.

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

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

(i) Classification of Leasehold Land

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

(j) Impairment of Goodwill

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

(k) Fair Value Estimates for Certain Financial Assets and 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 2014

Cont'd

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 the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.2 BASIS OF CONSOLIDATION *Cont'd*

(d) Loss of Control

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

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

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

4.3 GOODWILL

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

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

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

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.4 FUNCTIONAL AND FOREIGN CURRENCIES *Cont'd*

(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.

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

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

(a) Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.5 FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Assets *Cont'd*

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

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

(ii) Held-to-maturity Investments

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

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

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

(iii) Loans and Receivables Financial Assets

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

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

(iv) Available-for-sale Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.5 FINANCIAL INSTRUMENTS *Cont'd*

(b) Financial Liabilities

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

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

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

(c) Equity Instruments

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

(i) Ordinary shares

Incremental costs directly attributable to the issue of new ordinary shares 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.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares 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.

(d) Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 INVESTMENTS IN ASSOCIATES

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

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

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

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

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

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.8 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.8 PROPERTY, PLANT AND EQUIPMENT *Cont'd*

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

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

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

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

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.

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.

4.9 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.9 IMPAIRMENT *Cont'd*

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

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 financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

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

(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, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.8 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.

4.11 INVENTORIES

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.12 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 reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

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

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

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

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

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

4.13 CONSTRUCTION WORK-IN-PROGRESS

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

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

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, 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 with original maturity periods of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.14 CASH AND CASH EQUIVALENTS *Cont'd*

During the current financial year, the Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 May 2012.

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. The unwinding of the discount is recognised as interest expense in profit or loss.

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

4.17 RELATED PARTIES

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (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 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.18 CONTINGENT LIABILITIES

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

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

4.19 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

4.20 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of 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) Contract Revenue

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.20 REVENUE AND OTHER INCOME *Cont'd*

(d) Interest Income

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

(e) Dividend Income

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

(f) Rental Income

Rental income is recognised on an accrual basis.

4.21 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.

4.22 BORROWING COSTS

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

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

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

4.23 OPERATING LEASES

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line method over the lease period.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments in the consolidated statement of financial position.

4.24 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 2014

Cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost		
- in Malaysia	83,643	83,643
- outside Malaysia	6,828	6,828
	90,471	90,471
Accumulated impairment losses	(10,684)	(10,684)
At 30 April	79,787	79,787

Details of the subsidiaries are as follows:-

Name Of Company	Country Of Incorporation	Effective Equity Interest		Principal Activities
		2014	2013	
		%	%	
Direct Subsidiaries				
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Industrial consultancy and analytical chemists.
Masmeru Sdn. Bhd.	Malaysia	100	100	Investment holding.
K & L Chemicals Sdn. Bhd. ^^	Malaysia	100	100	Investment holding and trading of industrial chemicals.
Centralised Waste Treatment Plant Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
M-Field Sdn. Bhd.	Malaysia	100	100	Property letting and investment holding.
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Inagro Sdn. Bhd.	Malaysia	100	100	Formulation and repackaging of 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.
Striketech Sdn. Bhd.	Malaysia	100	100	Culture and sale of prawn, and collection, treatment, recovery and recycling of organic waste.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

5. INVESTMENTS IN SUBSIDIARIES *Cont'd*

Name Of Company	Country Of Incorporation	Effective Equity Interest		Principal Activities
		2014 %	2013 %	
Direct Subsidiaries <i>Cont'd</i>				
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Trading in industrial chemical and its related products.
AL Resources Pte. Ltd.*	Singapore	99.99	99.99	Manufacture and trading in paint and its related products.
Global Pacific Petroleum Sdn. Bhd. ("GPP")	Malaysia	100	100	Manufacturing and trading in lubricant products.
Cleanway Disposal Services Pte. Ltd. ("CDS")*	Singapore	100	100	Providing containerised waste disposal services.
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.
Lux Distributor Sdn. Bhd.	Malaysia	100	100	Trading in, import and distribution of ceramic tiles and building materials.
Subsidiary of GPP				
Hysper Manufacturing (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiary of CDS				
Singapore Analabs Pte. Ltd. ("SAPL")*	Singapore	63	-	Investment holding company.
Subsidiaries of SAPL				
Toh Ban Seng Contractor Pte. Ltd. ("TBS")*	Singapore	63	-	Contract work pipe laying and rehabilitation.
Ban Tiong Soon Contractor Pte.Ltd.("BTS")*	Singapore	63	-	Contract work pipe laying and rehabilitation.

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

^^ In the process of being struck off under Section 308 of the Companies Act 1965 in Malaysia.

- (a) During the financial year,
- (i) On 17 May 2013, CDS subscribed for a 63% equity interests in SAPL for a total consideration of SGD63 (equivalent to approximately RM158).
 - (ii) The subsidiary of the Company, SAPL, acquired 100% equity interest in TBS and BTS for a total consideration of SGD9 million (equivalent to approximately RM22 million). The financial effects are disclosed in Note 39 to the financial statements.
- (b) The summarised financial information for SAPL, TBS and BTS is not presented as the non-controlling interests are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

6. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	#	#	#	#
Less: Impairment loss	-	-	(#)	(#)
	#	#	-	-
Share of post-acquisition losses	(#)	(#)	-	-
	-	-	-	-

- RM40.

Details of the associate are as follows:-

Name Of Company	Country Of Incorporation	Effective Equity Interest		Principal Activity
		2014 %	2013 %	
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 2014

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.5.2013		Acquisition Of		Revaluation	Reclassification	Disposals	Reversal Of Impairment	Translation Difference	Depreciation Charge	At 30.4.2014	
	RM'000	RM'000	RM'000	RM'000							RM'000	RM'000
<i>Net Book Value</i>												
Freehold land	22,600	3,595	-	18,755	5,365	-	-	-	-	-	-	50,315
Leasehold land	24,995	-	-	12,135	(4,528)	-	-	-	-	(282)	-	32,320
Buildings	30,105	3,300	6,350	13,723	(876)	-	201	470	(1,185)	(1,185)	-	52,088
Plant and machinery	14,401	251	8,392	-	15	-	-	317	(4,473)	(4,473)	-	18,903
Renovation	84	-	8	-	72	-	-	-	(52)	(52)	-	112
Office equipment	270	339	228	-	-	-	-	14	(193)	(193)	-	658
Furniture and fittings	76	2	28	-	-	-	-	1	(25)	(25)	-	82
Laboratory equipment	299	154	-	-	-	-	-	12	(113)	(113)	-	352
Motor vehicles	2,301	535	3,402	-	-	(84)	-	175	(1,359)	(1,359)	-	4,970
Capital work-in-progress	97	-	-	-	(48)	(9)	-	-	-	-	-	40
	95,228	8,176	18,408	44,613	-	(93)	201	989	(7,682)	(7,682)	-	159,840

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

The Group	At Cost RM'000	At Valuation RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
2014				
Freehold land	-	50,315	-	50,315
Leasehold land	-	33,012	(692)	32,320
Buildings	-	54,204	(2,116)	52,088
Plant and machinery	107,758	-	(88,855)	18,903
Renovation	500	-	(388)	112
Office equipment	5,051	-	(4,393)	658
Furniture and fittings	839	-	(757)	82
Laboratory equipment	4,710	-	(4,358)	352
Motor vehicles	16,558	-	(11,588)	4,970
Capital work-in-progress	40	-	-	40
	135,456	137,531	(113,147)	159,840
2013				
Freehold land	-	22,600	-	22,600
Leasehold land	-	28,047	(3,052)	24,995
Buildings	-	34,224	(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
	123,315	84,871	(112,958)	95,228

- (a) Certain land and buildings of the Group with a net carrying value amounting to RM31,307,420 (2013 - RM8,275,835) have been pledged to licensed banks as security for banking facilities granted to the Group.
- (b) Included in the assets of the Group at the end of the reporting period were motor vehicles and plant and machinery with a total net book value of RM1,381,544 and RM203,557 respectively (2013 - RM677,476 and RM Nil), which were acquired under hire purchase terms.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

7. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

- (c) During the financial year, the Group's freehold land and buildings have been revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

The fair values of the freehold land and buildings are analysed as follows:-

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2014				
Freehold land	-	50,315	-	50,315
Leasehold land	-	32,320	-	32,320
Buildings	-	28,717	23,371	52,088
	-	111,352	23,371	134,723

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties.

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

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

Comparative fair value information is not presented by virtue of the exemption given in MFRS 13.

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

	The Group	
	2014 RM'000	2013 RM'000
Freehold land	16,773	9,878
Leasehold land	18,626	23,237
Factory buildings	19,889	14,753
	55,288	47,868

8. GOODWILL

	The Group	
	2014 RM'000	2013 RM'000
At 1 May	8,397	7,089
Addition during the financial year (Note 39)	1,306	1,308
Foreign exchange translation differences	52	-
At 30 April	9,755	8,397

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

8. GOODWILL *Cont'd*

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

	The Group	
	2014 RM'000	2013 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	7,704	7,704
Recovery and sale of recycled products	279	279
Culture and sale of prawns	2	2
Investment holding and property letting	412	412
Contract work, pipe laying and rehabilitation	1,358	-
	9,755	8,397

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

	Growth Rate		Discount Rate	
	2014	2013	2014	2013
Manufacturing, formulation and sale of resin, chemicals and building materials	3% to 10%	3% to 10%	6%	8%
Contract work, pipe laying and rehabilitation	5%	-	6%	-
Others	2% to 8%	3% to 5%	6%	8%

(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, formulation and sale of resin, chemicals and building material industry, waste recycling industry, prawn culturing industry and contract work, pipe laying and rehabilitation industry are based on external sources and internal sources (historical data).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

9. INVESTMENT IN QUOTED SHARES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At fair value:				
- Quoted shares in Malaysia	11,831	5,302	749	1,057
- Quoted shares outside Malaysia	1,596	1,161	388	358
	13,427	6,463	1,137	1,415

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Club membership	180	180	-	-
Investment in trust fund	1,226	871	1,226	870
	1,406	1,051	1,226	870
Represented by:-				
At cost	180	180	-	-
At fair value	1,226	871	1,226	870
	1,406	1,051	1,226	870

- (a) Investments in trust fund of the Group are designated as available-for-sale financial assets and are measured at fair value.
- (b) Investments in club membership of the Group are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

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

	The Company	
	2014 RM'000	2013 RM'000
Amount Owing By Subsidiaries		
Non-current	12,220	12,220
Current	13,354	12,930
	25,574	25,150
Amount Owing To Subsidiaries		
Current	(21,760)	(18,212)

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

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

	The Company	
	2014 RM'000	2013 RM'000
Singapore Dollar	63	(135)

Included in the amount owing by the subsidiaries is an amount of RM12,220,000 (2013 -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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

12. INVENTORIES

	The Group	
	2014	2013
	RM'000	RM'000
At cost:-		
Livestocks	75	96
Raw materials	14,396	19,782
Packing materials	25	26
Spares	126	126
Finished goods	2,920	4,421
Goods in transit	1,927	-
	19,469	24,451
At net realisable value:-		
Raw materials	734	443
	20,203	24,894
Recognised in profit or loss:-		
Inventories recognised as cost of sales	78,440	121,841
Amount written down to net realisable value	475	154
Reversal of inventories written down	(110)	-

The reversal of inventories written down was in respect of inventories sold above their carrying amounts during the financial year.

13. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	2014	2013
	RM'000	RM'000
Contract costs incurred to date	7,756	-
Progress billings	(6,854)	-
Net amount owing by contract customers	902	-
Represented by:-		
Amount owing by contract customers	1,092	-
Amount owing to contract customers	(190)	-
	902	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

14. TRADE RECEIVABLES

	The Group	
	2014 RM'000	2013 RM'000
Trade receivables	37,117	38,259
Allowance for impairment losses	(1,328)	(3,001)
	35,789	35,258
Allowance for impairment losses:-		
At 1 May	(3,001)	(1,138)
Addition during the financial year	(148)	(1,525)
Acquisition of a new subsidiary	-	(685)
Written off during the financial year	815	14
Writeback during the financial year	1,009	333
Foreign exchange translation differences	(3)	-
At 30 April	(1,328)	(3,001)

The Group's normal trade credit terms range from 30 to 90 (2013 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

Trade receivables that are individually determined to be impaired relate to customers that are in significant financial difficulties and have defaulted on payments.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other receivables	12,133	1,983	2	2
Deposits	521	338	1	2
Prepayments	631	419	-	-
Grant receivables	92	-	-	-
	13,377	2,740	3	4

Included in other receivables of the Group is an amount of RM9.75 million (2013 - RM1 million) being the amount of profit guarantee that is receivable from vendors of the acquired subsidiaries.

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licenced banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 2.67% to 3.25% (2013 - 2.67% to 3.25%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (2013 - 12 months).

Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was an amount of RM3,605,781 (2013 - RM4,197,743) which has been pledged to licensed banks as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

17. SHARE CAPITAL

	The Company			
	2014	2013	2014	2013
	Number Of Shares '000	'000	RM'000	RM'000
Ordinary Shares Of RM1 Each:-				
Authorised	100,000	100,000	100,000	100,000
Issued And Fully Paid-Up	60,024	60,024	60,024	60,024

18. 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 in Malaysia.

19. REVALUATION RESERVE

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

20. FOREIGN EXCHANGE TRANSLATION RESERVE

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

21. TREASURY SHARES

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

	The Group/The Company	
	No. of Shares	Total Consideration RM'000
Balance at 1 May 2012	1,268,000	1,431
Addition during the financial year	1,158,100	1,774
Balance at 30 April 2013/1 May 2013	2,426,100	3,205
Addition during the financial year	649,000	1,115
Balance at 30 April 2014	3,075,100	4,320

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

22. FAIR VALUE RESERVE

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

23. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

24. DEFERRED TAX LIABILITIES

	The Group	
	2014 RM'000	2013 RM'000
At 1 May	10,299	9,590
Acquisition of subsidiaries (Note 39)	1,536	375
Recognised in profit or loss (Note 35)	689	313
Recognised in other comprehensive income (Note 36)	7,360	-
Exchange differences	71	21
At 30 April	19,955	10,299

Deferred tax liabilities are attributable to the following:-

	The Group	
	2014 RM'000	2013 RM'000
Accelerated capital allowances over depreciation	6,533	3,180
Revaluation of land and buildings	14,619	7,176
Unabsorbed capital allowances	(299)	(8)
Unutilised tax losses	(121)	(49)
Others	(777)	-
	19,955	10,299

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

25. HIRE PURCHASE PAYABLES

	The Group	
	2014	2013
	RM'000	RM'000
Minimum hire purchase payments:		
- not later than one year	365	111
- later than one year and not later than five years	548	156
- later than five years	140	-
	1,053	267
Less: Future finance charges	(76)	(14)
Present value of hire purchase payables	977	253
<u>Current</u>		
Not later than one year	336	146
<u>Non-current</u>		
Later than one year and not later than five years	506	107
Later than five years	135	-
	641	107
	977	253

The hire purchase payables bore effective interest rates ranging from 3.53% to 12.02% (2013 - 4.42% to 6.60%) per annum at the end of the reporting period.

26. TERM LOANS

	The Group	
	2014	2013
	RM'000	RM'000
<u>Current</u>		
Not later than one year	4,506	-
<u>Non-Current</u>		
Later than one year and not later than five years	15,389	-
Later than five years	2,470	-
	17,859	-
	22,365	-

(a) The term loans bore effective interest rates ranging from 2.4% to 5.25% (2013 - Nil) per annum at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

26. TERM LOANS *Cont'd*

(b) The terms loans are secured by:-

- (i) a first legal charge over the lands and buildings as disclosed in Note 7 to the financial statements;
- (ii) a fixed and floating charge over the assets, revenue and rights of the certain subsidiaries both present and future;
- (iii) corporate guarantee from the Company and a subsidiary of SGD5,513,000 each; and
- (iv) joint and several guarantee for SGD3,230,000 executed by two directors of the Company.

(c) The repayment terms of the term loans are as follows:-

Term loan 1 at 5.25 p.a on monthly rest	Repayable in 240 monthly instalments of SGD6,964 (equivalent to approximately RM17,410), effective from June 2011.
Term loan 2 at 2.4 p.a on daily net basis	Repayable in 60 instalments of SGD154,718 (equivalent to approximately RM386,795), effective from July 2013.

27. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 120 (2013 – 30 to 120) days.

28. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables	2,418	2,298	91	10
Deposits	335	175	-	-
Accruals	3,363	2,557	163	184
Dividend payables	1,022	1,022	-	-
Amount owing to a corporate shareholder of certain subsidiaries	3,722	-	-	-
	10,860	6,052	254	194

Included in the other payables and accruals of the Group is an amount owing to a corporate shareholder of certain subsidiaries of SGD1,431,669 or equivalent to approximately RM3.7 million (2013 – RM Nil). The amount owing to a corporate shareholder of certain subsidiaries is non-trade in nature, unsecured, interest free and repayable on demand. The amount owing is to be settled in cash.

29. 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 2014

Cont'd

30. BANKERS' ACCEPTANCES

The bankers' acceptances bore effective interest rates ranging from 4.52% to 5.25% (2013 - 4.75% to 5.23%) 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 corporate guarantee of the Company; and
- (iii) a pledge of the fixed deposits of the Group as disclosed in Note 16 to the financial statements.

31. BANK OVERDRAFTS

The bank overdrafts bore effective interest rates ranging from 6.00% to 8.10% (2013 - Nil) per annum and are secured by fixed deposits, a corporate guarantee of the Company and a legal charge over the properties of the Group as disclosed in Note 7.

32. 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 RM207,556,000 (2013 - RM163,257,000) divided by the number of ordinary shares in issue at the end of the reporting period of 56,948,900 (2013 - 57,597,900) excluding treasury shares held by the Company.

33. REVENUE

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	94,874	118,224	-	-
Recovery and sale of recycled products	27,663	28,021	-	-
Culture and sale of prawns	1,026	703	-	-
Rental income	63	4	-	-
Contract work pipe laying and work rehabilitation	16,481	-	-	-
Dividend income from quoted shares	217	424	24	65
Management fee from subsidiaries	-	-	600	610
	140,324	147,376	624	675

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

34. PROFIT BEFORE TAXATION

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment loss on receivables	148	1,525	-	-
Audit fee:				
- current financial year	259	204	45	33
- (over)/underprovision in the previous financial year	(29)	22	12	12
Bad debts written off	-	14	-	-
Depreciation of property, plant and equipment	7,682	5,865	-	-
Directors' fee:				
- current year	226	249	84	106
- overprovision in the previous financial year	(32)	-	(32)	-
Directors' non-fee emoluments	111	97	80	97
Impairment loss on available-for-sales investment	637	612	308	297
Interest expense:				
- bank overdrafts	24	10	-	-
- hire purchase payables	56	18	-	-
- bankers' acceptances	315	512	-	-
- term loans	531	-	-	-
Inventories written down	475	296	-	-
Inventories written off	-	154	-	-
Rental expense:				
- apartment	-	1	-	-
- equipment	52	-	-	-
- office	161	128	-	-
- others	763	-	-	-
Staff costs:				
- defined contribution plan	1,117	774	-	-
- salaries and other benefits	13,257	6,859	-	-
Foreign exchange (gain)/loss:				
- realised	(983)	58	-	-
- unrealised	(1,727)	244	-	-
Dividend income from quoted shares	(231)	(477)	(24)	(65)
(Gain)/Loss on disposal of:				
- quoted shares	(181)	(1,829)	-	(330)
- property, plant and equipment	18	(101)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

34. PROFIT BEFORE TAXATION *Cont'd*

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation after charging/(crediting):-				
Interest income:				
- fixed deposits	(137)	(98)	(2)	(2)
- others	(487)	(247)	(144)	(144)
Rental income	(77)	(18)	-	-
Reversal of inventories written down	(110)	-	-	-
Reversal of impairment loss on a property	(201)	-	-	-
Writeback of allowance for impairment loss on receivables	(1,009)	(333)	-	-

35. INCOME TAX EXPENSE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense:				
- for the financial year	2,106	3,009	196	140
- (over)/underprovision in the previous financial year	(25)	758	(4)	(1)
	2,081	3,767	192	139
Deferred tax expense (Note 24):				
- relating to origination and recognition of temporary differences	418	425	-	-
- under/(over)provision in the previous financial year	271	(112)	-	-
	689	313	-	-
	2,770	4,080	192	139

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

35. INCOME TAX EXPENSE *Cont'd*

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	11,865	13,626	70	415
Tax at the statutory tax rate of 25%	2,966	3,407	17	104
Tax effects of:-				
Non-deductible expenses	691	802	179	121
Tax-exempt income	(122)	(300)	-	(85)
Tax incentive	-	(4)	-	-
Non-taxable income	(646)	(166)	-	-
Deferred tax assets not recognised during the financial year	(80)	12	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(25)	758	(4)	(1)
- deferred tax	271	(112)	-	-
Differential in tax rates	(20)	(221)	-	-
Tax rebate	(237)	(75)	-	-
Others	(28)	(21)	-	-
Income tax expense for the financial year	2,770	4,080	192	139

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

36. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Revaluation of property (Note 7)	44,613	-	-	-
Less: Deferred tax liabilities (Note 24)	(7,360)	-	-	-
	37,253	-	-	-
<u>Items that may be reclassified subsequently to profit or loss</u>				
Fair value of available-for-sale financial assets:				
- changes during the financial year	(144)	(695)	71	(167)
- reclassification adjustment to profit or loss on disposal	(168)	(1,284)	-	(437)
- transfer to profit or loss for an impairment loss	637	612	308	297
	325	(1,367)	379	(307)
Foreign currency translation:				
- changes during the financial year	558	441	-	-
	38,136	(926)	379	(307)

37. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation of approximately RM9,695,000 (2013 - RM9,546,000) by the weighted average number of ordinary shares in issue of 57,428,150 (2013 - 57,982,000) after taking into account the effects of treasury shares.

	The Group	
	2014	2013
Profit attributable to owners of the Company (RM'000)	9,695	9,546
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 May	57,598	58,756
Effects of treasury shares held	(170)	(774)
Weighted average number of ordinary shares	57,428	57,982
Basic earnings per share (sen)	16.88	16.46

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

38. DIVIDEND

	The Group/ The Company	
	2014 RM'000	2013 RM'000
Single tier interim dividend of 4.125 sen per ordinary share in respect of the financial year ended 30 April 2014	2,351	-
Interim dividend of 5.5 sen less 25% tax per ordinary share in respect of the financial year ended 30 April 2013	-	2,376

39. ACQUISITION OF SUBSIDIARIES

(a) During the financial year,

On 17 May 2013, Cleanway Disposal Services Pte. Ltd. subscribed for a 63% equity interests in Singapore Analabs Pte. Ltd. ("SAPL") for a total consideration of SGD63 (equivalent to approximately RM158).

The subsidiary of the Company, SAPL acquired a 100% equity interests in Toh Ban Seng Contractor Pte. Ltd. ("TBS") and Ban Tiong Soon Contractor Pte.Ltd. ("BTS") for a total consideration of SGD12.5 million (equivalent to approximately RM31 million). TBS and BTS have given a profit guarantee of SGD3.5 million (equivalent to approximately RM8.75 million) for the financial year ended 30 April 2014. As TBS and BTS are unable to achieve the profit guarantee, this amount has been reversed against purchase consideration and goodwill during the financial year. The profit guarantee is still outstanding and is disclosed in Note 15 to the financial statements.

The total fair values of the identifiable assets and liabilities of TBS and BTS at the dates of acquisition were:-

	At Date Of Acquisition	
	Carrying Amount RM'000	Fair Value Recognised RM'000
Property, plant and equipment	18,408	18,408
Amount owing by directors	409	409
Trade and other receivables	4,290	4,290
Amount owing by contract customers	17,439	17,439
Cash and bank	3,569	3,569
Trade and other payables	(3,689)	(3,689)
Provision for taxation	(806)	(806)
Hire purchase payables	(1,781)	(1,781)
Amount owing to contract customers	(11,886)	(11,886)
Bank overdraft	(24)	(24)
Term loan	(3,199)	(3,199)
Deferred tax liabilities (Note 24)	(1,536)	(1,536)
Net identifiable assets and liabilities	21,194	21,194
Goodwill on acquisition (Note 8)		1,306
Total purchase consideration		22,500
Less: Cash and cash equivalents of subsidiary acquired		(3,545)
Net cash outflow for acquisition of subsidiaries		18,955

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

39. ACQUISITION OF SUBSIDIARIES *Cont'd*

- (a) During the financial year, *Cont'd*

The acquired subsidiaries have contributed the following results to the Group:-

	The Group 2013 RM'000
Revenue	16,481
Loss after taxation	(1,623)

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit after taxation would have been RM142,580,430 and RM9,381,226 respectively.

- (b) In the previous financial year,

The Group acquired the entire equity interest in Lux Distributor Sdn. Bhd. ("Lux") for a total consideration of RM10,252,000.

The total fair values of the identifiable assets and liabilities of Lux at the dates of acquisition were:-

	At Date Of Acquisition	
	Carrying Amount RM'000	Fair Value Recognised RM'000
Property, plant and equipment	8,810	8,810
Inventories	4,803	4,803
Trade and other receivables	23,263	23,263
Fixed deposits	3,838	3,838
Cash and bank	6	6
Trade and other payables	(17,241)	(17,241)
Bankers' acceptances	(13,006)	(13,006)
Hire purchase payables	(435)	(435)
Bank overdraft	(719)	(719)
Deferred tax liabilities (Note 24)	(375)	(375)
Net identifiable assets and liabilities	8,944	8,944
Goodwill on acquisition (Note 8)		1,308
Total purchase consideration		10,252
Less: Cash and cash equivalents of subsidiary acquired		(3,125)
Net cash outflow for acquisition of subsidiary		7,127

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

39. ACQUISITION OF SUBSIDIARIES *Cont'd*

(b) In the previous financial year, *Cont'd*

The acquired subsidiary has contributed the following results to the Group in the previous financial year:-

	The Group 2013 RM'000
Revenue	46,957
Profit after taxation	42

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

40. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed deposits with licensed banks (Note 16)	3,620	4,221	77	74
Cash and bank balances	21,583	24,854	96	108
Bank overdraft	(493)	-	-	-
	24,710	29,075	173	182
Less: Deposits pledged to licensed bank (Note 16)	(3,606)	(4,198)	(77)	(74)
	21,104	24,877	96	108

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

41. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors Of The Company				
Executive directors:				
- non-fee emoluments	80	97	80	97
- fee	24	24	24	24
Non-Executive directors:				
- fee	60	82	60	82
	164	203	164	203
Directors Of The Subsidiaries				
Executive directors:				
- non-fee emoluments	1,552	381	-	-
- fee	318	558	-	-
	1,870	939	-	-
	2,034	1,142	164	203

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

	The Group			
	2014		2013	
	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	-

42. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) Identities of related parties

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

42. SIGNIFICANT RELATED PARTY DISCLOSURES *Cont'd*

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Management fee charged to subsidiaries	-	-	600	610
Interest charged to a subsidiary	-	-	144	144
Progress billing to a related party	1,461	-	-	-
Key management personnel compensation:				
- Short-term employee benefits	2,638	1,142	164	203

43. OPERATING SEGMENTS

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

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

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 and property letting	Involved in investment holding, management services and property letting
Contract work, pipe laying and rehabilitation	General contractor

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

43. OPERATING SEGMENTS *Cont'd*

Business Segments 2014	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	Group RM'000
Revenue						
External revenue	94,874	27,663	1,026	280	16,481	140,324
Inter-segment revenue	1,555	469	-	691	2,306	5,021
	96,429	28,132	1,026	971	18,787	145,345
Consolidation adjustments and eliminations						(5,021)
Consolidated revenue						140,324
Results						
Segment results	10,735	11,778	669	117	8,890	32,189
Interest income	610	5	4	5	-	624
Other material items of income (a)	2,122	46	-	417	(3)	2,582
Depreciation	(4,055)	(1,066)	(269)	(127)	(2,165)	(7,682)
	9,412	10,763	404	412	6,722	27,713
Other material items of expenses (b)	(3,854)	(3,734)	(164)	(637)	(7,785)	(16,174)
Other non-cash gain (c)	1,252	-	-	-	-	1,252
	6,810	7,029	240	(225)	(1,063)	12,791
Finance costs						(926)
Income tax expense						(2,770)
Consolidated profit after taxation						9,095

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

43. OPERATING SEGMENTS *Cont'd*

Business Segments 2014	Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials RM'000	Recovery and Sale of Recycled Products RM'000	Culture and Sale of Prawns RM'000	Investment Holding and Property Letting RM'000	Contract Work, Pipe Laying and Rehabilitation RM'000	Eliminations RM'000	Group RM'000
Other Information							
Segment assets #	161,171	69,191	22,987	163,470	32,228	(168,955)	280,092
Tax recoverable							734
Consolidated total assets							280,826
Segment liabilities *	42,581	1,460	1,211	62,665	9,694	(63,762)	53,849
Deferred tax liabilities							19,955
Consolidated total liabilities							73,804
Capital expenditure	70	817	32	6,895	362	-	8,176
Depreciation	4,055	1,066	269	127	2,165	-	7,682

- 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 2014

Cont'd

43. 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	Group RM'000
<u>Revenue</u>					
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
Consolidation adjustments and eliminations					(2,966)
Consolidated revenue					147,376
<u>Results</u>					
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
Other material items of expenses (b)	(5,859)	(3,531)	(123)	(612)	(10,125)
Other non-cash expenses (c)	(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 2014

Cont'd

43. 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						
Segment assets #	145,824	44,808	19,245	118,761	(125,532)	203,106
Tax recoverable						1,162
Consolidated total assets						<u>204,268</u>
Segment liabilities *	55,302	2,582	324	18,501	(45,997)	30,712
Deferred tax liabilities						10,299
Consolidated total liabilities						<u>41,011</u>
Capital expenditure	616	274	-	-	-	890
Depreciation	4,389	1,112	265	99	-	<u>5,865</u>

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

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

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

	The Group	
	2014 RM'000	2013 RM'000
Gain on disposal of quoted shares	181	1,829
Gain on disposal of property, plant and equipment	21	101
Realised gain on foreign exchange	983	-
Rental income	77	18
Reversal of impairment loss on property	201	-
Writeback of allowance for diminution value	-	200
Writeback of allowance for impairment loss on receivables	1,009	333
Writeback of inventory written down	110	-
	<u>2,582</u>	<u>2,481</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

43. OPERATING SEGMENTS *Cont'd*

Business Segments *Cont'd*

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

	The Group	
	2014	2013
	RM'000	RM'000
Realised loss on foreign exchange	-	58
Rental expenses	976	129
Staff costs	14,374	7,633
Bad debts written off	-	14
Impairment loss on quoted shares	637	612
Allowance for impairment loss on receivables	148	1,525
Inventories written off	-	154
Loss on disposal of property, plant and equipment	39	-
	16,174	10,125

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

	The Group	
	2014	2013
	RM'000	RM'000
Inventories written down	475	296
Unrealised (gain)/loss on foreign exchange	(1,727)	244
	(1,252)	540

Geographical Information

	Revenue		Non-current Assets	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Singapore	33,236	16,843	36,622	7,587
Malaysia	107,088	130,533	147,806	103,552
	140,324	147,376	184,428	111,139

Major Customers

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

44. FOREIGN EXCHANGE RATES

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

	The Group	
	2014	2013
United States Dollar	3.3	3.1
Euro	4.5	4.0
Singapore Dollar	2.6	2.5

45. CAPITAL COMMITMENTS

	The Group	
	2014	2013
	RM'000	RM'000
Approved and contracted for:-		
Plant and machinery	-	47

46. CONTINGENT LIABILITIES

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

- (i) Escrow sum of RM750,000 held by a law firm in accordance with the MPGA, and the balance if any to be returned to the Defendant; and
- (ii) If the Escrow amount is insufficient, from the balance dividend of RM1,000,000 payable to the Defendant by the 2nd Plaintiff, and the balance if any to be returned to the Defendant.

On 26 December 2013, the Defendant filed his defence and counterclaim against the Plaintiffs as follows:-

- (i) The balance dividend of RM1,000,000 together with the overdue interest of the sum of RM96,430 as at 31 October 2013;
- (ii) The Escrow amount of RM750,000 together with interest thereon;
- (iii) The guaranteed sum of RM12,699,204 as at 31 October 2013 for discharge of personal guarantees;
- (iv) The sum of RM104,000 being the shortage of monthly salary of RM8,000 for 13 months;
- (v) The sum of RM126,465 being the commission and bonus from 2nd to 4th quarter of 2012; and
- (vi) The interest at the rate of 5% per annum of the above sums from 1 November 2013 until full settlement.

The suit has been filed and the matter is fixed for continued hearing in August 2014.

No provision has been made for the above claim as the directors, based on legal opinion, are of the view that Lux Distributor Sdn. Bhd. has a reasonably good arguable defence against the Defendant's claims.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

46. CONTINGENT LIABILITIES *Cont'd*

Others

	The Company	
	2014	2013
	RM'000	RM'000
Corporate guarantee:-		
- given to licensed banks for credit facilities granted to subsidiaries	146,683	-
- claims of goods rendered for a subsidiary	12,000	-
	158,683	-

47. 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.

47.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

Foreign currency exposure

	Euro	United States Dollar	Singapore Dollar	Ringgit Malaysia	Others	Total
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014						
<u>Financial assets</u>						
Investment in quoted shares	-	-	750	11,831	846	13,427
Other investments	-	-	-	1,406	-	1,406
Trade receivables	9,727	2,062	10,405	13,595	-	35,789
Other receivables and deposits	337	1,565	9,498	1,346	-	12,746
Fixed deposits with licensed banks	-	-	-	3,620	-	3,620
Cash and bank balances	7,061	3,979	1,525	9,016	2	21,583
	17,125	7,606	22,178	40,814	848	88,571

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(i) Foreign Currency Risk *Cont'd*

Foreign currency exposure Cont'd

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2014						
<u>Financial liabilities</u>						
Trade payables	913	365	3,396	7,972	679	13,325
Other payables and accruals	41	-	4,934	5,885	-	10,860
Amount owing to a director	-	-	-	150	-	150
Hire purchase payables	-	-	870	107	-	977
Banker's acceptances	-	-	-	5,489	-	5,489
Term loans	-	-	22,365	-	-	22,365
Bank overdrafts	-	-	489	4	-	493
	954	365	32,054	19,607	679	53,659
Net financial assets/ (liabilities)	16,171	7,241	(9,876)	21,207	169	34,912
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	-	-	9,876	(21,207)	-	(11,331)
Currency exposure	16,171	7,241	-	-	169	23,581

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(i) Foreign Currency Risk *Cont'd*

Foreign currency exposure Cont'd

The Group	Euro RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Others RM'000	Total RM'000
2013						
<u>Financial assets</u>						
Investment in quoted shares	-	-	554	5,909	-	6,463
Other investments	-	-	-	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
<u>Financial liabilities</u>						
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
Hire purchase payables	-	-	-	253	-	253
Bankers' acceptances	-	-	-	10,874	-	10,874
	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)
Currency exposure	14,036	4,338	29	-	2	18,405

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(i) Foreign Currency Risk *Cont'd*

Foreign currency risk sensitivity analysis

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

	The Group	
	2014 RM'000	2013 RM'000
Effects on profit after taxation/Effect on equity		
Euro/RM - strengthened by 5%	606	526
- weakened by 5%	(606)	(526)
USD/RM - strengthened by 5%	272	163
- weakened by 5%	(272)	(163)
SGD/RM - strengthened by 5%	-	1
- weakened by 5%	-	(1)

(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 47.1(c) to the financial statements.

Interest rate risk sensitivity analysis

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

	The Group	
	2014 RM'000	2013 RM'000
Effects On Profit After Taxation/Equity		
Increase of 100 basis points	(185)	(50)
Decrease of 100 basis points	185	50

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(iii) Equity Price Risk

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

Equity price 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	
	2014	2013
	RM'000	RM'000
<i>Effect on Equity</i>		
Increase of 5%	671	323
Decrease of 5%	(671)	(323)

(b) Credit Risk

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

The Group 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.

(i) Credit risk concentration profile

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

(ii) 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 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(b) Credit Risk *Cont'd*

(ii) Exposure to credit risk *Cont'd*

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

	The Group	
	2014 RM'000	2013 RM'000
Australia	5,036	6,097
Asia	4,237	4,217
South East Asia	10,949	4,244
Malaysia	13,595	19,601
Others	1,972	1,099
	35,789	35,258

(iii) Ageing analysis

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

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2014				
Not past due	22,869	-	-	22,869
Past due:				
- less than 3 months	11,198	-	-	11,198
- 3 to 6 months	1,609	-	-	1,609
- over 6 months	1,441	(1,328)	-	113
	37,117	(1,328)	-	35,789
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
	38,259	(3,001)	-	35,258

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(b) Credit Risk *Cont'd*

(iii) Ageing analysis *Cont'd*

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

The 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.

(c) Liquidity Risk

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

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

The Group	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
2014						
Trade payables	-	13,325	13,325	13,325	-	-
Other payables and accruals	-	10,860	10,860	10,860	-	-
Amount owing to a director	-	150	150	150	-	-
Hire purchase payables	3.53 - 12.02	977	1,053	365	548	140
Bankers' acceptances	4.52 - 5.25	5,489	5,489	5,489	-	-
Term loans	2.40 - 5.25	22,365	23,358	4,917	18,441	-
Bank overdrafts	6.00 - 8.10	493	493	493	-	-
		53,659	54,728	35,599	18,989	140

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(c) Liquidity Risk *Cont'd*

The Group	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
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	-	-
Hire purchase payables	4.42 - 6.60	253	267	111	156	-
Bankers' acceptances	4.75 - 5.23	10,874	10,874	10,874	-	-
		30,712	30,726	30,570	156	-
The Company						
2014						
Other payables and accruals	-	254	254	254	-	-
Amount owing to subsidiaries	-	21,760	21,760	21,760	-	-
		22,014	22,014	22,014	-	-
2013						
Other payables and accruals	-	194	194	194	-	-
Amount owing to subsidiaries	-	18,212	18,212	18,212	-	-
		18,406	18,406	18,406	-	-

47.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions less cash and cash equivalents divided by total equity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.2 CAPITAL RISK MANAGEMENT *Cont'd*

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Hire purchase payables	977	253
Term loans	22,365	-
Bankers' acceptances	5,489	-
Bank overdrafts	493	-
	29,324	253
Less: Fixed deposits with licensed banks	(3,620)	(4,221)
Less: Cash and bank balances	(21,583)	(24,854)
Net debt	4,121	(28,822)
Total equity	207,022	163,257
Debt-to-equity ratio	0.22	#

- The debt-to-equity ratio of the group in the previous financial year was not presented as its fixed deposits with licensed banks and cash and bank balances exceeded the total borrowings from financial institutions.

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.

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets				
<u>Available-for-sale financial assets</u>				
Investments in quoted shares	13,427	6,463	1,137	1,415
Other investments	1,406	1,051	1,226	870
	14,833	7,514	2,363	2,285
<u>Loans and receivables financial assets</u>				
Amount owing by contract customers	1,092	-	-	-
Trade receivables	35,789	35,258	-	-
Other receivables and deposits	12,746	2,321	3	4
Amount owing by subsidiaries	-	-	13,354	12,930
Fixed deposits with licensed banks	3,620	4,221	77	74
Cash and bank balances	21,583	24,854	96	108
	74,830	66,654	13,530	13,116

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS *Cont'd*

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial liabilities				
<u>Other financial liabilities</u>				
Trade payables	13,325	13,383	-	-
Other payables and accruals	10,860	6,052	254	194
Amount owing to subsidiaries	-	-	21,760	18,212
Amount owing to a director	150	150	-	-
Hire purchase payables	977	253	-	-
Bankers' acceptances	5,489	10,874	-	-
Term loans	22,365	-	-	-
Bank overdrafts	493	-	-	-
	53,659	30,712	22,014	18,406

47.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
The Group								
2014								
<u>Financial assets</u>								
Investments in quoted shares	13,427	-	-	-	-	-	13,427	13,427
Other investments	1,226	-	-	-	180	-	1,406	1,406
<u>Financial liabilities</u>								
Hire purchase and finance lease payables	-	-	-	-	977	-	944	977
Term loans	-	-	-	-	22,365	-	22,365	22,365

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.4 FAIR VALUE INFORMATION *Cont'd*

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value		Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level *			
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
2013							
<u>Financial assets</u>							
Investments in quoted shares	6,463	-	-	-		6,463	6,463
Other investments	871	-	-	180		1,051	1,051
<u>Financial liabilities</u>							
Hire purchase and finance lease payables	-	-	-	253		227	253

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014								
<u>Financial assets</u>								
Investments in quoted shares	1,137	-	-	-	-	-	1,137	1,137
Other investments	1,226	-	-	-	-	-	1,226	1,226

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value		Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level *			
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
2013							
<u>Financial assets</u>							
Investments in quoted shares	1,415	-	-	-		1,415	1,415
Other investments	870	-	-	-		870	870

* Comparative fair value information is not presented by virtue of the exemption given in MFRS 13.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

47. FINANCIAL INSTRUMENTS *Cont'd*

47.4 FAIR VALUE INFORMATION

- (a) The fair values above are for disclosure purposes and have been determined using the following basis:-
- (i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.
 - (ii) The fair values of hire purchases payables are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows range from 3.53% to 12.02% (2013 - 4.42% to 6.60%) per annum.
 - (iii) The carrying amounts of the term loans approximated their fair values as these are floating rate instruments that are repriced to market interest rates on or near the reporting date.
- (b) In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

48. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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 represent 100% equity interest in TBS and BTS. CDS is a wholly-owned subsidiary of the Company. The acquisition was completed on 18 June 2013.

49. COMPARATIVE FIGURES

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

	The Group		The Company	
	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000
Consolidated Statement of Cash Flows (Extract):-				
Net cash flow from/(for) investing activities	3,108	805	(963)	(961)
Net increase/(decrease) in cash and cash equivalents	4,915	8,828	(1,320)	(1,318)
Cash and cash equivalents at the beginning of the financial year	20,181	20,466	1,428	1,500
Cash and cash equivalents at the end of the financial year	24,877	29,075	108	182

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2014

Cont'd

50. 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits of the Company and its subsidiaries:				
- Realised	129,466	122,481	23,462	25,935
- Unrealised	(3,609)	(3,367)	-	-
	125,857	119,114	23,462	25,935
Less: Consolidation adjustments	(29,514)	(30,115)	-	-
At 30 April	96,343	88,999	23,462	25,935

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 30/04/2014 (RM)	Date of Revaluation
1	M-Field Sdn Bhd (Note: 1)	PN 5288 Lot No 55, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 31 years old	156	Owner Occupied 4 Storey Office	624	730,000	Revalued on 02/04/2014
2	M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 31 years old	156	Owner Occupied 4 Storey Office	616	750,000	Revalued on 02/04/2014
3	M-Field Sdn Bhd	Nos 302 & 304, 2 1/2 Mile, Jalan Ipoh, 51200 Kuala Lumpur.	Freehold	Freehold Land & Buildings 33 years old	336	Owner Occupied 2 units of four-storey shop/offices (intermediate unit)	1322.90	6,862,647	9/8/2011
4	M-Field Sdn Bhd	HS (D) 4791 PT NO 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 60 years expiring 4th June 2046	Leasehold Land & Buildings 24 years old	5,811	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	6,000,000	Revalued on 02/04/2014
5	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 16 years old	121	Owner Occupied Single Storey Terrace House	74	113,000	Revalued on 02/04/2014
6	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	2,285,000	Revalued on 02/04/2014
7	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 17 years old	20,234	Owner Occupied 2 Storey Office Block, Factory & Warehouse	5,982	15,300,000	Revalued on 02/04/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2014 (RM)	Date of Revaluation
8	Centralised Waste Treatment Plant Sdn Bhd	HS (M) 976, 980, 987, 988 and PT Nos 743, 747, 754, 755, Mukim of Setul, District of Seremban, Negeri Sembilan Darul Khusus.	Leasehold for 99 years expiring 2nd October 2085	Leasehold Land & Buildings 21 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,162	4,300,000	Revalued on 02/04/2014
9	Resources Conservation Sdn Bhd	HS (D) 80016 PT No 14329, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 15 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Warehouse	1,682	6,428,191	Revalued on 02/04/2014
10	Resources Conservation Sdn Bhd	HS (D) 51801 PT No 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 16 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,450	8,800,000	Revalued on 02/04/2014
11	Resources Conservation Sdn Bhd	GM 146 Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 14 years old	2,317	Owner Occupied Industrial Land	n/a	2,600,000	Revalued on 02/04/2014
12	Striketech Sdn Bhd (Note: 3)	HS (D) 5464 Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan.	Leasehold for 99 years expiring 24th September 2094	Leasehold Land & Buildings 13 years old	1,035,000	Owner Occupied Buildings for Research & Development & Operations	1,975	20,485,714	Revalued on 02/04/2014
13	Cleanway Disposal Services Pte Ltd	Lot 7889L Mukim 5 Bearing Postal Address 40 Penjuru Road Singapore	Leasehold for 30 years expiring 31st December 2031	Leasehold Building 11 years old	4,004.90	Owner Occupied A Part Single/ Part 3-Storey Single Factory	3,241.80	15,598,200 (exchange rate 2.5997)	Revalued on 23/01/2014

LIST OF PROPERTIES HELD BY THE GROUP

Cont'd

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount 30/04/2014 (RM)	Date of Revaluation
14	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson Negeri Sembilan	Leasehold for 99 years expiring 1st April 2075	Leasehold Land & Building 26 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	10,300,000	Revalued on 02/04/2014
15	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3 1/2 Mile, Kapar Road, Mukim Kapar, Selangor	Freehold	Freehold Industrial Land & Buildings 17 years old	19,450	Owner Occupied 3 Storey Office Block, Factory & Warehouse	9,140	19,075,292	Revalued on 02/04/2014
16	Lux Distributor Sdn Bhd	Lot 16435, Block 5, Jalan 4, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor.	Freehold	Freehold Industrial Land & Buildings 17 years old	30,962 sq ft	Owner Occupied 3 Storey Office & Warehouse		6,600,000.00	Revalued on 02/04/2014
17	Lux Distributor Sdn Bhd	Lot 182924, Mukim of Plentong District of Johor Bahru (A 1 1/2-storey Semi-Detached Factory Bearing Address No. 27, Jalan Sri Plentong 3, Taman Perindustrian Sri Plentong 81750 Masai)	Freehold	1 1/2-storey Semi-Detached Factory 23 years old	21,000 sq ft	Owner Occupied 1 1/2 Storey Office & Warehouse	11,778 sq ft	2,350,000	Revalued on 02/04/2014
18	Toh Ban Seng Contractor Pte Ltd	287 Kaki Bukit Avenue 1, Shun Li Industrial Park, Singapore 416078	Leasehold for 60 years expiring 30th Oct 2056	A 3-Storey Strata Terrace Factory 23 years old	643	Owner Occupied Dormitory, Office & Warehouse	6,921 sq ft	6,759,220 (exchange rate 2.5997)	Revalued on 04/04/2014

Notes:

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

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

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

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

ANALYSIS OF SHAREHOLDINGS

As at 29 August 2014

Class of shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per share
Authorised Share Capital	:	100,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	:	56,948,900 ordinary shares of RM1.00 each (excludes 3,075,100 ordinary shares bought back and retained as treasury shares as at 29 August 2014)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	35	2.34	696	0.00
100 – 1,000	224	14.96	173,190	0.31
1,001 – 10,000	1,031	68.87	3,746,740	6.58
10,001 – 100,000	176	11.76	5,458,222	9.58
100,001 to less than 5% of issued shares	29	1.94	16,363,500	28.73
5% and above of issued shares	2	0.13	31,206,552	54.80
Total	1,497	100.00	56,948,900	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 29 August 2014)

No.	Name of Substantial Shareholder	Direct		Indirect	
		No. of Shares	% of issued share capital	No. of Shares	% of issued share capital
1.	Kan Yow Kheong	31,206,552	54.80	1,186,500*	2.08

DIRECTORS' SHAREHOLDINGS

(According to the Register of Directors' Shareholdings as at 29 August 2014)

No.	Name of Directors	Direct		Indirect	
		No. of Shares	% of issued share capital	No. of Shares	% of issued share capital
1.	Kan Yow Kheong	31,206,552	54.80	1,186,500*	2.08
2.	Ganesan a/l Sundaraj	10,000	0.02	-	-
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 (12)(c) of the Companies Act, 1965.

In the subsidiaries

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

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Share Capital [^]
1	KAN YOW KHEONG	21,347,552	37.49
2	KAN YOW KHEONG	9,859,000	17.31
3	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)</i>	2,726,500	4.79
4	TEO KWEE HOCK	2,149,500	3.77
5	PUI CHENG WUI	1,957,900	3.44
6	CHUA SIM NEO @ DIANA CHUA	1,827,300	3.21
7	KAN MUN HOOW	1,177,500	2.07
8	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN</i>	514,400	0.90
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (CEB)</i>	498,500	0.88
10	CHAN YEW SIANG	487,200	0.86
11	LIM KHUAN ENG	445,000	0.78
12	PUI BOON KENG	439,700	0.77
13	TOHTONKU SDN BERHAD	371,900	0.65
14	KHOO YOK KEE	358,500	0.63
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)</i>	339,900	0.60
16	JF APEX NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (STA 1)</i>	326,000	0.57
17	LIM SIEW SEE	300,000	0.53
18	LAI CHIN LOY	286,100	0.50
19	WONG MENG CHEE	255,000	0.45
20	PUI BOON HEAN	238,700	0.42
21	SOW TIAP	204,000	0.36
22	HDM NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)</i>	200,000	0.35
23	LYDIA CLAIRE LIM LIH YUEAH	200,000	0.35
24	CHONG TONG KU	189,400	0.33
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHEW EE</i>	160,000	0.28
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEH KIAN LANG (E-KLC)</i>	123,100	0.22
27	LIM TEAN TEONG	123,000	0.22
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR JOSEPH LAM WAI</i>	121,000	0.21
29	LEE AH NGA	117,900	0.21
30	LEYU CHONG HUA @ LEO CHONG HUA	113,500	0.20
	Total	47,458,052	83.35

[^] Excludes a total of 3,075,100 Analabs Resources Berhad's shares bought back by the Company and retained as treasury shares as at 29 August 2014

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting (“16th 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 Monday, 27 October 2014 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 2014. (Please refer to Explanatory Note)
2. To approve the payment of Directors’ Fees of RM84,000.00 in respect of the financial year ended 30 April 2014. (Resolution 1)
3. 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. Lai Yew Choong (Resolution 4)
 - (iv) Mr Low Chin Ann @ Han Chin Ann (Resolution 5)

Mr. Ganesan a/l Sundaraj who retires in accordance with Article 83 of the Company’s Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the 16th AGM.

4. To re-appoint Messrs. Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

5. SPECIAL BUSINESS

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

5.1 ORDINARY RESOLUTION I AUTHORITY TO ISSUE SHARES

(Resolution 7)

“**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.”

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

(Resolution 8)

“**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:

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

Cont'd

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

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

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

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

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

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

BY ORDER OF THE BOARD

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

Petaling Jaya
Selangor Darul Ehsan
2 October 2014

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

Cont'd

Notes:

- (1) *In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 October 2014 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 16th 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) *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.*
- (4) *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.*
- (5) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.*
- (7) *The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.*

Explanatory Notes:-

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2014**

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 7)**

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 16th AGM.

The proposed resolution if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 16th 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 8)**

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 2 October 2014.

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 Sixteenth 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 Monday, 27 October 2014 at 11.00 a.m. are stated on pages 5 to 6 of the 2014 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries held by the said Directors are stated on pages 112 of the 2014 Annual Report.

This page has been intentionally left blank.



CDS ACCOUNT NO.	
NO. OF SHARES HELD	

FORM OF PROXY

I/We _____

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

of _____

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

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

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting ("16th 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 Monday, 27 October 2014 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:-

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

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

Date: _____

Signature of Shareholder(s)

Notes:

- (1) In respect of deposited securities, only Members whose names appear in the Record of Depositors on 17 October, 2014 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the 16th 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) 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.
- (4) 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.
- (5) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (6) The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.
- (7) The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 621, 6th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Secretary

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

1st Fold Here