



**ANALABS
RESOURCES
BERHAD**

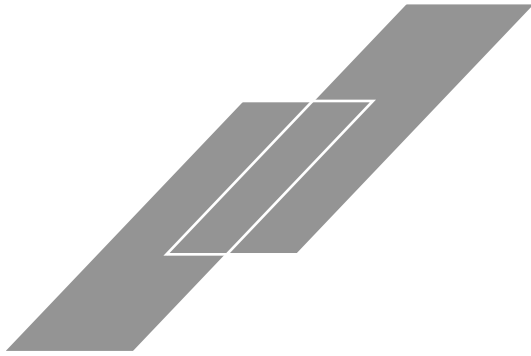
Registration No. 199801012843 (468971-A)

2021 Annual Report



Reducing Waste *for a* **Better Environment**

Corporate Social Responsibility - Recycling Waste Since 1980



REDUCING WASTE FOR A BETTER ENVIRONMENT

Corporate Social Responsibility -
Recycling Waste Since 1980



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kan Yow Kheong
Kan Mun Hoow
Low Chin Ann @ Han Chin Ann
Lai Yew Choong
Clifton Heath Fernandez
Lye Meei Ruu

- Executive Chairman
- Executive Director
- Senior Independent Non Executive Director
- Independent Non Executive Director
- Independent Non Executive Director
- Independent Non Executive Director

COMPANY SECRETARIES

Cynthia Gloria Louis
 SSM PC No. 201908003061
 (MAICSA 7008306)

Chew Mei Ling
 SSM PC No. 201908003178
 (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

Boardroom Share Registrars Sdn. Bhd.
 Registration No: 199601006647 (378993-D)
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13, 46200 Petaling Jaya
 Selangor Darul Ehsan
 Tel : 03-7890 4700
 Fax : 03-7890 4670

AUDITORS

Crowe Malaysia PLT
 201906000005 (LLP0018817-LCA) & AF1018
 Chartered Accountants
 Suite 50-3, Setia Avenue
 No. 2, Jalan Setia Prima S U13/S
 Setia Alam, Seksyen U13
 40170 Shah Alam
 Selangor Darul Ehsan
 Tel : 03-3343 0730
 Fax : 03-3344 3036

PRINCIPAL BANKERS

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

STOCK EXCHANGE

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

WEBSITE

www.analabs.com.my

GROUP STRUCTURE



MALAYSIA

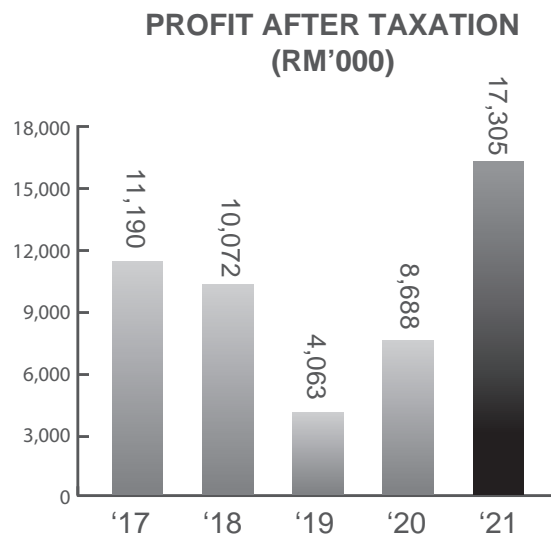
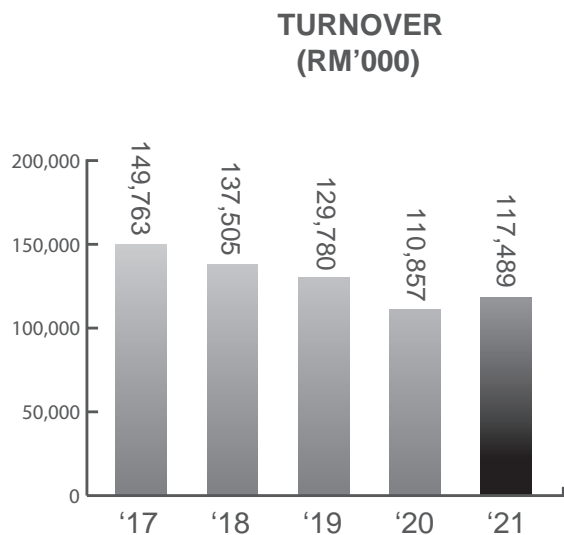
- 100% COVERIGHT SURFACES MALAYSIA SDN BHD
- 100% CENTRALISED WASTE TREATMENT PLANT SDN BHD
- 100% INAGRO SDN BHD
- 100% LUX DISTRIBUTOR SDN BHD
- 100% MASMERU SDN BHD
- 100% M-FIELD SDN BHD
- 100% QSP CHEMIE (M) SDN BHD
- 100% RESOURCES CONSERVATION SDN BHD
- 100% STRIKETECH SDN BHD
- 100% SYNTAX SYSTEM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

SINGAPORE

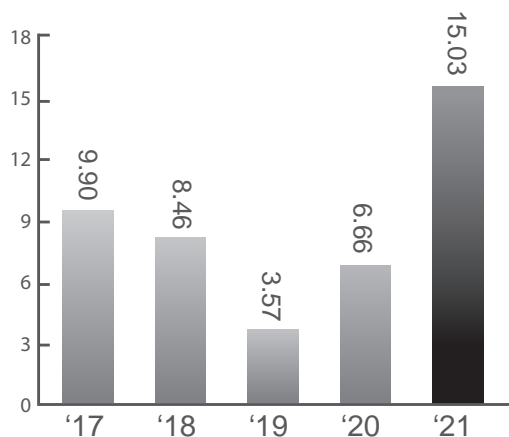
- 99.99% AL RESOURCES PTE LTD
- 100% CLEANWAY DISPOSAL SERVICES PTE LTD
 - 63% SINGAPORE ANALABS PTE LTD
 - 100% TOH BAN SENG CONTRACTOR PTE LTD
 - 100% BAN TIONG SOON CONTRACTOR PTE LTD

FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2017	2018	2019	2020	2021
TURNOVER (RM'000)	149,763	137,505	129,780	110,857	117,489
PROFIT AFTER TAXATION (RM'000)	11,190	10,072	4,063	8,688	17,305
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	11,108	9,489	3,918	7,256	16,370
NET EARNINGS PER SHARE (SEN)	9.90	8.46	3.57	6.66	15.03
NET ASSETS (RM'000)	235,394	249,694	269,992	255,857	281,992
NET ASSETS PER SHARE (RM)	2.12	2.24	2.49	2.35	2.58
DIVIDEND PER SHARE (SEN)	3.25	1.00	2.00	2.00	2.00



NET EARNINGS PER SHARE (SEN)



PROFILE OF DIRECTORS

MR. KAN YOW KHEONG Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, Male, aged 67, was appointed to the Board of Directors 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. as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

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

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

MR. KAN MUN HOOW Executive Director

Mr. Kan Mun Hoow, a Malaysian, Male, aged 41, was appointed to the Board of Directors of Analabs as the Executive Director on 9 March 2017. He graduated with a degree in Mechanical Engineering (Hons) in year 2002 from Western Michigan University, USA. Upon completion of his studies, he joined Resources Conservation Sdn. Bhd. ("RCSB") as a Junior Engineer from year 2002 to 2007. During his tenure in RCSB, he continued with his education in SEGI College and graduated with a Diploma in Accounting. He is a member of the Chartered Institute of Management Accountants (CIMA), Malaysian Institute of Accountants (MIA) and Institution of Engineers of Malaysia. He joined Coveright Surfaces Malaysia Sdn. Bhd. ("CSM") on 1 December 2010 as Technical Services Engineer and was promoted as Factory Manager and subsequently a Director of CSM on 6 July 2011, a position he holds until to date.

He is the son of Mr. Kan Yow Kheong, the Executive Chairman and the major shareholder of Analabs and has no other family relationship with any director and/or major shareholder of the Company.

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



PROFILE OF DIRECTORS (CONT'D)

MR. LOW CHIN ANN @ HAN CHIN ANN **Senior Independent Non Executive Director**

Mr. Low Chin Ann @ Han Chin Ann, a Malaysian, Male, aged 41, was appointed to the Board of Directors of Analabs on 1 December 2012 as an Independent Non Executive Director and was identified as the Senior Independent Non Executive Director of Analabs on 5 January 2015. Mr. Low is a Fellow of the Chartered Certified Accountant (FCCA) since 2008 and holds a Diploma in Computer Science awarded by FTMS-ICL and Certified Accounting Technician awarded by the Association of Chartered Certified Accountants, both in year 1999. Mr. Low started as a Tax Executive in RKT Tax Services in year 2001. He then left RKT Tax Services and joined KLC Higher Studies as a lecturer till end of 2002.

He was a Course Director at Kolej Kasturi in CAT-Academic from years 2003 to 2006 before he joined FTMS Global Singapore in 2007. Currently, he is an ACCA Course Advisor for Methodist College and a consultant of his own firm, CA Advisory providing corporate training and seminars. He is also an adjunct technical advisor for Thenesh, Renga & Associates as well as a visiting lecturer for Citypro Educare (Johor) and various universities in China. He is also a member of the examination team of an internationally recognised professional accountancy body since 2009.

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

MR. LAI YEW CHOONG **Independent Non Executive Director**

Mr. Lai Yew Choong, a Malaysian, Male, aged 73, was appointed to the Board of Directors of the Company on 1 December 2012 as an Independent Non Executive Director. Mr. Lai holds a Senior Cambridge awarded by University of Cambridge in year 1965. He started his banking career at Bank of America Kuala Lumpur in 1965 in the Trade Finance Department and was promoted to Chief Dealer of Foreign Exchange in 1973. He joined Bank Bumiputra Malaysia in 1973 to set up Foreign Exchange/Money Market Division and carried the position as the Bank's Chief Dealer/Treasury Head and was responsible for setting up the Bank's International Dealing Rooms in London, Hong Kong, Tokyo, Singapore and New York. Mr. Lai assumed various positions in Bank Bumiputra Malaysia from Manager, Marketing & Public Affairs (1980-1985), Manager, Correspondent Banking (1985-1986) and Manager, Financial Institutions (1986-1987). He then joined United Asian Bank in 1987 as Deputy General Manager, Treasury & International Banking as part of Bank Negara Malaysia's team to revamp the Bank's operations and remained as Senior Vice President in 1992 after the merger with Bank of Commerce Berhad before he was appointed as Director of Bank of Commerce International Ltd, Labuan from 1995 to 1997. Mr. Lai was the Senior Vice President, Treasury & International Banking of Malaysian French Bank (now known as Alliance Bank) from 1995 to 1997. He then joined Malaysian Plantations Berhad as General Manager to set up and head its financial derivative subsidiary, Matrix Core Options & Futures Sdn. Bhd.. He was an Executive Director of Matrix Core Options & Futures Sdn. Bhd. from 1999 until retirement in 2001.

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

PROFILE OF DIRECTORS (CONT'D)

MR. CLIFTON HEATH FERNANDEZ **Independent Non Executive Director**

Mr. Clifton Heath Fernandez, a Malaysian, Male, aged 49, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non Executive Director.

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

Mr. Clifton is currently the Training and Certification Director of UNICERT International RCERT (SEA) Sdn. Bhd.

His career has encompassed a spectrum of industries, involving Standards and Improvement in projects, Compliance, Quality, Financial, Auditing, Education, Human Resources and Credit Control. He conducts training, certification audits and placement consultancy for clients in South East Asia region.

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

He is an Independent Non Executive Chairman of Securemetric Berhad.

Mr. Clifton is the Chairman of the Audit and Risk Management Committee and a member of Nomination Committee and Remuneration Committee.

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

MS. LYE MEEI RUU **Independent Non Executive Director**

Ms. Lye Meei Ruu, a Malaysian, Female, aged 35, was appointed to the Board of Directors of the Company on 5 August 2019 as an Independent Non Executive Director.

Ms. Lye graduated with a law degree, LL.B. (Hons) from the University of London in 2010 and holds a Certificate in Legal Practice in 2011. She completed her pupillage in 2011 with Messrs Tay & Helen Wong and was admitted as an Advocate and Solicitor of the High Court of Malaya in the same year. She is a member of the Malaysian Bar Council and the Selangor Bar Council.

She was a legal associate at Messrs Tay & Helen Wong and Messrs K.Y. Lim & Partners from 2011 to early 2017. She founded her legal firm Messrs Alison Lye & Suzanne with her partner in 2017.

She has 8 years of experience in advising and representing clients in real properties transactions, financing and loan documentations, lease and tenancies, debt recovery and settlements, drafting and preparing of business contracts and commercial agreements.

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

PROFILE OF KEY SENIOR MANAGEMENT

Mr. Kan Yow Kheong **Executive Chairman**

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

Mr. Kan Mun Hoow **Executive Director**

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

Ms. Lai Nyuk Moi **Finance Manager**

Ms. Lai Nyuk Moi, Female, Malaysian, aged 52, is a Chartered Certified Accountant, a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA). Ms. Lai joined Centralised Waste Treatment Plant Sdn. Bhd. as a trainee on 1 March 2000 after graduating from high school. Ms Lai possesses more than 15 years of experience in various divisions in the Analabs Group including Administration & Accounting, Production, Purchasing and Marketing. Ms Lai assumed her role as the Finance Manager of the Group on 1 January 2013.

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





CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Analabs Resources Berhad (referred to as “Analabs” or the “Group”), I am pleased to present the Annual Report and the Audited Financial Statements of the Group and of the Company for the financial year ended 30 April 2021.

Analabs which started its humble business in a laboratory testing, trading chemicals, building water treatment plant and in the recycling of waste sector has over the years strategically invested in financial assets and has gained a market presence in the business of trading in building materials. It has also increased its property investment portfolio which has seen substantial capital appreciation over the years and increased its equity investment portfolio which provides a constant source of dividend income for the Group. Analabs remains focused on its core competencies and its prudent management of its investments has enabled Analabs to remain competitive in the market. Analabs has continued to deliver on its growth strategies by generating profit to create long term shareholders' value.

CHAIRMAN'S STATEMENT

(CONT'D)

GROUP FINANCIAL PERFORMANCE

When the Coronavirus Disease 2019 ("Covid-19") pandemic spread on a global scale, the Group was faced with many uncertainties that is still faced by the Group and continues to be a challenge moving forward over the near to medium term. However, we were able to steer through the tough market environment in financial year ("FY") 2021 to deliver our targets and achieved a profit before tax ("PBT") of RM20.1 million for FY 2021, which is RM10.7 million higher than the PBT of RM9.4 million for FY 2020, representing a growth of 113.8%.

OPERATING ENVIRONMENT

Our nation and the world faced an unprecedented health crisis with Covid-19. This global pandemic impacted the world's economy and forced us to adapt to "the new norm" in our work, life and social interactions. The Covid-19 pandemic will continue to pose a major challenge to the Group in FY 2022.

The Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment remained the Group's focus and was the key revenue contributor for the FY 2021.

It has been a very challenging year for Analabs. However, prudent management enabled Analabs to ride over this very tough and uncertain period and this is evident from the latest Audited Financial Statements for FY 2021 which reported a robust set of numbers.

The gross profit contribution from the Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment increased by 58.1% to RM14.7 million in FY 2021 from RM9.3 million in FY 2020. This was due to improved manufacturing efficiency and the rationalisation and containment of operating overheads.

The Group continues to face challenges with an overcrowding of players where supply outstripped the demand especially with the building material sub-segment where construction activities were negatively affected by the Covid-19 pandemic which impacted the world's economy.

Management remains vigilant on potential investments that will allow the Group to grow in the midst of volatile global economic conditions.

DIVIDENDS AND SHARE BUY BACK

The Group's track record over the years is a testament to its holding power and resilience. Analabs is and will always remain committed to delivering long-term value to all its shareholders.

As part of the Group's on-going efforts to reward the shareholders, the Group paid out an interim single-tier dividend of 2.0 sen per ordinary share on 12 March 2021.

As at 30 April 2021, the Company held a total of 11,114,100 treasury shares from its issued share capital of 120,048,000 ordinary shares.

LOOKING FORWARD

The ongoing Covid-19 pandemic has had a dramatic impact on businesses globally and is expected to have an impact on the Group's operations and financial position. The Group has taken necessary measures to address the abnormal challenges in the business environment. In these unprecedented business conditions, the Board expects the prospects for the coming financial year to be challenging.

CHAIRMAN'S STATEMENT

(CONT'D)

ACKNOWLEDGEMENT

I personally would like to extend my appreciation to my fellow Directors, Mr. Lai, Mr. Low, Mr. Clifton, Ms. Lye and Mr. MH Kan for their valuable insight, guidance and dedication towards the improvement of Analabs. In the near term, our emphasis will be to source and train new talents to overcome the challenging impact from the global financial crisis.

On behalf of the Board, I wish to extend my deepest appreciation to our valued customers, business partners and shareholders for their steadfast support and confidence in us. I also wish to extend my many thanks to our External Auditors, Crowe Malaysia PLT, our Tax Agents, Deloitte Touche Tohmatsu Tax Services Sdn. Bhd., our Internal Auditors, RSM Corporate Consulting (Malaysia) Sdn. Bhd., our Company Secretary, Corporate Partners (Asia) Sdn. Bhd. 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 financial year.

Y K KAN

Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

This Management Discussion and Analysis Statement (“MD&A”) aims to review the business and operations, discussion of the financial performance and operating segments, risk and uncertainties and future outlook of the Group. This MD&A should be read in conjunction with the Company’s Audited Financial Statements and the accompanying notes for the financial year ended 30 April 2021 (“FYE 2021”).

BUSINESS AND OPERATIONS OVERVIEW

Analabs is an investment holding company with subsidiaries in Malaysia and Singapore. The Company is involved in 5 diversified business segments which include:

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

In FYE 2021, the main segments that contributed the highest results for the Group are:

- (i) Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials; and
- (ii) Contract Work, Pipe Laying and Rehabilitation.

Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials

Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment remained the key revenue contributor of the Group for FYE 2021. This segment has increased its revenue in FYE 2021 by 29.9% from RM68.9 million to RM89.5 million due to the higher sales of resin and chemicals. The gross profit from this segment increased by 58.1% to RM14.7 million in FYE 2021 from RM9.3 million in the financial year ended 30 April 2020 (“FYE 2020”). This was mainly due to manufacturing efficiency and rationalization of overhead costs.

The ongoing Coronavirus Disease 2019 (“Covid-19”) pandemic has also had an impact on the demand for this segment. The future outlook remains cautious and with a hope to fully recover within the next 18 months or so. The long term business strategy is to focus on growth to enhance revenue stream and profitability for the forthcoming financial year amid the economic and the pandemic challenges faced globally.

Contract Work, Pipe Laying and Rehabilitation

Contract Work, Pipe Laying and Rehabilitation segment is the second largest contributor to the results of FYE 2021. In FYE 2021, sales from this segment decreased by 44.2% due to lower sales orders and operation disruption caused by the Covid-19 pandemic.

The Management has undertaken to build up the order book with small and short-term contracts to minimize the risk and long-term commitment with cost control becoming a priority in every project. However, the gross profit from this segment decreased significantly by 54.7% to RM2.9 million in FYE 2021 from RM6.4 million in FYE 2020 due to the reasons explained in the next paragraph.

The ongoing Covid-19 pandemic has had a negative impact on the construction industry. The Circuit Breaker initiative launched by the Singapore Government has adversely affected the movement of foreign labour in Singapore and forced them to be restricted to their dormitory. The productivity of this segment has been reduced to almost zero during the 1st quarter of the financial year. The Management team is monitoring the situation closely during this challenging time and business recovery plans are in place.

Recovery and Sale of Recycled Products

Recovery and Sale of Recycled Products segment covers hazardous industrial waste as well as domestic waste. The activities involve the Group’s core business as a professional waste management company with its innovative and environmentally friendly recycling practices to satisfy customer requirements.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

BUSINESS AND OPERATIONS OVERVIEW (Cont'd)

Recovery and Sale of Recycled Products (Cont'd)

In FYE 2021, this segment recorded an increase in the profit before tax of RM1.7 million compared to the previous financial year. However, this segment is expected to experience slower growth moving forward in tandem with the slowdown in manufacturing activities in the country in line with the drop of manufacturing figures and GDP.

The Group is constantly exploring niche markets through new application of recycled products and continues to build goodwill with customers to understand the market needs by offering more complementary services such as turnaround services for project and providing recycling collection instead of just domestic waste recycling.

Culture and Sale of Prawns

This segment continues to face challenges and its revenue has increased by 64%. The pilot plant using the standard operating procedure to follow the Charoen Pokphand system had been carried out and is currently in the monitoring stage.

Investment Holding and Property Letting

With the current challenging economic backdrop, Management is cautiously optimistic of the future prospects of the investment holding segment. In FYE 2021, the Group purchased equity investment worth RM40.9 million. The investments purchased, particularly in the blue-chip counter would be held for the long term for capital appreciation and is a source of dividend income for the Group.

FINANCIAL REVIEW

The ongoing Covid-19 outbreak and the unprecedented Movement Control Order ("MCO") declared by the Malaysian Government, have resulted in disruptions to our Group's business and operations since March 2020.

Despite the disruptions, for the FYE 2021, Analabs registered a 113.8% increase in profit before tax to RM20.1 million compared to RM9.4 million last year. This improvement was mainly due to higher contribution from Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment.

Group Financial Results and Financial Performance

Despite undergoing a challenging year in 2021, the Group posted a growth in profit before tax as seen in the summary of FYE 2021 results as tabulated below:-

	2021 RM'000	2020 RM'000	Changes RM'000
Revenue	117,489	110,857	6,632
Cost of Sales	93,591	90,516	3,075
Profit Before Tax	20,076	9,372	10,704
Current Assets	67,794	67,116	(1,224)
Current Liabilities	84,656	64,885	19,771
Earnings Per Share (Sen)	15.03	6.66	
Net Assets Per Share (RM)	2.58	2.35	

For the FYE 2021, the Group achieved a revenue of RM117.5 million which represented an increase of 6% or RM6.6 million higher than the preceding financial year.

The Group's gross profit margin increased from 18.3% in FYE 2020 to 20.3% in FYE 2021 mainly due to the manufacturing efficiency, rationalization of overheads and cost from the Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials segment. Correspondingly, the Group recorded a higher profit before tax of RM20.1 million as compared to profit before tax of RM9.4 million in FYE 2020.

As at 30 April 2021, the Group's statement of financial position remained healthy with net assets of RM282 million.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

BUSINESS OUTLOOK & STRATEGY

The past 1.5 years have been a tough year for businesses especially for smaller firms. Of particular concern was the estimated RM40.7 billion losses suffered by micro, small and medium enterprises sector last year as a result of a strict nationwide lockdown imposed to tackle Covid-19 pandemic. According to the Entrepreneur Development and Cooperatives Ministry (MEDAC), 24% of businesses will recover and surpass on the pre-pandemic level and 60% businesses will recover but remain below pre-pandemic level.

The ongoing Covid-19 pandemic is expected to have an impact on the Group's operations. The uncertainties and challenges arising from the Covid-19 pandemic have also inevitably disrupted the global economic stability and commercial environment and activities. The MCO and its subsequent series of extensions have adversely affected the Group's business and financial position. The Group has taken necessary measures to address the abnormal challenges in the business environment. In these unprecedented business conditions, the Board expects the outlook to remain uncertain and challenging moving forward.

The Group is constantly undertaking continuous enhancements in production efficiencies, overheads and production cost management. In addition, strengthening the marketing team will remain a core strategy to generate better sales and profitability.

The Group shall continue to explore employee development plans and streamline the strategy to prepare and develop employees for future leadership roles in line with the Company's growth. In the next few years, we aim to source for key talents towards achieving our succession plan.

The Group will remain relentless in striving to achieve our objectives to ensure that our businesses will continue to deliver long term value to our shareholders and other stakeholders alike.

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STATEMENT ON SUSTAINABILITY REPORTING

OVERVIEW & SCOPE OF SUSTAINABILITY AT ANALABS

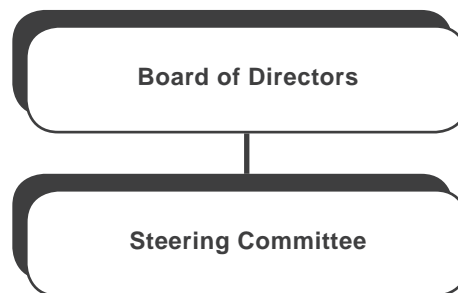
As part of Analabs Resources Berhad's journey to incorporate sustainable business practices in the long-term, the Group is committed to a holistic approach to business management, taking into consideration of the Economic, Environmental and Social ("EES") risks and opportunities alongside financial implications, as a measure to generate long-term benefits and business continuity.

To further reinforce our commitment towards sustainability, we have implemented an Integrated Management System with concurrent certification to PAS 99:2012 and related certification to the ISO 14001:2015, ISO 9001:2015, ISO 45001:2018 and FSC (Forest Stewardship Council - Chain of Custody) for our core subsidiaries.

In all of this, our efforts have been guided by a robust standard and an improved framework that promotes integrity, ethical behaviour, accountability and transparency. Our organisation's sustainability strategy is determined by our Board of Directors, who provides an oversight of our corporate sustainability policies and performance. Senior Management oversees the implementation of the organisation's sustainability approach and ensures that key targets are being met. The respective division's management heads are responsible for identifying, evaluating, monitoring and managing EES risks and opportunities directly.

Unless otherwise stated, this Sustainability Statement encompasses Analabs Resources Berhad and all of its subsidiaries.

ORGANISATION STRUCTURE FOR SUSTAINABILITY



RESPONSIBILITIES OF STEERING COMMITTEE

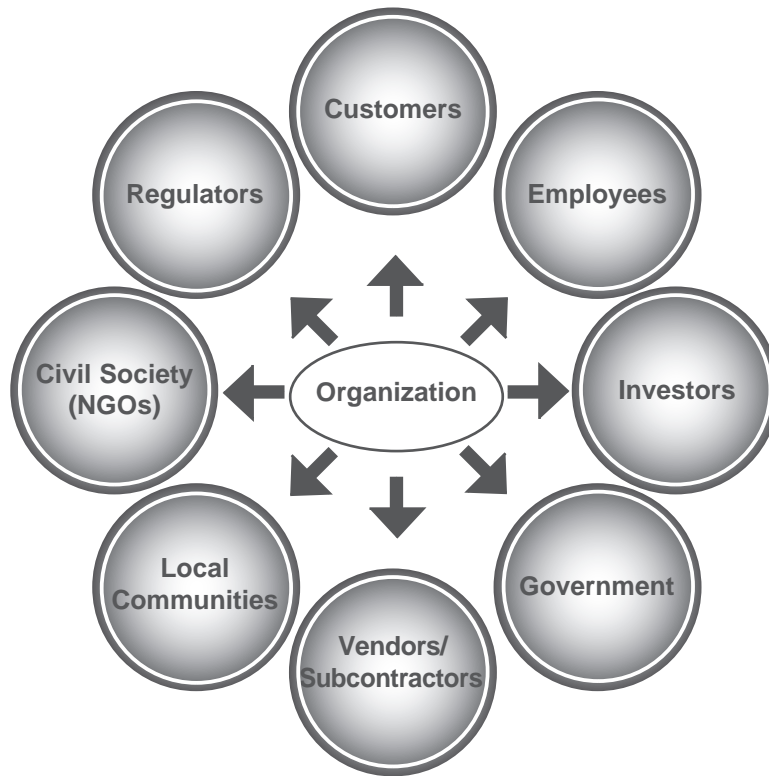
The Steering Committee comprising of members of the Senior Management and head of departments also oversees the sustainability matters. The responsibilities of the Steering Committee on sustainability matters are as follows:-

- Advising the Board on the sustainable strategies;
- Monitoring the implementation of sustainability strategies as approved by the Board;
- Overseeing stakeholder engagement to ensure that all issues, grievances and suggestions raised are taken into consideration in managing sustainability matters;
- Recommending to the Board for its approval the identified material sustainability matters, sustainability-related policies and its goals and targets;
- Monitoring the implementation of policies and initiatives of sustainability management;
- Overseeing the management of sustainability matters by focusing on matters material to the Group; and
- Overseeing the preparation of the Sustainability Statement and recommending it for Board's approval.

STATEMENT ON SUSTAINABILITY REPORTING (CONT'D)

STAKEHOLDERS REVIEW & ENGAGEMENT

Analabs Resources Berhad is in the midst of conducting a holistic review of its stakeholders and presents its key requirements with related internal and external issues for the Group and pertinent action plans required in the upcoming period.



Stakeholder Group	Engagement Method	Frequency of Engagement
Customers	Customer feedback management Complaint management Market research & innovation Events and engagement sessions	Daily Daily Ad-hoc Ad-hoc
Vendors/Subcontractors	Independent evaluation Vendor briefing programmes Vendor relationship management Vendor Development Programme (VDP)	Annually Regular Regular Ongoing
Government and Regulators	Formal meetings/visits Performance reports Licensing, audits & inspections	Ad-hoc Regular Ad-hoc
Employees	Employee performance appraisal Dialogue and engagement Intranet, department meeting, chat room Employee engagement programmes	Annually Weekly Regular Regular

STATEMENT ON SUSTAINABILITY REPORTING

(CONT'D)

MATERIAL SUSTAINABILITY AND RELEVANT ACTION PLANS

The following is the Group's identified material sustainability matters, identified via management reviews and assessments of the context and strategy of each subsidiary with considerations to relevant stakeholders' requirements and expectations. These are critical internal and external risk and opportunities that are pertinent to our long-term growth and continuous improvement.

Stakeholder Group	Why Material	Material Sustainability Issues
Economic	<ul style="list-style-type: none"> Market condition affects all businesses in every industry. Adverse market condition can lead to poor financial performance of the group. Business model plays a vital role in challenging market condition of the market and business. The adoption of an appropriate business model is vital to ensure a sustained favourable financial performance. 	<ul style="list-style-type: none"> i) Active discussion of corporate and business strategies between Board of Directors and Management. ii) Research & Development and commitment to innovation on related equipment, technology and technical know-how. iii) Customer satisfaction and complaint management process for adherence and enhancement of products and service deliverables. iv) Sustainable value chain management with vendors, subcontractors, transporters assessment, evaluation and improvements.
Social Responsibilities	<ul style="list-style-type: none"> Impact on safety of workforce to avoid workplace injuries and manage the product safety. It is important for us to benchmark ourselves and to collaborate closely with customers to achieve mutual success. 	<ul style="list-style-type: none"> i) Labour incident, accident and injury rates monitoring, reporting and reviews. ii) Workforce diversity and human rights factor inculcation within human resources development and capital management. iii) Occupational Safety & Health Management policies and practices enforcement. iv) Community Outreach Programs to create awareness and contribute to local operational areas. v) In respond to the emergence of Covid-19 pandemic related risks, the implementation of appropriate SOP to mitigate infection risk at our business units.
Environmental Stewardship	<ul style="list-style-type: none"> It safeguards the environmental footprint as a result of our business activities. 	<ul style="list-style-type: none"> i) Water Usage, Energy Output monitoring and control (Emission). ii) Waste Output monitoring and minimizing (Waste & Effluents Discharge). iii) Product and Services Responsibility. iv) Compliance to local statutory and regulatory requirements.

STATEMENT ON SUSTAINABILITY REPORTING

(CONT'D)

MATERIAL SUSTAINABILITY AND RELEVANT ACTION PLANS (Cont'd)

The above list of material sustainability issues and matters shall be managed with relevant documentation, process approach, objective settings, risk and opportunities monitoring and Plan-Do-Check-Act ("PDCA") action plans.

We periodically update the full list of sustainability matters and revise our prioritisation annually based on our corporate strategy and external developments.

The Group is realising key benefits from integrating sustainability in business by including:

- Enhancement of process risk management via risk-based thinking group wide
- Promoting innovation and attracting new customers with improved initiatives and marketing strategy
- Maintaining a licence to operate for best practices, fulfilling stakeholders needs and compliance to obligations
- Securing capital with periodic business context and stakeholders review of requirements and expectation on environment, social and governance matters
- Improving productivity and cost optimisation through process approach and objective settings at key stages
- Enhancing brand value and reputation of the Group with stringent quality, health & safety and environmental controls and compliance to statutory and legal obligations.

ANALABS RESOURCES BERHAD 2021/2022 GROUP SUSTAINABILITY INITIATIVES

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

Business Environment

The Group recognises the impact of its day to day business on the environment. As such, the Group is committed by implementing Quality, Health, Safety and Environmentally ("QHSE") friendly work processes while raising the QHSE awareness among its staff.

The core objective for its scope have been identified and relevant action plan and completion measurement shall be tabled in its following reporting cycle:

- To reduce settled claims and non-conforming products and/or services
- To reduce waste materials
 - Process wastage
 - Solidified waste
 - Commercial wastage
- To reduce scheduled waste generation

Environmental Awareness

The Group is committed to prevent pollution through environmental controls, minimization of wastes and efficient use of all the energy in line with the Group's motto "Reducing Waste for A Better Environment".

The Group has engaged competent consultants to conduct air emission/pollution monitoring and noise monitoring to ensure that our operations meet the requirements set by the various authorities.

The Group has its environment team to promote environmental awareness and in the conservation of the environment. In addition, we also communicate to our customers, suppliers, contractors, shareholders and the public on our commitment to environmental protection and conservation policy.

STATEMENT ON SUSTAINABILITY REPORTING

(CONT'D)

ANALABS RESOURCES BERHAD 2021/2022 GROUP SUSTAINABILITY INITIATIVES (Cont'd)

Environmental Awareness (Cont'd)

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

Scheduled Waste Management	Non-Scheduled Waste Management	Chemical Health Risk Assessment
All scheduled waste will be packed, managed and monitored according to the requirements of Department of Environment (DOE) inventory, Waste Water Treatment Plant and Consignment Notes data and documentation are reviewed and managed periodically.	All non-scheduled waste will be disposed by licensed contractor at industrial waste dump site.	As various chemicals are used in our production process, we have engaged a registered Chemical Health Risk Assessor to carry out periodic assessment.

Our subsidiaries incorporated an Integrated Management System encompassing PAS 99:2012, ISO 9001:2015, ISO 45001:2018 & ISO 14001:2015 respectively.

Our effort in undertaking the protection of our environment is part of our commitment to maintain our standard towards environmental control. A monitoring programme has been put in place to ensure compliance with the requirements of the Environment Quality Act 1974.

Community Engagements

i) Charitable Contributions

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

We continue to play our part as a responsible corporate citizen and discharging our social responsibilities through active participation of Youth Leadership Campaign.



OUR AIM
Fulfill all essential needs in every kid's life such as shelter, food, education, care, attention and love.

OUR MISSION
Save the children from the streets and rebuild their character & behaviour.

OUR VISION
Empower lives and transform the community through education!

CONTACT US
012-296 8014 | 03-7954 1880
admin@agathians.org | www.agathians.org
No. 22, Jalan Kelah 8/16, Seksyen 8, Petaling Jaya 46055, Selangor, Malaysia.

Donation can be banked into:
MAYBANK (3141 6096 5371)
All cheque payable to:
PERTUBUHAN KEBAJIKAN AGATHIANS, MALAYSIA
*All necessary donations will be issued tax exemption receipt
Terms & Conditions applied.

AGATHIANS SHELTER
The Spark To Change The Future

We nurture 30 boys aged between 4 and 19 years old. They are from various deprived background such as orphan, single parental child, abused and abandoned.

AGATHIANS CORE VALUES

- PASSION
- TEAMWORK
- LEADERSHIP
- EQUALITY
- TRANSFORMATION

Agathians Shelter is in support of UN Sustainable Development Goals

GIVE A Chance SEE THE Change

Agathians Shelter is a legally registered welfare home under the name: **PERTUBUHAN KEBAJIKAN AGATHIANS, MALAYSIA** located at Petaling Jaya.

STATEMENT ON SUSTAINABILITY REPORTING (CONT'D)

ANALABS RESOURCES BERHAD 2021/2022 GROUP SUSTAINABILITY INITIATIVES (Cont'd)

Community Engagements (Cont'd)

ii) Education

Analabs offers internship programmes for local colleges, universities, academies by providing positions leading to management trainees after completing their tertiary educations. Interns or management trainees will be rotated in various departments to gain experience and exposure accordingly.

Head of Departments conducts talks, outreach programs at local institution ie. INTI, Unicert Academy on best practices.



iii) Employees Welfare

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

a. Safety & Health Team

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

Our Group's occupational safety and health policy highlights our commitment to:

- prevent injury and ill health to our employees;
- ensure compliance to laws and regulations in relation to occupational safety and health;
- require vendors/contractors to meet our occupational safety and health standards across all operations;
- set targets and measures to drive occupational safety and health performance across the organisation; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and general public.

b. Human Capital Development

Employees are highly valued as assets at Analabs. We believe that our efforts to cultivate and strengthen corporate culture will eventually attract and retain talents. We frequently organize staff gatherings, social outings and excursions throughout the year to inculcate team work and relationship building. The Group has a policy of providing training for all level of staff based on competency assessments and succession planning for relevant positions. The Group contributes to Human Resource Development Fund and is committed to the development and training of employees to enhance their respective skills and competencies. We comply to local Employment Act and recognise the importance of human rights and equal opportunities for our workforce.



STATEMENT ON SUSTAINABILITY REPORTING

(CONT'D)

ANALABS RESOURCES BERHAD 2021/2022 GROUP SUSTAINABILITY INITIATIVES (Cont'd)

Community Engagements (Cont'd)

iii) Employees Welfare (Cont'd)

c. Emergency Response Team

An Emergency Response Team (ERT) is formed to assist Management and employees during any emergencies to ensure that all the employees are aware of their own safety during an occurrence of a disasterous event and that the Group's properties and materials are well protected from any accident or mishap. A safety committee and enforced QHSE policy is communicated group wide. Structured and scheduled awareness programs and drills are carried out to emphasise the criticality of QHSE requirements. An Emergency Response Plan has been established to manage fire, flood and chemical spillage.

Our employees are behind the success of the Group and they remain our long-term valuable assets in ensuring the Group's long-term sustainability.

d. Covid-19 Response Team

We have established a Covid-19 response team to address the significant risks attributable to Covid-19 pandemic such as closure of business, regulatory fines, and health threats to the society and ensured that appropriate SOPs as directed by the Kementerian Kesihatan Malaysia are being implemented and observed. Active measures such as Covid-19 testing of employees reporting of symptoms are in place.

As we progress in our sustainability journey where respective operational data collection is more advanced, it may then extend its reporting scope to cover both its Malaysian and Singapore operations.

MOVING FORWARD

The Group is committed to shape our business to create positive impact for long term business growth and success. We are mindful of our responsibilities to enhance our capacity across our operations and accountability to our stakeholders. We shall continuously seek for new opportunities to realise our sustainability commitment and roadmap.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

Overview

This Statement sets out an overview of Analabs Resources Berhad's ("Analabs" or "the Company") application of the three (3) Principles of the Malaysian Code of Corporate Governance ("MCCG" or "the Code") for the financial year ended 30 April 2021.

Save for the following practices, we have fully complied with all the MCCG practices for the year and specific details on how the Company has applied each of the practices set out in the MCCG are disclosed in the Corporate Governance Report:-

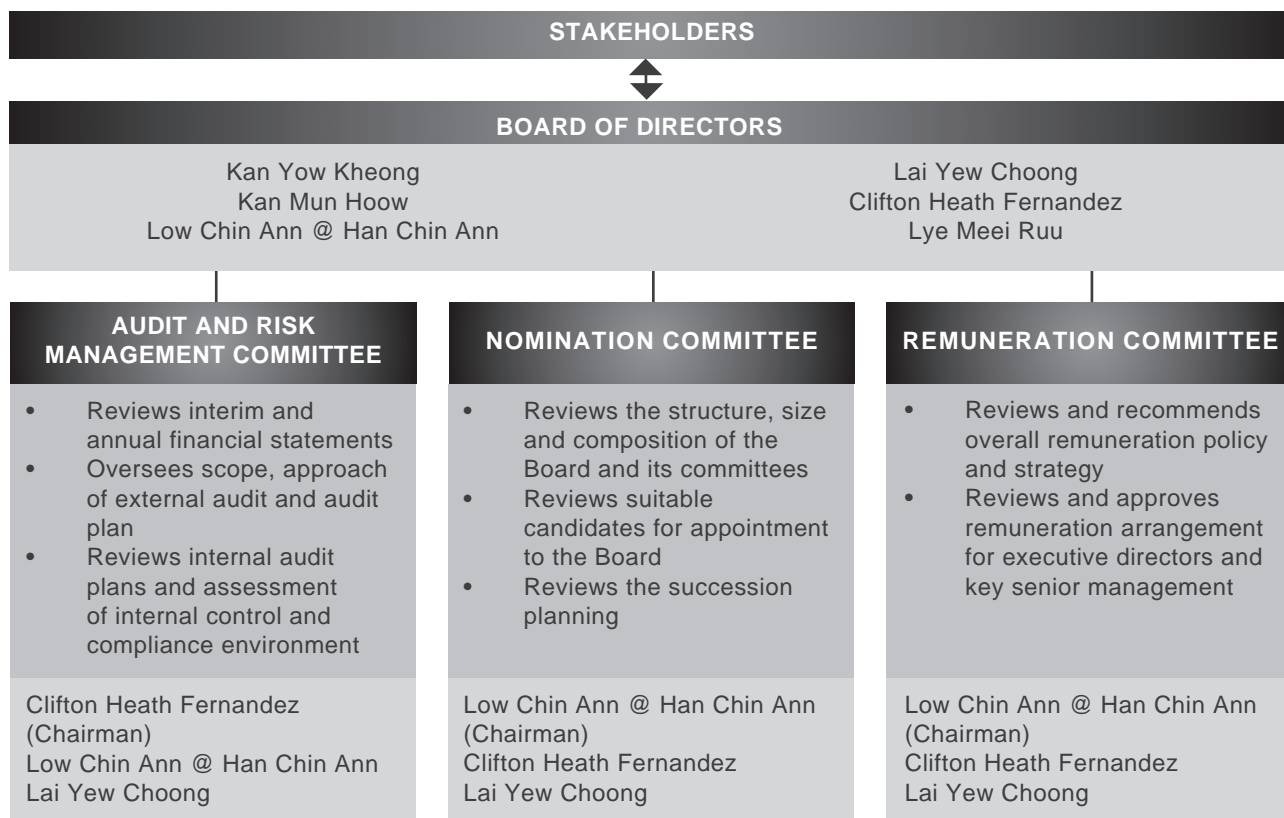
- Practice 1.3 - The positions of Chairman and CEO are held by different individuals.
- Practice 4.5 - Although the Company does not currently have a written policy on diversity pertaining to the selection of its Board members, the Board has always taken into account diversity as one of the selection criteria of Board appointees as it recognises that a diversified Board will provide effective and dynamic discussions at the Board level.
- Practice 7.2 - The Board discloses on a named basis the top five (5) Senior Management's remuneration in bands of RM50,000.

Corporate Governance Approach

The Board has established a framework of processes and guidelines for the Company that includes company policies and monitoring procedures, financial and operational performance as well as risk management and internal control systems.

Our Board prioritizes transparency, accountability, ethical culture, sustainability and compliance as it believes that the adoption of good corporate governance adds value to its business and enhances stakeholders' confidence.

The governance framework outlining the Board Oversight, Engagement, Delegated Authority and Accountability is illustrated below:-



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has the overall responsibility for the conduct and governance of the Company including providing strategic guidance and effective oversight of management. The Board's role and responsibilities are formalized in the Board Charter, which defines the matters reserved for the Board and its Committees and those delegated to the Executive Chairman and Management. The Board Charter is available on the Company's website at www.analabs.com.my.

The Board Charter is periodically reviewed and updated, with the last review carried out in June 2018.

Activities undertaken by the Board include:-

- **Setting strategic direction**
The Board has set the Company's strategy to build a strong market presence in building materials as well as the strategic priorities towards fulfilling this objective.

These strategic priorities include:-

- **Total Customer Satisfaction**
Through meeting and exceeding expectations by delivering services of the highest quality.
- **Customer Partnership**
Through effective customer feedback and understanding customer needs in terms of quality, safety and cost.
- **Research And Development**
For continuous improvement in production methods, techniques and technologies.
- **Effective Training**
Programmes to upgrade the skills of staff.
- **Monitoring Role**
The Board carried out strategic reviews of major business segments and provided constructive input in the assessments of plans to spearhead growth taking into consideration the business risks, economic challenges, resource allocation and cost factors.

The Board also monitored the Group's financial and operational performance against performance and strategic objectives.

- **Governance and Risk**
The Board carried out a review of its governance processes and approved the implementation of new policies on anti-money laundering as well as introduced a Whistle Blowing policy to drive ethical behavior throughout the organisation.

Improving the internal control environment to address operational risks, remained a priority of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Activities undertaken by the Board include:- (Cont'd)

- **Corporate Social Responsibility (CSR)**

The Board is committed to fulfill its responsibility to society and the environment. Its aspiration is to bring the highest standards and level of integrity to all activities. Close attention is given to our motto of "reducing waste for a better environment".

The Company actively engages in CSR activities. For the year under review, the Company undertook the following:-

a) Environmental Awareness

One of the Analabs' subsidiary is involved in recycling where our business nature itself contributed positively to the country's environmental footprint.

Our continuing effort to ensure that our operations do not degrade the environment by undertaking the following to preserve the environment including:-

- i) Scheduled Waste Management
- ii) Non-Scheduled Waste Management
- iii) Chemical Health Risk Assessment

b) Community Engagements

Analabs offers internship programmes for local colleges, universities, academies by providing positions leading to management trainees after completing their tertiary educations. Interns or management trainees will be rotated in various departments to gain experience and exposure accordingly.

Head of Departments conducts talks, outreach programs at local institution ie. INTI, Unicert Academy on best practices.

- **Stakeholder Engagement**

The Board believes in building and maintaining a constructive and sustainable relationship with stakeholders. The Board believes that the Annual General Meeting provides an important opportunity for shareholders to engage with the Board and Management on the progress of the Company and of the Group.

Shareholders are also regularly updated on the Group's performance through the timely disclosure of the quarterly financial report and any other material developments during the year, if any.

In discharging its duties and functions effectively, the Board delegates certain responsibilities to its Board Committees. All Committees have written terms of reference. These Committees are formed in order to enhance business and operating efficiency. The Chairman of the respective Committees will report to the Board the outcome of the Committees Meetings for the Board's consideration and final decision. Minutes of the respective Meetings will be presented to the Board for its information. The Board retains full responsibility for the direction and control of the Company and of the Group.

The Board has delegated to the Executive Chairman, the authority and power to manage the Group and its businesses within levels of authority specified by the Board from time to time. He is assisted in the day-to-day management by the Executive Director.

The Executive Chairman is also responsible for the overall leadership and efficient functioning of the Board. Notwithstanding the dual roles, the Board is of the view that there are sufficient experienced and independent Directors on the Board as majority of the Board comprises of Independent Directors to ensure that there are adequate checks and balances in place in Board deliberations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

The Independent Directors provide unbiased and objective views to safeguard the interests of shareholders. They are actively involved in Board meetings and in the various Board Committees and contribute significantly to areas such as performance monitoring and enhancement of corporate governance. They satisfy themselves on the integrity of financial information and that controls and risk management systems are robust and defensible.

The roles of the Executive Chairman, Executive Director and Independent Directors are detailed in the Board Charter which is made available on the Company's website at www.analabs.com.my.

There is a formal schedule of matters that are reserved to the Board for deliberation. Key matters reserved for the Board include:-

- i. Corporate plans and programmes;
- ii. Annual budgets, including major capital commitments;
- iii. New ventures;
- iv. Material acquisitions and disposals of undertakings and properties;
- v. Changes to the management and control structure within the Company and its subsidiaries, including key policies.

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

The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics is published in the Company's website at www.analabs.com.my.

The Board also has in place a Whistle Blowing Policy for employees to raise genuine concerns, without fear, about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. The Whistle Blowing Policy is available for reference at the Company's website at www.analabs.com.my.

Company Secretaries

Directors have full access to the Company Secretaries who are all members of the Malaysian Institute of Chartered Secretaries and Administrators.

The Company Secretaries whose appointment and removal are subject to the Board's approval, attend all Board and Board Committee meetings. The Board has direct access to the advice and services of the Company Secretaries who are responsible to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-

- Statutory duties as required under the Companies Act 2016 ("the Act"), Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad ("BMSB") and Capital Market and Services Act 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings;
- Maintaining records for the purpose of meeting statutory obligations;
- Assisting the Board with the preparation of announcements for release to BMSB and the Securities Commission Malaysia (where required); and
- Rendering advice and support to the Board and Management.

The Company Secretaries keep abreast of the developments of corporate governance practices and relevant laws by attending training, seminars and talks to enhance their knowledge and skills.

Prior to Board meetings, an agenda together with the relevant documents and information are distributed to all Directors at least five (5) business days in advance of board meetings unless in unavoidable circumstances. The Senior Management and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Apart from the above, the Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities. All Directors are notified of the corporate announcements released to BMSB, amendment to BMSB Listing Requirements and any pertinent Regulatory changes. All Directors have access to Management and Auditors for independent views and advice.

In furtherance of their duties, the Directors may seek independent professional advice if necessary, at the expense of the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 30 April 2021. In compliance with the MMLR, all the Directors do not hold directorships more than that prescribed under the MMLR. There were five (5) Board of Directors' Meetings held during the financial year ended 30 April 2021 and the details of the attendance of the Directors' and Committees meetings are as follows:-

Directors	Board of Directors	ARMC	NC	RC	AGM
Kan Yow Kheong	5/5	5/5*	-	-	1/1
Kan Mun Hoow	5/5	5/5*	-	-	1/1
Low Chin Ann @ Han Chin Ann	5/5	5/5	1/1	1/1	1/1
Lai Yew Choong	5/5	5/5	1/1	1/1	1/1
Clifton Heath Fernandez	5/5	5/5	1/1	1/1	1/1
Lye Meei Ruu	5/5	5/5*	-	-	1/1

* *Attended by invitation.*

ARMC	-	<i>Audit & Risk Management Committee</i>
NC	-	<i>Nomination Committee</i>
RC	-	<i>Remuneration Committee</i>
AGM	-	<i>Annual General Meeting</i>

Continuous Professional Development

Directors	Seminar/Forum/Conference/ Training
Kan Yow Kheong	<ul style="list-style-type: none"> Study on Solar Power – sustainability and feasibility Training on OSHMS 45001:2018 Transfer Pricing rules and guidelines
Kan Mun Hoow	<ul style="list-style-type: none"> Study on Solar Power – sustainability and feasibility Training on OSHMS 45001:2018 Transfer Pricing rules and guidelines Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems - Physical Chemical Processes (CePIETSO-PCP)
Low Chin Ann @ Han Chin Ann	<ul style="list-style-type: none"> Study on Solar Power – sustainability and feasibility

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Continuous Professional Development (Cont'd)

Directors	Seminar/Forum/Conference/ Training
Lai Yew Choong	<ul style="list-style-type: none"> Study on Solar Power – sustainability and feasibility
Clifton Heath Fernandez	<ul style="list-style-type: none"> SHASSIC Registered Auditor (CIDB) Internet Of Things(IOT) , Exemplar Global Business Continuity Management (Tricor)
Lye Meei Ruu	<ul style="list-style-type: none"> Tax Law is for Lawyers, Not Accountant Mediation of Construction and Other Disputes in the Time of Covid-19 Managing Contractual Disputes: Can I not deliver my part of the bargain because of MCO? Managing the Taxman After MCO: Key Tax Questions Answered Insolvency and Bankruptcy Webinar on Strategic Approach in Civil Litigation and Writing Impactful Submissions AMLA Webinar by SFPC: General Guidance for Small Law Firm Study on Solar Power – sustainability and feasibility

The Board acknowledges that continuous education is vital for its Board members to gain insight and maintain awareness of the economy, technological advances, latest regulatory developments and management strategies. The NC assesses from time to time the training needs of the Directors. The Board members are also encouraged to attend training programmes and seminars to keep abreast with developments in the industry as well as to enhance their professionalism and knowledge.

II. BOARD COMPOSITION

The Board consists of six (6) members comprising the Executive Chairman, four (4) Independent Non-Executive Directors and one (1) Executive Director.

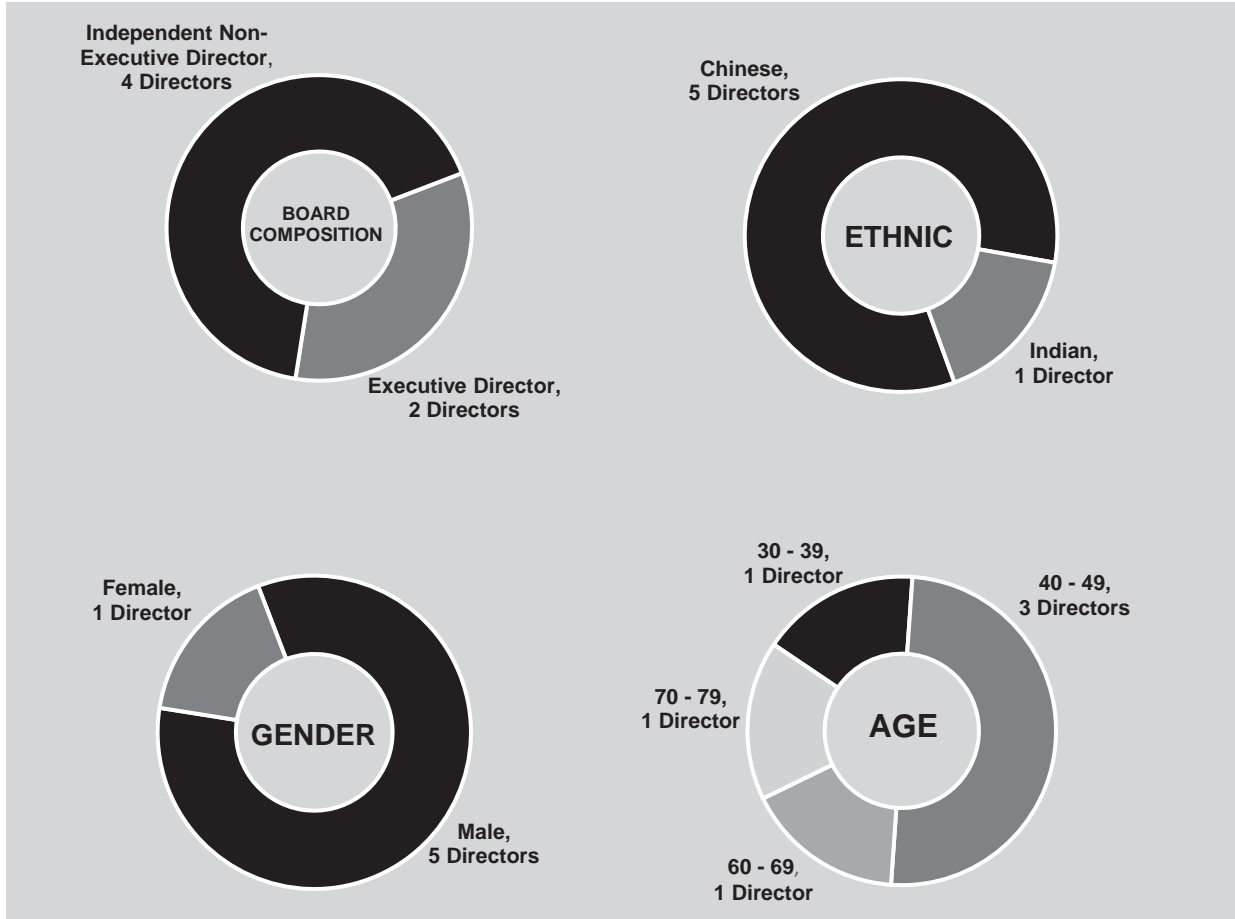
The Board has complied with Paragraph 15.02(1) of the Listing Requirements which requires at least two directors or one-third of the Board (whichever is the higher) to be Independent Directors. The presence of the Independent Directors, forming more than half of the Board members, provides objectivity and independent judgment to decision making. In the event of any vacancy in the Board resulting in non-compliance with Paragraph 15.02(1) of the MMLR, the Company must fill the vacancy within 3 months.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

The Board's experience matrix, age and gender diversity during the financial year was as follows:



	Industry / Background experience									
	Applied chemical	Banking	Accounting/Finance /Corporate Finance	Project Management	Certification Audit & Placement Consultancy	Legal/Regulatory	Marketing Management	Mechanical Engineering	Corporate Training/ Education	Environmental & Sustainability Management
Kan Yow Kheong	√			√			√	√		√
Kan Mun Hoow			√	√			√	√		√
Low Chin Ann @ Han Chin Ann			√	√			√		√	
Lai Yew Choong		√	√				√			
Clifton Heath Fernandez			√	√	√		√		√	√
Lye Meei Ruu						√				

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

The Board believes that the current composition is appropriate given the collective skills and experience of the Directors and Analabs' current size and nature of business. Further, the Board is of the view that with the current Board size, there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the Board size and composition as may be needed.

The Nomination Committee ("NC") is responsible to recommend candidates to the Board to fill vacancies arising from resignation, retirement or other reasons or if there is a need to appoint additional directors with the required skills or profession to the Board to meet any competency gaps identified by the NC. The potential candidate may be proposed by existing directors, senior management, shareholders or third party referrals.

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

The assessment/evaluation process may include among others, a review of the candidate's resume, professional experience and qualification. The NC 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.

The Board acknowledges the importance of diversity as an essential virtue of good corporate governance and an attribute of a well-functioning Board. Diverse views enhance Board discussions and ensure that the discussions made by the Board have been considered from all points of view. The Board acknowledges that diversity presents itself in a number of forms, including but not limited to gender, age, cultural background, educational background, ethnicity, professional experience, skills and knowledge.

The Board takes appropriate measures to ensure that boardroom diversity is considered as part of its selection and recruitment exercise. However, the merits of the individual and the knowledge and expertise relevant to the Company will be the main criteria when considering the selection of new candidates to the Board.

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

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to his re-designation to non-independent director. In the event such Director is to be retained as an independent director, the Board must justify and seek annual shareholders' approval.

Apart from Mr Low Chin Ann @ Han Chin Ann and Mr Lai Yew Choong who would have served the Board for a cumulative term of nine (9) years from 1 December 2021 onwards, the Company does not have any Independent Non-Executive Director who has served more than nine (9) years as at the date of this Statement.

Proposed Retention of Mr Low Chin Ann @ Han Chin Ann as an Independent Non-Executive Director

Mr Low Chin Ann @ Han Chin Ann (Mr Low) was appointed as an Independent Non-Executive Director of the Company on 1 December 2012 and would have served the Board for a cumulative term of nine(9) years from 1 December 2021 onwards. The Board of Directors through its Nomination Committee, after having assessed the independence of Mr Low, regards him to be independent based on among others, the following justifications and recommends that Mr Low be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the MCCG:-

- (a) Mr Low has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and being independent, he will be able to function as a check and balance, bring an element of objectivity to the Board's and Board's Committees deliberations of which he is a member. His length service on the Board and Board Committee does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company;
- (b) He has been with the Company for more than nine (9) years from 1 December 2021 onwards and is familiar with the Company's business operations;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Proposed Retention of Mr Low Chin Ann @ Han Chin Ann as an Independent Non-Executive Director (Cont'd)

- (c) He has exercised due care and diligence during his tenure as an Independent Non-Executive Director and carried out his duties professionally and objectively in the interest of the Company and shareholders; and
- (d) He does not have any conflict of interest throughout his tenure of office as an Independent Director of the Company and has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries.

Proposed Retention of Mr Lai Yew Choong as an Independent Non-Executive Director

Mr Lai Yew Choong (Mr Lai) was appointed as an Independent Non-Executive Director of the Company on 1 December 2012 and would have served the Board for a cumulative term of nine(9) years from 1 December 2021 onwards. The Board of Directors through its Nomination Committee, after having assessed the independence of Mr Lai, regards him to be independent based on among others, the following justifications and recommends that Mr Lai be retained as an Independent Director of the Company subject to the approval from the shareholders of the Company pursuant to Practice 4.2 of the MCGG:-

- (a) Mr Lai has fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and being independent, he will be able to function as a check and balance, bring an element of objectivity to the Board's and Board's Committees deliberations of which he is a member. His length service on the Board and Board Committee does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Company;
- (b) He has been with the Company for more than nine (9) years from 1 December 2021 onwards and is familiar with the Company's business operations;
- (c) He has exercised due care and diligence during his tenure as an Independent Non-Executive Director and carried out his duties professionally and objectively in the interest of the Company and shareholders; and
- (d) He does not have any conflict of interest throughout his tenure of office as an Independent Director of the Company and has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Company and its subsidiaries.

Evaluation of Board, Board Committees and Individual Directors

Board evaluations comprise a Board and Board Committee's Assessment, Assessment by Individual Directors and Peer Assessments and Assessments of Independence of Independent Non-Executive Directors ("the Assessments").

For Individual Performance and Board Evaluation, the assessment criteria include among others, contribution and performance, calibre and personality, Board mix and composition, quality of information and decision making as well as participation at Board and Committee Meetings. The NC also undertook an evaluation on the ARMC and the assessment criteria include effectiveness and quality of external and internal audits and financial reporting. The criteria for assessing the independence of an Independent Director include among others, the relationship between the Independent Director and the Group and his or her involvement in any significant transaction with the Group. The results and recommendations from the evaluation were reported to the Board for further consideration and action, if required.

Directors who are subject to re-election and at the next AGM shall be assessed by the NC before recommendation is made to the Board and shareholders for the re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION (Cont'd)

Annual Assessment of Existing Directors & Board Committees

To ensure that the Board would be able to discharge its duties and responsibilities effectively, the NC has during the financial year and up to the date of this Statement carried out:-

- i) assessment of the Directors, which includes the self-assessment carried out by the individual Directors;
- ii) a review on the retirement of Directors by rotation eligible for re-election at the forthcoming AGM;
- iii) an assessment on the independence of the Independent Directors;
- iv) a review and assessment on the composition and diversity of the Board Committees; and
- v) an evaluation of the ARMC and the assessment criteria include effectiveness and quality of external and internal audits and financial reporting. The NC and the Board were satisfied with the performance and effectiveness of the ARMC and its members.
- vi) a review, assessed and recommended to the Board the retention of the Independent Directors who have served for more than nine (9) years.

There were no major concerns arising from the results of the Assessments. The feedback confirmed that the Board and each of its Committee continue to operate effectively and that each Director continues to make an effective contribution and demonstrates a strong commitment to the role.

None of the Independent Directors had any relationships and/or transactions that could materially interfere with their independent judgements and decisions. The Board was truly satisfied with the level of independence demonstrated by all Independent Directors.

The results of the Assessments form the basis for the NC's recommendation to the Board for the re-election of Directors at the forthcoming AGM.

In accordance with the provisions of the Company's Constitution, all Directors for the time being shall retire from office and shall be eligible for re-election at each AGM. Directors who are appointed to the Board during the year shall retire and seek re-election at the next AGM to be held following their appointments.

III. REMUNERATION

The remuneration package of Directors has been structured to attract, retain and motivate the Directors of the right caliber and to recognise and reward the high performing Directors for achieving the Company's business and corporate goals.

The Remuneration Committee (RC) shall ensure that the levels of remuneration are competitive in the market to attract and retain Directors of the quality required to manage the business of the Group. The RC is entrusted under its terms of reference to assist the Board amongst others, recommend to the Board the remuneration of the Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by each of the Non-Executive Directors concerned.

The fees for Directors are determined by the Board with the approval from Shareholders at the AGM. No Director is involved in deciding his/her own remuneration.

The RC has during the financial year and up to the date of this Statement carried out a review and recommendation on the payment of Directors' fees for the financial year ending 30 April 2022 and recommended the same to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

Disclosure of Remuneration of Directors and Senior Management

The details of the remuneration of the Directors of the Company and of the Group for the financial year ended 30 April 2021 are as follows:-

GROUP	Fee (RM)	Salaries, Bonuses and Incentives (RM)	EPF (RM)	Benefits-in kind (RM)	Total (RM)
Executive Directors					
Kan Yow Kheong	12,000	36,096	1,464	-	49,560
Kan Mun Hoow	12,000	191,847	19,440	-	223,287
Independent Non-Executive Directors					
Low Chin Ann @ Han Chin Ann	18,000	-	-	-	18,000
Lai Yew Choong	12,000	-	-	-	12,000
Clifton Heath Fernandez	12,000	-	-	-	12,000
Lye Meei Ruu	12,000	-	-	-	12,000
Total	78,000	227,943	20,904	-	326,847

Company	Fee (RM)	Salaries, Bonuses and Incentives (RM)	EPF (RM)	Benefits-in kind (RM)	Total (RM)
Executive Directors					
Kan Yow Kheong	12,000	18,048	732	-	30,780
Kan Mun Hoow	12,000	-	-	-	12,000
Independent Non-Executive Directors					
Low Chin Ann @ Han Chin Ann	18,000	-	-	-	18,000
Lai Yew Choong	12,000	-	-	-	12,000
Clifton Heath Fernandez	12,000	-	-	-	12,000
Lye Meei Ruu	12,000	-	-	-	12,000
Total	78,000	18,048	732	-	96,780

Notes:-

- (i) Directors' Fee/Meeting Allowance
The shareholders approved the payment of the Directors' fee of RM108,000 in respect of the financial year ended 30 April 2021, at the 22nd AGM. The Company will be seeking the approval of the shareholders for the Proposed Director Fee of RM108,000.00 for the financial year ending 30 April 2022 at the forthcoming AGM. The fee will not be paid until the approval of the shareholders in the forthcoming AGM.
- (ii) Non-Executive Directors
The Non-Executive Directors are not entitled to any other benefits or incentive plan.
- (iii) Executive Chairman
The Executive Chairman's remuneration package is reflected in his service contract as structured taking into account the fixed compensation which includes basic salary, fee and allowances including a variable performance-linked bonus.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

III. REMUNERATION (Cont'd)

Disclosure of Remuneration of Directors and Senior Management (Cont'd)

Notes:

(iv) Senior Management

The top 5 senior management (excluding Executive Chairman and Executive Director) remuneration falls within the band of RM50,000 for the financial year ended 30 April 2021 are as follows:-

Senior Management	Fee	Salaries & Bonuses	Benefits in-kind	EPF
Below RM50,000	-	-	-	4
RM50,001 – RM100,000	-	-	-	1
RM100,001 – RM150,000	-	2	-	-
RM150,001 – RM200,000	-	2	-	-
RM300,000 – RM350,000	-	1	-	-

(v) Directors & Officers (D&O) Insurance

There was no indemnity given to or insurance effected for the Directors and officers of the Group and of the Company.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee (“ARMC”)

The ARMC is made up exclusively by Independent Directors based on the Step-Up recommendation of the Code and also fulfils the requirements of the Listing Requirements of which requires the ARMC to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority of them being Independent Directors.

The Chairman of the ARMC, Clifton Heath Fernandez is an Independent Director. The role and responsibilities of the ARMC as well as their rights are set out in the Terms of Reference contained on the corporate website.

The ARMC possess the right mix of skills to discharge its duties effectively.

All members are financially literate and able to understand matters under the purview of the ARMC including the financial reporting process and to provide diverse perspectives that strengthen the quality of deliberations.

Details of the activities carried out by the ARMC in FYE 2021 are set out on page 40.

The Company’s independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group’s financial statements and giving assurance of its reliability to users of the financial statements.

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the External Auditors in seeking professional advice and ensuring compliance with the relevant regulations and applicable approved accounting standards in Malaysia. The External Auditors attend ARMC meetings when necessary and have direct access to the ARMC and Internal Auditors for independent discussion.

The Board through the ARMC reviews and assess the independence of the External Auditors on a yearly basis. The ARMC works closely with the Management team in assessing the suitability of the external auditor. The areas of assessment include among others, the external auditors’ objectivity and independence, audit fee, size and competency of the audit team, audit strategy, audit reporting and partner involvement.

The External Auditors, in supporting their independence, provided the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such declaration in their annual audit plan presented to the ARMC during the financial year.

The ARMC and the Board are satisfied with the performance, competence and independence of the External Auditors and the Board had recommended their re-appointment for shareholders’ approval at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Risk Management and Internal Control Framework

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The Group's approach to risk management and the principal risks faced by the Group are disclosed on the Statement on Risk Management and Internal Control as set out on pages 36 to 38 of the Annual Report.

The Group has outsourced its internal audit function to a professional service firm which is independent of the activities and operations of the Group.

The Internal Auditors (IA) is tasked by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented in the Group.

The outsourced internal auditors reports directly to the ARMC. Details on the internal audit function are set out in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

The IA has unrestricted access to the ARMC and is invited to attend meetings to facilitate the deliberation of internal audit reports. The minutes of the ARMC meetings are then tabled to the Board for information and serve as useful references, especially if there are pertinent issues that any Directors wish to highlight or seek clarification.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS

Recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensuring that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following:-

- (i) The Annual Report;
- (ii) The various disclosures and announcements made to BMSB including the Quarterly Results and Annual Results;
- (iii) The website at www.analabs.com.my which shareholders as well as members of the public are invited to access for the latest information on the Group.

The Board also encourages shareholders to communicate through other channels and has identified Mr Low Chin Ann @ Han Chin Ann as the Senior Independent Non-Executive Director to whom concerns from the public may be conveyed. Mr Low can be contacted via the following address:-

c/o Analabs Resources Berhad
Unit 621, 6th Floor, Block A,
Kelana Centra Point, No.3, Jalan SS7/19,
Kelana Jaya, 47301 Petaling Jaya
Selangor Darul Ehsan

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Meetings of Members are held as and when required.

The Company sends out the Notice of AGM and related circular to Shareholders at least 28 days before the meeting in order to facilitate the full understanding and evaluation of the issues involved.

All Directors would attend the Meetings of Members unless is unavoidable circumstances to allow shareholders to raise questions and clarify any issues they may have relating to each resolution tabled for approval.

This Statement was presented and approved at the Board of Directors' Meeting held on 6 August 2021.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

AUDIT FEE AND NON AUDIT FEES

The audit fee paid or payable by for the Company and the Group for the financial year ended 30 April 2021 were RM47,314 and RM214,680 respectively (both exclusive of Services Tax).

There were no non-audit fees paid or payable by the Company and the Group to the external auditors or affiliates of auditors' firm for the financial year ended 30 April 2021.

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 2021 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

There were no Recurrent Related Party Transactions of a revenue or trading nature which requires shareholders' mandate during the financial year under review.

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STATEMENT ON RISK MANAGEMENT AND 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 continuously reviews 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 are 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 year.

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.

MANAGEMENT'S RESPONSIBILITIES

Senior Management is accountable to the Board for the risk management and the internal control system and for the implementation of processes to identify, evaluate, monitor and report the relevant risks.

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 and Risk Management Committee ("ARMC") 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 AND 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 ARMC and revised based on changes to the Group's business units/functions.

INFORMATION AND COMMUNICATION

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

The ARMC holds meetings to deliberate on the findings and recommendations for improvement by the Internal Auditors on the state of the internal control system and reports to the Board. The ARMC 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 AND 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 ARMC 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 internal control.
- Delegation of authority is designed to ensure accountability and responsibility.
- Internal procedures and policies are documented.
- Steering Committee meetings are held during the financial year in order to assess the performance of the Group.

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

Periodic reviews of the adequacy and integrity of selected areas of internal control system are carried out by the outsourced internal audit function and results of such reviews are reported to the ARMC. 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.

ASSURANCE FROM THE MANAGEMENT

The Board has also received reasonable assurance from the Executive Director and Finance Manager that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model and internal control system adopted by the Group.

CONCLUSION

For the financial year under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring separate disclosure in the Annual Report. The Board is of the view that the Group's system of internal control and risk management is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

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 (Revised): 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 (Revised) 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 6 August 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (“the ARMC” or “the Committee”) comprises of three (3) members of the Board all of whom are Independent Non-Executive Directors:-

Chairman : Clifton Heath Fernandez (*Independent Non-Executive Director*)

Members : Low Chin Ann @ Han Chin Ann (*Senior Independent Non-Executive Director*)
Lai Yew Choong (*Independent Non-Executive Director*)

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

ATTENDANCE

The ARMC met five (5) times during the financial year. The record of attendance of each ARMC member in the ARMC meetings held during the financial year ended 30 April 2021 are as follows:

Directors	Meetings Attended by the Members/ Total Number of Meetings Held During the Financial Year Ended 30 April 2021	% of Attendance
Mr. Clifton Heath Fernandez	5/5	100
Mr. Low Chin Ann @ Han Chin Ann	5/5	100
Mr. Lai Yew Choong	5/5	100

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

MINUTES OF MEETINGS

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

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

TERMS OF REFERENCE

The terms of reference of the ARMC has been enhanced in line with the Malaysian Code on Corporate Governance in June 2018. The terms of reference is accessible on the Company’s website at www.analabs.com.my.

ASSESSMENT

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS DURING THE YEAR

The works carried out by the Committee during the financial year ended 30 April 2021 included the following:-

(a) Financial Reporting

- In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements with the External Auditors, including a discussion on salient accounting and audit issues, strengthening internal control where there are deficiencies, matters required under the International Standard on Auditing, accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.
- The External Auditors concurred with the accounting policies adopted by Management and that they were in conformity with the relevant accounting standards.
- The Committee reviewed the Group's quarterly financial statements before presenting to the Board for approval and public release.

(b) External Audit

- The External Audit Plan encompassing the scope and timing for the year's audit was reviewed by the Committee prior to the commencement of the audit as well as proposed audit fees for the Group. Salient areas of audit emphasis and audit approach, amongst others, were discussed and brought to the attention of the Committee.
- The Committee was also updated on the new accounting standards to be adopted and disclosure of key audit matters.
- The Committee reviewed the External Auditors' Report prepared in conjunction with the Annual Audited Financial Statements of the Company and Group and relevant disclosures.
- The ARMC Report and Statement of Risk Management and Internal Control were reviewed by the External Auditors before recommendation to the Board for inclusion in the Annual Report.
- The Committee reviewed the independence of the External Auditors to ascertain if they were in compliance with relevant ethical requirements regarding independence throughout the audit in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conduct and Practice. The External Auditors had provided an assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.
- The Committee reviewed the performance of the External Auditors and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency as well as timeliness in completing the audit.
- Without the presence of Executive Directors and Management, discussed with the External Auditors twice on 25 June 2020 and 25 March 2021 on the assistance provided by Management during the course of audit, the competency of the finance and accounting team and the adequacy of the Group's internal controls; and
- Having assessed the performance of the External Auditors, the Committee recommended their re-appointment as External Auditors for the ensuing year.

(c) Internal Control and Risk Management

- Reviewed the internal auditors' plan for year 2020/2021.
- Without the presence of Executive Directors and Management, discussed with the Internal Auditors on the assistance provided by Management during the course of audit and the adequacy of the Group's internal control.
- Reviewed the internal audit reports issued by Internal Auditors and thereafter discussed the Management's actions taken to improve the systems of internal control.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

INTERNAL AUDIT FUNCTION

The Group's internal audit function was outsourced to RSM Corporate Consulting (Malaysia) Sdn. Bhd. for the financial year 2020/2021, 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 ARMC.

The Committee has full and direct access to the outsourced Internal Auditors, review the reports on all audit performed and monitors its performance. The 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 Committee. Based on these audits, the outsourced Internal Auditors provided the Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

During the financial year, the outsourced Internal Auditors had conducted the review on the following:

- a) Human Resources Function of Coveright Surfaces Malaysia Sdn. Bhd.
- b) Sales and Marketing Function of Coveright Surfaces Malaysia Sdn. Bhd.
- c) Implementation status of management's action plans in addressing the observation highlighted in the previous review of machine utilisation rate and plant and machinery wastages of Coveright Surfaces Malaysia Sdn. Bhd.

The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM30,000 (excluding Service Tax).

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DIRECTORS' RESPONSIBILITY STATEMENT

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Securities; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year ended 30 April 2021.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- adopted suitable accounting policies and applying them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2021. All values shown in this report are rounded to the nearest thousand ("RM'000") except where otherwise indicated.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- Owners of the Company	16,370	23,484
- Non-controlling interests	935	-
	17,305	23,484

DIVIDENDS

On 12 March 2021, the Company paid an interim dividend of 2 sen per ordinary share amounting to RM2,178,678 in respect of the financial year ended 30 April 2021.

The directors do not propose any further dividends in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company purchased 20,100 of its issued ordinary shares from the open market at an average price of approximately RM1.02 per share. The total consideration paid for the purchase was RM20,639 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 30 April 2021, the Company held as treasury shares a total of 11,114,100 of its 120,048,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM10,160,358. The details of the treasury shares are disclosed in Note 16 to the financial statements.

SHARE OPTIONS

The Company did not grant any share options during the financial year.

**DIRECTORS' REPORT
(CONT'D)****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 ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which the current assets 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 would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, other than the contingent liabilities as disclosed in Note 35 to the financial statements, there does not exist:

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

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of directors who served during the financial year and up to the date of this report are as follows:-

Directors of the Company

Kan Yow Kheong
 Kan Mun Hoow
 Low Chin Ann @ Han Chin Ann
 Lai Yew Choong
 Clifton Heath Fernandez
 Lye Meei Ruu

Directors of Subsidiaries (Other than Directors of the Company)

Kan Mun Foo
 Lai Nyuk Moi
 Lim Yoke Soo
 Muhamad Hanis Bin Baharuddin
 Tan Cher Heng
 Wan Mei Yi
 Woo Pek Chuan
 Zuraimi Binti Mohamed

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:-

Name of Director	Balance at 1.5.2020	Number of ordinary shares		Balance at 30.4.2021
		Bought	Sold	
<u>Direct</u>				
Kan Yow Kheong	66,070,904	1,359,200	-	67,430,104
Kan Mun Hoow	5,039,000	-	-	5,039,000
<u>Indirect</u>				
Kan Yow Kheong ^(a)	18,000	-	-	18,000

^(a) Deemed interested by virtue of shares held by spouse (who is not a director of the Company).

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

Save as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares of the Company or its related corporations during the financial year.

**DIRECTORS' REPORT
(CONT'D)****DIRECTORS' BENEFITS**

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

Neither during nor at the end of the financial year, was the Group 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.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 26 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 25 to the financial statements.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 18 AUGUST 2021**

Kan Yow Kheong

Kan Mun Hoow

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Kan Yow Kheong and Kan Mun Hoow, being two of the directors of Analabs Resources Berhad, state that, in the opinion of the directors, the financial statements set out on pages 52 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2021 and of their financial performance and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 18 AUGUST 2021**

Kan Yow Kheong

Kan Mun Hoow

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lai Nyuk Moi, (MIA Membership No.: 38941) 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 52 to 119 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lai Nyuk Moi, NRIC No.: 681125-05-5096
at Klang in the State of Selangor Darul Ehsan
on this 18 August 2021

Lai Nyuk Moi

Before me
Nadzrul Azali Bin Abdul Aziz
No. B 548
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ANALABS RESOURCES BERHAD (Incorporated in Malaysia)

Registration No : 199801012843 (468971 - A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Analabs Resources Berhad, which comprise the statements of financial position as at 30 April 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 119.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2021, 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 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
<p><u>Impairment of goodwill (Refer to Note 3 and Note 7 to the financial statements)</u></p> <p>The Group carries significant goodwill as disclosed in Note 7 to the financial statements. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually.</p> <p>We focus on this area as the impairment test involved significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Evaluating whether the method used by the Group in measuring the recoverable amount is appropriate in the circumstances. • Making enquiries of and challenging management on the key assumptions and inputs used in the measurement method. • Evaluating whether the key assumptions and inputs used are reasonable and consistent by taking into consideration the past performance, future growth, market development, etc. • Assessing the sensitivity of the impairment assessment by varying the underlying assumptions applied on the budgeted cash flows in relation to the sales growth rates, profit margins, discount rates and terminal value growth rates.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ANALABS RESOURCES BERHAD (Incorporated in Malaysia)
Registration No : 199801012843 (468971 - A)
(CONT'D)**

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ANALABS RESOURCES BERHAD (Incorporated in Malaysia)
Registration No : 199801012843 (468971 - A)
(CONT'D)

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ong Beng Chooi
03155/05/2023 J
Chartered Accountant

Shah Alam

18 August 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	85,612	99,597	-	-
Investment properties	5	40,269	32,270	-	-
Right-of-use assets	6	44,987	46,802	-	-
Goodwill on consolidation	7	7,787	7,771	-	-
Investments in subsidiaries	8	-	-	112,792	91,292
Receivable	9	64	60	-	-
Other investments	10	154,971	103,013	4,011	2,747
		333,690	289,513	116,803	94,039
CURRENT ASSETS					
Inventories	11	12,406	16,242	-	-
Receivables	9	26,034	21,323	1,331	1,121
Contract assets	12	4,723	3,890	-	-
Other investments	10	6,996	6,435	-	-
Prepayments		229	266	-	-
Current tax assets		658	-	28	16
Cash and cash equivalents	13	14,846	18,960	111	332
		65,892	67,116	1,470	1,469
Assets classified as held for sale	14	1,902	-	-	-
		67,794	67,116	1,470	1,469
TOTAL ASSETS		401,484	356,629	118,273	95,508
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	66,272	66,272	66,272	66,272
Treasury shares	16	(10,160)	(10,140)	(10,160)	(10,140)
Reserves		225,434	199,787	60,994	38,505
Equity attributable to owners of the Company		281,546	255,919	117,106	94,637
Non-controlling interests	17	446	(62)	-	-
TOTAL EQUITY		281,992	255,857	117,106	94,637

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2021
(CONT'D)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
NON-CURRENT LIABILITIES					
Loans and borrowings	18	9,235	9,807	-	-
Lease liabilities	19	3,458	3,254	-	-
Deferred tax liabilities	20	22,143	22,826	-	-
		34,836	35,887	-	-
CURRENT LIABILITIES					
Payables	21	20,381	22,344	1,167	871
Loans and borrowings	18	61,728	39,176	-	-
Lease liabilities	19	789	794	-	-
Contract liabilities	12	538	943	-	-
Provision	22	608	953	-	-
Current tax liabilities		612	675	-	-
		84,656	64,885	1,167	871
TOTAL LIABILITIES		119,492	100,772	1,167	871
TOTAL EQUITY AND LIABILITIES		401,484	356,629	118,273	95,508
NET ASSETS PER SHARE (RM)	38	2.58	2.35		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	23	117,489	110,857	23,901	10,584
Cost of sales		(93,591)	(90,516)	-	-
Gross profit		23,898	20,341	23,901	10,584
Other income	24	10,368	7,855	82	94
Administrative and other operating expenses		(12,848)	(16,810)	(418)	(337)
Net impairment losses on financial assets		(27)	(571)	-	-
Finance costs		(1,315)	(1,443)	-	-
Profit before tax	25	20,076	9,372	23,565	10,341
Tax expense	27	(2,771)	(684)	(81)	(91)
Profit for the financial year		17,305	8,688	23,484	10,250
Other comprehensive income/(loss):-					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
- Fair value changes of equity investments		11,287	(19,248)	1,184	(861)
- Remeasurement of deferred tax on revalued property arising from change in tax rates		-	(1,472)	-	-
<i>Item that will be reclassified subsequently to profit or loss:</i>					
- Currency translation differences for foreign operations		164	76	-	-
		11,451	(20,644)	1,184	(861)
Total comprehensive income/(loss)		28,756	(11,956)	24,668	9,389
Profit for the year attributable to:					
- Owners of the Company		16,370	7,256	23,484	10,250
- Non-controlling interests		935	1,432	-	-
		17,305	8,688	23,484	10,250
Total comprehensive income/(loss) attributable to:					
- Owners of the Company		27,826	(13,389)	24,668	9,389
- Non-controlling interests		930	1,433	-	-
		28,756	(11,956)	24,668	9,389
Earnings per share for profit attributable to owners of the Company	28				
- Basic (sen)		15.03	6.66		
- Diluted (sen)		15.03	6.66		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

Group	Non-Distributable			Distributable			Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Share capital	Treasury shares	Revaluation surplus	Capital reserve	Fair value reserve	Retained profits	RM'000	RM'000		
Balance at 1 May 2019	66,272	(10,140)	79,346	4,828	-	(1,774)	132,955	271,487	(1,495)	269,992
Dividends to owners of the Company (Note 29)	-	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Issuance of bonus shares by a subsidiary	-	-	-	-	491	-	(491)	-	-	-
Total transactions with owners	-	-	-	-	491	-	(2,670)	(2,179)	-	(2,179)
Fair value changes of equity investments	-	-	-	-	-	(19,248)	-	(19,248)	-	(19,248)
Remeasurement of deferred tax on revalued property arising from change in tax rates	-	-	(1,472)	-	-	-	-	(1,472)	-	(1,472)
Currency translation differences for foreign operations	-	-	-	75	-	-	-	75	1	76
Total other comprehensive (loss)/income for the financial year	-	-	(1,472)	75	-	(19,248)	-	(20,645)	1	(20,644)
Profit for the financial year	-	-	-	-	-	-	7,256	7,256	1,432	8,688
Total comprehensive (loss)/income for the financial year	-	-	(1,472)	75	-	(19,248)	7,256	(13,389)	1,433	(11,956)
Balance at 30 April 2020	66,272	(10,140)	77,874	4,903	491	(21,022)	137,541	255,919	(62)	255,857

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

Group	Non-Distributable			Distributable			Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Share capital RM'000	Treasury shares RM'000	Revaluation surplus RM'000	Capital reserve RM'000	Fair value reserve RM'000	Retained profits RM'000				
Balance at 1 May 2020	66,272	(10,140)	77,874	4,903	491	(21,022)	137,541	255,919	(62)	255,857
Purchase of own shares	-	(20)	-	-	-	-	-	(20)	-	(20)
Dividends to owners of the Company (Note 29)	-	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Dividends by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(422)	(422)
Total transactions with owners	-	(20)	-	-	-	-	(2,179)	(2,199)	(422)	(2,621)
Fair value changes of equity investments	-	-	-	-	-	11,287	-	11,287	-	11,287
Currency translation differences for foreign operations	-	-	-	169	-	-	-	169	(5)	164
Total other comprehensive income/(loss) for the financial year	-	-	-	169	-	11,287	-	11,456	(5)	11,451
Profit for the financial year	-	-	-	-	-	-	16,370	16,370	935	17,305
Total comprehensive income for the financial year	-	-	-	169	-	11,287	16,370	27,826	930	28,756
Balance at 30 April 2021	66,272	(10,160)	77,874	5,072	491	(9,735)	151,732	281,546	446	281,992

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

Company	Share capital RM'000	Treasury shares RM'000	Non-Distributable	Distributable	Total equity RM'000
			Fair value reserve RM'000	Retained profits RM'000	
Balance at 1 May 2019	66,272	(10,140)	390	30,905	87,427
Dividends to owners of the Company (representing total transactions with owners) (Note 29)	-	-	-	(2,179)	(2,179)
Fair value changes of equity investments (representing other comprehensive loss for the financial year)	-	-	(861)	-	(861)
Profit for the financial year	-	-	-	10,250	10,250
Total comprehensive (loss)/income for the financial year	-	-	(861)	10,250	9,389
Balance at 30 April 2020/1 May 2020	66,272	(10,140)	(471)	38,976	94,637
Purchase of own shares	-	(20)	-	-	(20)
Dividends to owners of the Company (Note 29)	-	-	-	(2,179)	(2,179)
Total transactions with owners	-	(20)	-	(2,179)	(2,199)
Fair value changes of equity investments (representing other comprehensive income for the financial year)	-	-	1,184	-	1,184
Profit for the financial year	-	-	-	23,484	23,484
Total comprehensive income for the financial year	-	-	1,184	23,484	24,668
Balance at 30 April 2021	66,272	(10,160)	713	60,281	117,106

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before tax	20,076	9,372	23,565	10,341
Adjustments for:-				
Covid-19 related rent concessions	(33)	-	-	-
Depreciation of investment properties	455	408	-	-
Depreciation of property, plant, and equipment	4,805	5,313	-	-
Depreciation of right-of-use assets	1,634	1,368	-	-
Dividend income from:				
- Investments in subsidiaries	-	-	(23,560)	(10,200)
- Investments in unit trusts	(80)	(76)	(80)	(76)
- Quoted investments	(6,887)	(5,544)	(5)	-
Fair value (gain)/loss on financial instruments mandatorily measured at fair value through profit or loss	(561)	1,427	-	-
Impairment loss on goodwill on consolidation	-	2,222	-	-
Impairment loss on investment property	500	-	-	-
Impairment loss on trade receivables	141	660	-	-
Interest expense for other financial liabilities measured at amortised cost	1,146	1,308	-	-
Interest expense on lease liabilities	169	135	-	-
Interest income for financial assets measured at amortised cost	(45)	(86)	(2)	(3)
Inventories written down	1,463	408	-	-
Inventories written off	565	-	-	-
Net gain on disposal of plant and equipment	(120)	(52)	-	-
Net unrealised gain on foreign exchange	(183)	(568)	-	-
Provision for claims and damages	477	959	-	-
Reversal of impairment loss on trade receivables	(114)	(89)	-	-
Reversal of inventories previously written down	(954)	(397)	-	-
Reversal of provision for claims and damages	(822)	(630)	-	-
Operating profit/(loss) before working capital changes	21,632	16,138	(82)	62
Changes in:-				
Contract assets and contract liabilities	(1,197)	(1,889)	-	-
Inventories	2,766	561	-	-
Receivables and prepayments	(4,490)	3,653	-	2
Payables	(2,093)	4,566	(1)	(28)
Provision	-	(195)	-	-
Cash from/(for) operations	16,618	22,834	(83)	36
Interest paid	(1,315)	(1,443)	-	-
Tax paid	(4,199)	(166)	(93)	(75)
Net cash from/(for) operating activities and balance carried forward	11,104	21,225	(176)	(39)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Balance brought forward		11,104	21,225	(176)	(39)
CASH FLOWS (FOR)/FROM					
 INVESTING ACTIVITIES					
Acquisition of right-of-use assets	30	(65)	-	-	-
Advances to subsidiaries		-	-	(21,710)	(8,048)
Dividends received		6,967	5,620	23,645	10,276
Increase in fixed deposits					
under lien with licensed banks		(13)	(118)	-	-
Interest received		45	86	2	3
Proceeds from disposal of plant and equipment		180	87	-	-
Proceeds from disposal of unit trusts		231	803	-	-
Purchase of property, plant and equipment		(275)	(918)	-	-
Purchase of quoted investments		(40,810)	(37,126)	-	-
Purchase of units trusts		(80)	(76)	(80)	(76)
Net cash (for)/from investing activities		(33,820)	(31,642)	1,857	2,155
CASH FLOWS FROM/(FOR)					
 FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	297	200
Dividend paid		(2,601)	(2,179)	(2,179)	(2,179)
Drawdown of term loans	30	125	125	-	-
Net increase in short-term loans and borrowings	30	22,500	17,126	-	-
Purchase of own shares		(20)	-	(20)	-
Repayment of lease liabilities	30	(782)	(846)	-	-
Repayment of term loans	30	(642)	(509)	-	-
Net cash from/(for) financing activities		18,580	13,717	(1,902)	(1,979)
Net (decrease)/increase in cash and cash equivalents		(4,136)	3,300	(221)	137
Cash and cash equivalents brought forward		18,134	14,918	332	195
Currency translation differences		9	(84)	-	-
Cash and cash equivalents carried forward	13	14,007	18,134	111	332

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 621, 6th Floor, Block A, Kelana Centre Point, No. 3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan and its principal place of business is located at Lot 750, Jalan Haji Sirat, 42100 Klang, Selangor Darul Ehsan.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

The presentation currency of the financial statements is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except where otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 August 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

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

The following MFRSs became effective for the financial year under review:-

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

Amendments to MFRS 3: Definition of a Business
 Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
 Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
 Amendment to MFRS 16: Covid-19-Related Rent Concessions
 Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
 Amendments to MFRS 101 and MFRS 108: Definition of Material
 Amendments to References to the Conceptual Framework in MFRS Standards

The initial application of the above MFRSs did not have any significant impacts on the Group's financial statements.

The Group has early adopted Amendments to MFRS 16 'Covid-19-Related Rent Concessions' and 'Covid-19-Related Rent Concessions beyond 30 June 2021' which allow lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification when conditions are met. The Group has applied such practice expedient to all of its Covid-19-related rent concessions and the financial impacts are disclosed in Note 25 to the financial statements.

The Group has not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation of Financial Statements (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

2.2 Basis of Consolidation

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

Goodwill at the acquisition date is measured at the excess of (a) over (b) below:

- (a) The aggregate of:
 - (i) The acquisition-date fair value of the consideration transferred;
 - (ii) The amount of any non-controlling interests; and
 - (iii) In a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.
- (b) The net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.6. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of Consolidation (Cont'd)

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. 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.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary is recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.6.

Revaluations of land and buildings are made with sufficient regularity at an interval of not more than five years such that the carrying amounts of the assets do not differ materially from their fair values at the end of the reporting period.

A revaluation increase is recognised in other comprehensive income and accumulated in equity as revaluation surplus or recognised in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease is recognised in profit or loss or recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the same asset.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:-

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 residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

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

2.4 Investment Properties

Investment properties are properties held (by the owner or the lessee as right-of-use assets) to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Investment Properties (Cont'd)

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. The impairment policy is disclosed in Note 2.6.

Freehold land is not depreciated. Leasehold land and buildings are depreciated on a straight-line basis over the estimated useful lives of 12 to 90 years.

An investment property is derecognised when it has either been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

2.5 Investments in Subsidiaries

As required by the Companies Act 2016 in Malaysia, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.6.

2.6 Impairment of Non-financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset, other than inventories and contract assets, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation decrease.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. The reversal is recognised in profit or loss or, in respect of a revalued asset, treated as a revaluation increase. An impairment loss on goodwill is not reversed.

2.7 Contract Costs

The incremental costs of obtaining a contract and costs incurred in fulfilling the contract (other than inventories) are recognised as an asset if those costs are expected to be recovered. The asset is amortised on a systematic basis that is consistent with the recognition of related revenue as disclosed in Note 2.17. When the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for the goods or services less the related costs that have not been recognised as expenses, the excess represents an impairment loss and is recognised in profit or loss. As a practical expedient, the incremental costs of obtaining a short-term contract of which the amortisation period is one year or less are recognised as an expense when incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Contract Assets and Contract Liabilities

A contract is presented in the statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.10. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.9 Inventories

Inventories of materials and goods are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.10 Financial Assets

Financial assets of the Group consist of equity investments, receivables and cash and cash equivalents.

Initial Recognition and Measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group become a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. Trade receivables that do not contain a significant financing component are initially recognised at their transaction prices. Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

(a) Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI") are measured at amortised cost. All receivables and cash and cash equivalents are classified under this category. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statements of comprehensive income. Impairment losses are presented as separate line item in the statements of comprehensive income.

(b) Equity Instruments

All equity instruments are subsequently measured at either fair value through other comprehensive income or fair value through profit or loss. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial Assets (Cont'd)

Impairment

At each reporting date, the Group recognises a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with *MFRS 9 Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

2.11 Financial Liabilities

Financial liabilities of the Group consist of payables, loans and borrowings and financial guarantee contracts.

Initial Recognition and Measurement

A financial liability is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent Measurement

All payables, loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor Accounting

When the Group acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group has not entered into any finance lease.

Lessee Accounting

Initial Recognition and Measurement

When the Group acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group has elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised, where applicable.

Subsequent Measurement

A right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.6.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term as follows:-

Leasehold land	Over the lease period of 27 to 75 years
Office equipment	5 years
Motor vehicles	4 to 10 years

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leases (Cont'd)

Lessee Accounting (Cont'd)

As a practical expedient, the Group has elected not to assess whether a rent concession occurring as a direct consequence of the Covid-19 pandemic is a lease modification. Accordingly, any change in lease payments resulting from such rent concession is accounted for as variable lease payment in profit or loss.

2.13 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Own shares purchased are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia. The total amount of consideration paid, including directly attributable costs, is recognised directly in equity. When treasury shares are distributed as share dividends, the cost of the shares distributed is applied in the reduction of distributable reserves. When treasury shares are cancelled, the cost of the shares cancelled is applied in the reduction of distributable reserves and the issued share capital is diminished by the shares so cancelled.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.14 Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

In translating the financial position and results of a foreign operation whose functional currency is not the required presentation currency, i.e. Ringgit Malaysia, assets and liabilities are translated into the presentation currency using the closing rate whereas income and expenses are translated using the exchange rates at transaction dates. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity as currency translation reserve until the foreign operation is disposed of, at which time the cumulative exchange differences previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment.

Any goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation to be expressed in its functional currency and translated into the presentation currency using the closing rate.

2.15 Assets Classified as Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Fair Value Measurement

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following or a combination thereof:

- (a) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (b) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.
- (c) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

Non-financial Assets

The fair values of land and buildings are measured either using the market comparison approach (i.e. Level 2) or cost approach (i.e. Level 3).

Financial Assets and Financial Liabilities

The carrying amounts of receivables, cash and cash equivalents, payables, loans and borrowings and lease liabilities which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings and lease liabilities are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

The fair values of marketable securities are directly measured using their unadjusted closing price in active markets (i.e. Level 1).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue from Contracts with Customers

The Group recognises revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (a) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (b) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (c) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of any variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (d) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (e) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

Sale of Goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

Rendering of Services

The Group determines that the transfer of control of promised services generally coincides with the delivery of services and acceptance by customers. Accordingly, revenue from the rendering of services is recognised at a point in time when the performance of the services are completely satisfied.

Construction Contracts

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Accordingly, revenue from construction contracts is recognised over time during the construction period. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. surveys of work performed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue from Other Sources and Other Income

(a) Dividend Income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(b) Interest Income

Interest income is recognised in profit or loss using the effective interest method.

(c) Operating Lease Income

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

(d) Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented under "other income" in the statements of comprehensive income.

2.19 Employee Benefits

(a) Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses, social security contributions and employment insurance scheme contributions are recognised in profit or loss, where appropriate, in the period in which the associated services are rendered by the employee.

(b) Defined Contribution Plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). The Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Contributions to defined contribution plans are recognised in profit or loss, where appropriate, in the period in which the associated services are rendered by the employee.

2.20 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.21 Income Taxes

Income taxes for the financial year comprise current tax and deferred tax.

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

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Income Taxes (Cont'd)

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses, unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

2.22 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand 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. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

2.23 Provisions

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

2.24 Contingent Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Impairment of Goodwill

Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. The impairment test involves significant judgements and estimation uncertainty in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc. The carrying amount of goodwill is disclosed in Note 7.

Valuation of Inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories as disclosed in Note 11.

Impairment of Trade Receivables

The Group recognises loss allowance for expected credit losses on trade receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of trade receivables as disclosed in Note 9.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	At	Transfer to		Disposal		Classified as held for sale (Note 14) RM'000	Currency translation differences RM'000	At
	1.5.2020 RM'000	Additions RM'000	investment properties (Note 5) RM'000	Depreciation RM'000	Depreciation RM'000			30.4.2021 RM'000
<i>Carrying amount</i>								
Freehold land	53,100	-	(7,500)	-	-	-	-	45,600
Buildings	40,080	-	(1,454)	-	(2,066)	(642)	178	36,096
Plant and machinery	3,549	89	-	-	(1,800)	-	2	1,840
Renovation	5	-	-	-	(5)	-	-	-
Office equipment	76	64	-	-	(56)	-	1	85
Furniture and fittings	4	-	-	-	(2)	-	-	2
Laboratory equipment	182	-	-	-	(71)	-	1	112
Motor vehicles	2,601	122	-	(60)	(805)	-	19	1,877
	99,597	275	(8,954)	(60)	(4,805)	(642)	201	85,612

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)**

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

Group	As	At 1.5.2019		Adjusted RM'000	Additions RM'000	Transfer to investment properties (Note 5) RM'000	Disposal RM'000	Depreciation RM'000	Currency translation differences RM'000	At 30.4.2020 RM'000
	previously reported RM'000	Effect of adopting MFRS 16 RM'000	Effect of adopting MFRS 16 RM'000							
<i>Carrying amount</i>										
Freehold land	70,500	-	-	70,500	-	(17,400)	-	-	-	53,100
Leasehold land	49,552	(43,400)	(43,400)	6,152	-	(6,152)	-	-	-	-
Buildings	50,893	-	-	50,893	334	(9,126)	-	(2,103)	82	40,080
Plant and machinery	5,429	-	-	5,429	157	-	-	(2,037)	-	3,549
Renovation	18	-	-	18	-	-	-	(13)	-	5
Office equipment	114	-	-	114	3	-	-	(41)	-	76
Furniture and fittings	16	-	-	16	-	-	-	(12)	-	4
Laboratory equipment	130	-	-	130	129	-	-	(79)	2	182
Motor vehicles	3,957	(596)	(596)	3,361	295	-	(35)	(1,028)	8	2,601
	180,609	(43,996)	(43,996)	136,613	918	(32,678)	(35)	(5,313)	92	99,597

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

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

Group	At cost RM'000	At valuation RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.4.2021				
Freehold land	-	45,600	-	45,600
Buildings	-	40,190	(4,094)	36,096
Plant and machinery	122,542	-	(120,702)	1,840
Renovation	1,321	-	(1,321)	-
Office equipment	6,112	-	(6,027)	85
Furniture and fittings	1,092	-	(1,090)	2
Laboratory equipment	3,135	-	(3,023)	112
Motor vehicles	16,108	-	(14,231)	1,877
	150,310	85,790	(150,488)	85,612

At 30.4.2020

Freehold land	-	53,100	-	53,100
Buildings	-	42,190	(2,110)	40,080
Plant and machinery	122,392	-	(118,843)	3,549
Renovation	1,321	-	(1,316)	5
Office equipment	6,078	-	(6,002)	76
Furniture and fittings	1,090	-	(1,086)	4
Laboratory equipment	3,234	-	(3,052)	182
Motor vehicles	18,439	-	(15,838)	2,601
	152,554	95,290	(148,247)	99,597

The land and buildings of the Group were revalued to fair values during the financial year ended 30 April 2019 based on appraisals performed by independent professional valuers using the market comparison approach and cost approach.

The details of the Group's land and buildings carried at fair values are analysed as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30.4.2021				
Freehold land	-	45,600	-	45,600
Buildings	-	19,175	16,921	36,096
	-	64,775	16,921	81,696

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30.4.2020				
Freehold land	-	53,100	-	53,100
Buildings	-	20,260	19,820	40,080
	-	73,360	19,820	93,180

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

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

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 the price per square foot of comparable properties. There has been no change to the valuation technique applied during the financial year.

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

There were no transfers between level 1, level 2 and level 3 during the financial year.

Had the land and buildings been carried at historical cost less accumulated depreciation, the total carrying amounts of the entire class of assets that would have been recognised in the financial statements would be as follows:-

	Group	
	2021	2020
	RM'000	RM'000
Freehold land	8,135	10,766
Buildings	6,924	7,867
	15,059	18,633

The carrying amounts of properties pledged as security for credit facilities granted to the Group are as follows:-

	Group	
	2021	2020
	RM'000	RM'000
Freehold land	-	7,500
Buildings	16,955	19,405

Certain building has been leased to a company within the Group under an operating lease with rental payable monthly. The lease contains an initial non-cancellable period of 1 (2020 - 1) year and subsequent renewal period of 2 (2020 - 2) years. The lease does not include residual value guarantee and variable lease payments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

5. INVESTMENT PROPERTIES

Group	At 1.5.2020 RM'000	Transfer from property, plant and equipment (Note 4) RM'000	Impairment loss RM'000	Depreciation RM'000	At 30.4.2021 RM'000
<u>Carrying amount</u>					
Freehold land	17,400	7,500	(500)	-	24,400
Leasehold land	6,081	-	-	(129)	5,952
Buildings	8,789	1,454	-	(326)	9,917
	32,270	8,954	(500)	(455)	40,269

Group	At 1.5.2019 RM'000	Transfer from property, plant and equipment (Note 4) RM'000	Depreciation RM'000	At 30.4.2020 RM'000
<u>Carrying amount</u>				
Freehold land	-	17,400	-	17,400
Leasehold land	-	6,152	(71)	6,081
Buildings	-	9,126	(337)	8,789
	-	32,678	(408)	32,270

Group	At cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
At 30.4.2021				
Freehold land	24,900	-	(500)	24,400
Leasehold land	6,152	(200)	-	5,952
Buildings	10,580	(663)	-	9,917
	41,632	(863)	(500)	40,269

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.4.2020			
Freehold land	17,400	-	17,400
Leasehold land	6,152	(71)	6,081
Buildings	9,126	(337)	8,789
	32,678	(408)	32,270

The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 6 month to 3 years (2020 - 1 to 3 years) and options that are exercisable by the customers to extend their leases, which are negotiated on a contract by contract basis ranging from 6 months to 6 years (2020 - 2 to 6 years).

The Group does not requires a financial guarantee from the customers. Instead, the Group requires 1 to 3 months (2020 - 1 to 3 months) of rental deposits from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Within 1 year	905	1,017
Between 1 and 2 years	266	183
Between 2 and 3 years	95	-
	1,266	1,200

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

The fair values of the Group's investment properties are analysed as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30.4.2021				
Freehold land	-	26,400	-	26,400
Leasehold land	-	8,520	-	8,520
Buildings	-	8,860	-	8,860
	-	43,780	-	43,780
At 30.4.2020				
Freehold land	-	17,400	-	17,400
Leasehold land	-	6,081	-	6,081
Buildings	-	5,586	3,203	8,789
	-	29,067	3,203	32,270

The level 2 fair values have been determined based on the market comparison approach performed by independent professional valuers by making reference to recent sales transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

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

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

The carrying amounts of investment properties pledged as security for credit facilities granted to the Group are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Freehold land	7,500	-
Leasehold land	5,017	5,075
Buildings	5,674	4,315

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

6. RIGHT-OF-USE ASSETS

Group	At 1.5.2020 RM'000	Addition RM'000	Depreciation RM'000	Modification of lease liabilities (Note 19) RM'000	Classified as held for sale (Note 14) RM'000	Currency translation differences RM'000	At 30.4.2021 RM'000
<u>Carrying amount</u>							
Leasehold land	46,350	-	(1,439)	709	(1,260)	39	44,399
Office equipment	16	-	(6)	-	-	-	10
Motor vehicles	436	327	(189)	-	-	4	578
	46,802	327	(1,634)	709	(1,260)	43	44,987

Group	At 1.5.2019		Adjusted RM'000	Additions RM'000	Depreciation RM'000	Currency translation differences RM'000	At 30.4.2020 RM'000
	As previously reported RM'000	Effect of adopting MFRS 16 RM'000					
<u>Carrying amount</u>							
Leasehold land	-	47,020	47,020	514	(1,201)	17	46,350
Office equipment	-	-	-	22	(6)	-	16
Motor vehicles	-	596	596	-	(161)	1	436
	-	47,616	47,616	536	(1,368)	18	46,802

Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.4.2021			
Leasehold land	47,012	(2,613)	44,399
Office equipment	23	(13)	10
Motor vehicles	1,355	(777)	578
	48,390	(3,403)	44,987
At 30.4.2020			
Leasehold land	47,553	(1,203)	46,350
Office equipment	22	(6)	16
Motor vehicles	1,020	(584)	436
	48,595	(1,793)	46,802

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases certain pieces of leasehold land, office equipment and motor vehicles of which the leasing activities are summarised below:

- (a) Leasehold land: The Group's leasehold land is for a period range from 27 to 75 years.

The Group has also entered into 2 (2020 - 2) non-cancellable operating lease agreements for the use of land (site space). The leases are for a period range from 4 to 5 years (2020 - 2 to 5 years) with no purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land (site space).

During the financial year, the Group renegotiated and modified an existing lease contract for the use of a land (site space) by extending the lease term by another 23 months at the same lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an increase in recognised lease liabilities and right-of-use assets of approximately RM709,000.

- (b) Office equipment: The right to use the office equipment was acquired under hire purchase financing whereby the ownership will be transferred by the end of lease terms of 5 years.
- (c) Motor vehicles: The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets whereby ownership will be transferred by the end of lease terms ranging from 3 to 10 years.

7. GOODWILL ON CONSOLIDATION

	Group	
	2021 RM'000	2020 RM'000
<u>At cost</u>		
Balance at 1 May 2020/2019	9,993	9,985
Currency translation differences	16	8
	10,009	9,993
Accumulated impairment loss	(2,222)	(2,222)
Balance at 30 April	7,787	7,771

- (a) The carrying amount of goodwill has been allocated to cash generating units ("CGUs") identified as follows:-

	Group	
	2021 RM'000	2020 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	5,752	5,752
Others	2,035	2,019
	7,787	7,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

7. GOODWILL ON CONSOLIDATION (CONT'D)

- (b) The recoverable amount of the CGUs was determined based on the value in use approach using cash flow projections from the financial budgets approved by management covering a period of 5 years.

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the years immediately before the budgeted years. The growth rate is determined based on the expected projection of the relevant segments. The discount rates used are pre-tax and reflect specific risks relating to the segments. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Manufacturing, formulation and sale of resin, chemicals and building materials	15 - 20	12 - 15	-1	7	7	8

- (c) Barring any unforeseen circumstances, management believes that no reasonably possible change in the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.
- (d) In the previous financial year, the Group carried out a review of the recoverable amount of goodwill and noted that the carrying amount of the goodwill allocated to certain CGUs in the "manufacturing, formulation and sale of resin, chemicals and building materials" segment and "recovery and sale of recycled products" segment were higher than their recoverable amounts. Accordingly, an impairment loss of RM1,952,000 and RM270,000 from the two respective segments were recognised under "administrative and other operating expenses" in the statements of comprehensive income.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM'000	RM'000
Unquoted shares - at cost	86,371	86,371
Accumulated impairment loss	(7,962)	(7,962)
Loan to a subsidiary	34,383	12,883
	112,792	91,292

Loan to a subsidiary, Sapphire Lifestyle Sdn. Bhd., forms part of the Company's net investment in the subsidiary. The loan is non-interest bearing, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2021 %	2020 %	
AL Resources Pte. Ltd. ^(a)	Singapore	99.99	99.99	Trading in paints and related products.
Cleanway Disposal Services Pte. Ltd. ("CDS") ^(a)	Singapore	100	100	Providing containerised waste disposal services, causeway services, collecting and disposing of scrap, refuse and rubbish, designing and fabricating refuse compactors and containers for sale and rental.
<u>Subsidiary of CDS</u> - Singapore Analabs Pte. Ltd. ("SAPL") ^(a)	Singapore	63	63	Investment holding company.
<u>Subsidiaries of SAPL</u> - Toh Ban Seng Contractor Pte. Ltd. ("TBS") ^(a)	Singapore	63	63	General contractors of water and sewer diversion construction and maintenance.
- Ban Tiong Soon Contractor Pte. Ltd. ("BTS") ^(a)	Singapore	63	63	General contractors of labour supply for sewer and water rehabilitation construction.
Centralised Waste Treatment Plant Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Coverright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.
Global Pacific Petroleum Sdn. Bhd. ("GPP")	Malaysia	100	100	Manufacturing and trading in lubricant related products.
<u>Subsidiary of GPP</u> - Hysper Manufacturing (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Inagro Sdn. Bhd.	Malaysia	100	100	Formulating and repackaging agricultural chemical products and providing storage handling services for these products.
Lux Distributor Sdn. Bhd.	Malaysia	100	100	Trading, importing and distribution of ceramic tiles and building materials.
Masmeru Sdn. Bhd.	Malaysia	100	100	Investment holding.
M-Field Sdn. Bhd.	Malaysia	100	100	Property letting and investment holding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (Cont'd)

Name of subsidiary	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2021 %	2020 %	
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
Sapphire Lifestyle Sdn. Bhd.	Malaysia	100	100	Investment holding.
Striketech Sdn. Bhd.	Malaysia	100	100	Culture and sale of prawns, collection, treatment, recovery and recycling of organic waste from food industries into biofeed and sale of recycled products.
Syntax System Solutions Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Dormant.

^(a) Not audited by Crowe Malaysia PLT.

The summarised financial information for SAPL, TBS and BTS is not presented as the non-controlling interests are not significant to the Group as disclosed in Note 17 to the financial statements.

9. RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Non-current assets</u>				
Other receivable:				
- Unrelated party	64	60	-	-
<u>Current assets</u>				
Trade receivables:				
- Unrelated parties	23,752	20,933	-	-
- Accumulated impairment loss	(504)	(757)	-	-
	23,248	20,176	-	-
Other receivables:				
- Subsidiaries	-	-	1,330	1,120
- Unrelated parties	2,786	1,147	1	1
	2,786	1,147	1,331	1,121
	26,034	21,323	1,331	1,121
Total receivables	26,098	21,383	1,331	1,121

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

9. RECEIVABLES (CONT'D)

Trade Receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 April 2021, there was 1 (2020 - 3) major customer(s) that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from the said major customer(s) amounted to approximately RM9,531,000 (2020 - RM7,706,000). The credit risk concentration profile by geographical areas of trade receivables (stated at gross) is as follows:-

	Group	
	2021 RM'000	2020 RM'000
Asia	4,709	6,911
Australia	9,806	2,849
Malaysia	6,192	7,726
Others	3,045	3,447
	23,752	20,933

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days terms.

The Group uses past due information to assess the credit risk of trade receivables. The analysis by past due status (stated at gross) is as follows:-

	Group	
	2021 RM'000	2020 RM'000
Not past due	7,850	3,979
1 to 30 days past due	10,326	5,725
31 to 60 days past due	3,714	4,120
61 to 90 days past due	1,137	3,338
More than 90 days past due	725	3,771
	23,752	20,933

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

9. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

Group	Not past due RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	More than 90 days past due RM'000	Credit impaired RM'000	Total RM'000
As at 30 April 2021							
Gross carrying amount	7,850	10,326	3,714	1,054	324	484	23,752
Average credit loss rate	0.05%	0.05%	0.13%	0.09%	1.54%	100.00%	2.12%
Accumulated impairment loss	4	5	5	1	5	484	504
As at 1 May 2020							
Gross carrying amount	3,979	5,725	4,120	3,338	3,051	720	20,933
Average credit loss rate	0.05%	0.07%	0.17%	0.15%	0.62%	100.00%	3.62%
Accumulated impairment loss	2	4	7	5	19	720	757

The average credit loss rates were based on the payment profile of revenue over a period of 12 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The changes in the accumulated impairment loss are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 May 2020/2019	757	193
Increase during the financial year	141	660
Reversal during the financial year	(114)	(89)
Write off during the financial year	(282)	(9)
Currency translation differences	2	2
Balance at 30 April	504	757

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand and are to be settled in cash. The amounts owing by unrelated parties consist mainly of refundable deposits which have no fixed repayment terms and non-refundable deposits paid to suppliers for future purchases.

The Group measures the loss allowance for other receivables at an amount equal to 12-month expected credit losses. Based on the assessment performed, the identified impairment loss was immaterial, and hence it is not provided for.

The Company determines that an amount due from subsidiary is credit-impaired when the subsidiary is in negative equity position. No impairment loss is provided in respect of the amounts due from its subsidiaries because they are with positive financial position at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

10. OTHER INVESTMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial assets at fair value through other comprehensive income:				
- Investments in unit trusts	6,554	5,540	3,337	2,357
- Quoted shares in Malaysia	144,733	94,596	674	390
- Quoted shares outside Malaysia	3,504	2,697	-	-
	154,791	102,833	4,011	2,747
Financial assets at fair value through profit or loss:				
- Quoted shares in Malaysia	6,996	6,435	-	-
- Club memberships	180	180	-	-
	7,176	6,615	-	-
Total other investments	161,967	109,448	4,011	2,747
Disclosed as:				
- Non-current assets	154,971	103,013	4,011	2,747
- Current assets	6,996	6,435	-	-
	161,967	109,448	4,011	2,747

The fair values of equity investments were directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The carrying amounts of equity investments pledged as security for credit facility granted to the Group are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Financial assets at fair value through other comprehensive income		
- Quoted shares in Malaysia	66,637	40,870

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

11. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000
At cost:		
- Livestock of prawns	199	52
- Raw materials	8,379	9,985
- Packing materials	17	10
- Finished goods	2,189	3,306
- Goods-in-transit	1,336	52
	12,120	13,405
At net realisable value:		
- Raw materials	286	2,837
	12,406	16,242
Recognised in profit or loss:		
- Inventories recognised as cost of sales	77,218	65,404
- Amount written down to net realisable value	1,463	408
- Reversal of inventories previously written down	(954)	(397)

The reversal of write-down was in respect of finished goods sold above their carrying amounts.

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 May 2020/2019	2,947	1,043
Revenue recognised during the financial year	15,226	27,616
Progress billings during the financial year	(14,029)	(25,727)
Currency translation differences	41	15
Balance at 30 April	4,185	2,947
Disclosed as:		
- Contract assets	4,723	3,890
- Contract liabilities	(538)	(943)
	4,185	2,947

The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

12. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONT'D)

The contract liabilities primarily relate to advance considerations received from customers for which the Group has not performed the works.

The Group generally satisfies its performance obligations over time during the construction period. Any excess of revenue recognised over progress billings is presented as contract asset, whereas any deficit is presented as contract liability.

The Group measures the loss allowance for contract assets at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on contract assets are not considered to be material and hence, have not been recognised.

Remaining Performance Obligations

As at 30 April 2021, the aggregate transaction price allocated to the remaining performance obligations amounted to approximately RM9,838,000 (2020 - RM9,130,000) and the Group expects to recognise this revenue when the projects are completed within the next 1 (2020 - 1) year.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Term deposits (fixed rate)	932	917	93	90
Cash and bank balances	13,914	18,043	18	242
	14,846	18,960	111	332

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

Certain term deposits of the Group totalling RM838,506 (2020 - RM826,466) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of term deposits as at 30 April 2021 ranged from 0.05% to 2.85% (2020 - 0.05% to 3.00%) per annum.

For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits as follows:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and cash equivalents	14,846	18,960	111	332
Term deposits pledged as security	(839)	(826)	-	-
	14,007	18,134	111	332

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

14. ASSETS CLASSIFIED AS HELD FOR SALE

On 16 December 2020, the Company's wholly-owned subsidiary, Centralised Waste Treatment Plant Sdn. Bhd. entered into a sale and purchase agreement for the disposal of leasehold land and buildings for a consideration of RM2,000,000.

The completion of the disposal is subject to fulfilment of the condition precedent as stipulated in the sale and purchase agreement.

Pursuant to MFRS 5 'Non-current Assets Held for Sales and Discontinued Operations', the carrying amount of the leasehold land and buildings have been classified as assets held for sale and is presented as part of the Recovery and Sale of Recycled Products in Note 32.

The details of the assets classified as held for sale are as follows:-

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment (Note 4)	642	-
Right-of-use assets (Note 6)	1,260	-
	1,902	-

15. SHARE CAPITAL

	Group/Company	
	No. of ordinary shares	RM'000
<u>Issued and Fully Paid-up</u>		
Balance at 30 April 2020/2021	120,048,000	66,272

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)**

16. TREASURY SHARES

	No. of ordinary shares 2021	Group/Company		Total consideration RM'000 2020
		Total consideration RM'000 2021	No. of ordinary shares 2020	
Balance at 1 May 2020/2019	11,094,000	10,140	11,094,000	10,140
Purchased during the financial year	20,100	20	-	-
Balance at 30 April	11,114,100	10,160	11,094,000	10,140

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

None of the treasury shares were resold or cancelled during the financial year.

17. NON-CONTROLLING INTERESTS ("NCI")

	Group				Other comprehensive (loss)/income allocated to NCI	
	Accumulated NCI		Profit allocated to NCI		2021	2020
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Singapore Analabs Pte. Ltd. ("SAPL")	446	(62)	935	1,432	(5)	1

The details of the subsidiary that has NCI to the Group are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective equity interest held by NCI		Principal activity
		2021	2020	
		%	%	
Singapore Analabs Pte. Ltd. ("SAPL") ^(a)	Singapore	37	37	Investment holding company.

^(a) Not audited by Crowe Malaysia PLT.

The summarised financial information regarding the assets, liabilities, profit or loss and cash flows of the above subsidiary has not been disclosed as the NCI is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

18. LOANS AND BORROWINGS

	Group	
	2021 RM'000	2020 RM'000
<u>Secured</u>		
Term loans (floating rate)	9,947	10,439
Banker acceptances (fixed rate)	1,425	-
Foreign currency trust receipts (fixed rate)	198	-
Invoice financing (fixed rate)	430	-
Margin trading (floating rate)	44,361	30,542
Onshore foreign currency loan (fixed rate)	14,602	7,002
Revolving credits (fixed rate)	-	1,000
	70,963	48,983
Disclosed as:		
- Non-current liabilities	9,235	9,807
- Current liabilities	61,728	39,176
	70,963	48,983

The above loans and borrowings are secured against certain properties (Note 4 and Note 5), equity investments (Note 10) and term deposits (Note 13) of the Group.

The effective interest rates of loans and borrowings as at 30 April 2021 ranged from 0.76% to 6.32% (2020 - 1.84% to 8.89%) per annum.

Except for long-term loans, other loans and borrowings are generally short-term in nature and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Term Loans

Term loans are repayable over 1 to 17 years. The repayment analysis is as follows:-

	Group	
	2021 RM'000	2020 RM'000
Gross loan instalments:		
- Within 1 year	1,048	1,041
- Later than 1 year and not later than 2 years	1,048	1,041
- Later than 2 years and not later than 5 years	3,144	3,077
- Later than 5 years	8,190	8,490
Total contractual undiscounted cash flows	13,430	13,649
Future finance charges	(3,483)	(3,210)
Present value of term loans:		
- Within 1 year	712	632
- Later than 1 year and not later than 2 years	737	659
- Later than 2 years and not later than 5 years	2,268	1,282
- Later than 5 years	6,230	7,866
	9,947	10,439

The fair values of long-term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

19. LEASE LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Gross lease liabilities:		
- Within 1 year	918	926
- Later than 1 year and not later than 2 years	893	439
- Later than 2 years and not later than 5 years	1,061	1,054
- Later than 5 years	2,002	2,332
Total contractual undiscounted cash flows	4,874	4,751
Future finance charges	(627)	(703)
Present value of lease liabilities	4,247	4,048
Disclosed as:		
- Non-current liabilities	3,458	3,254
- Current liabilities	789	794
	4,247	4,048

The incremental borrowing rates applied to lease liabilities as at 30 April 2021 ranged from 3.00% to 7.00% (2020 - 3.00% to 6.24%) per annum.

20. DEFERRED TAX LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 May 2020/2019	22,826	23,628
Deferred tax (income)/expense recognised in:		
- Profit or loss	(650)	(957)
- Other comprehensive income	-	1,472
Effect of change in tax rates	-	(60)
Deferred tax liabilities overprovided in prior years	(52)	(1,266)
Currency translation differences	19	9
Balance at 30 April	22,143	22,826
In respect of taxable/(deductible) temporary differences of:		
- Financial instruments	38	87
- Inventories	(519)	(599)
- Property, plant and equipment	2,536	2,876
- Provision	(146)	(228)
- Revaluation of land and buildings	20,234	20,690
	22,143	22,826

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

20. DEFERRED TAX LIABILITIES (CONT'D)

Group	Financial instruments RM'000	Inventories RM'000	Property, plant and equipment RM'000	Provision RM'000	Revaluation of land and buildings RM'000	Total RM'000
Balance at 1 May 2019	10	(594)	4,621	(208)	19,799	23,628
Deferred tax expense/ (income) recognised in:						
- Profit or loss	77	(5)	(481)	(20)	(528)	(957)
- Other comprehensive income	-	-	-	-	1,472	1,472
Effect of change in tax rates	-	-	-	-	(60)	(60)
Deferred tax liabilities overprovided in prior years	-	-	(1,266)	-	-	(1,266)
Currency translation differences	-	-	2	-	7	9
Balance at 30 April 2020/ 1 May 2020	87	(599)	2,876	(228)	20,690	22,826
Deferred tax (income)/ expense recognised in:						
- Profit or loss	(49)	80	(293)	82	(470)	(650)
Deferred tax liabilities overprovided in prior years	-	-	(52)	-	-	(52)
Currency translation differences	-	-	5	-	14	19
Balance at 30 April 2021	38	(519)	2,536	(146)	20,234	22,143

21. PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables:				
- Unrelated parties	9,535	13,127	-	-
Other payables:				
- Related party ^(a)	4,705	4,656	-	-
- Subsidiaries	-	-	997	700
- Unrelated parties	6,119	4,539	148	149
	10,824	9,195	1,145	849
Dividend payables	22	22	22	22
	20,381	22,344	1,167	871

^(a) Being a director of certain subsidiaries.

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

21. PAYABLES (CONT'D)

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 30 to 120 days terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amounts owing to a related party and subsidiaries are repayable on demand and to be settled in cash. The amounts owing to unrelated parties mainly consist of sundry payables and accruals for administrative and other operating expenses.

22. PROVISION

	Group	
	2021 RM'000	2020 RM'000
Balance at 1 May 2020/2019	953	819
Provision made during the financial year	477	959
Claims admitted during the financial year	-	(195)
Provision reversed during the financial year	(822)	(630)
Balance at 30 April	608	953

The provision for claims and damages relates to goods sold in the recent three (3) years. The provision is in respect of complaints made by customers of a subsidiary on defective products sold.

23. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
- Manufacturing, formulation and sale of resin, chemicals and building materials	89,543	68,932	-	-
- Recovery and sale of recycled products	9,323	12,808	-	-
- Culture and sale of prawns	565	344	-	-
- Contract work, pipe laying and rehabilitation	15,226	27,271	-	-
- Management fee from subsidiaries	-	-	336	384
	114,657	109,355	336	384
Revenue from other sources:				
- Dividend income from quoted investments	2,497	995	5	-
- Dividend income from subsidiaries	-	-	23,560	10,200
- Operating lease income	335	507	-	-
	2,832	1,502	23,565	10,200
	117,489	110,857	23,901	10,584

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

23. REVENUE (CONT'D)

Disaggregation of Revenue from Contracts with Customers

Group	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	Total RM'000
2021						
Geographical areas:						
- Asia	11,748	3,986	-	-	15,226	30,960
- Australia	42,961	-	-	-	-	42,961
- Malaysia	22,793	5,337	565	-	-	28,695
- Others	12,041	-	-	-	-	12,041
	89,543	9,323	565	-	15,226	114,657
Timing of revenue recognition:						
- Over time	-	-	-	-	15,226	15,226
- At a point in time	89,543	9,323	565	-	-	99,431
	89,543	9,323	565	-	15,226	114,657
2020						
Geographical areas:						
- Asia	14,277	8,342	-	-	27,271	49,890
- Australia	17,952	-	-	-	-	17,952
- Malaysia	24,552	4,466	344	-	-	29,362
- Others	12,151	-	-	-	-	12,151
	68,932	12,808	344	-	27,271	109,355
Timing of revenue recognition:						
- Over time	-	-	-	-	27,271	27,271
- At a point in time	68,932	12,808	344	-	-	82,084
	68,932	12,808	344	-	27,271	109,355

Information about disaggregation of the Company's revenue has not been disclosed as the Company derives revenue mainly from rendering management services to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

24. OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Dividend income from:				
- Investments in unit trusts	80	76	80	76
- Quoted investments	4,390	4,549	-	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	561	-	-	-
Gain on disposal of plant and equipment	142	52	-	-
Government grant income:				
- Covid-19 related subsidies and rebates	328	49	-	-
- Others	2,038	394	-	-
Interest income for financial assets measured at amortised cost	45	86	2	3
Operating lease income	1,086	920	-	-
Proceeds from legal claim	-	102	-	-
Realised gain on foreign exchange	433	-	-	-
Reversal of provision for claims and damages	822	630	-	-
Unrealised gain on foreign exchange	183	594	-	-
Others	260	403	-	15
	10,368	7,855	82	94

25. PROFIT BEFORE TAX

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- Current financial year:				
- Crowe Malaysia PLT	149	140	47	40
- Other firm	66	70	-	-
Depreciation of investment properties	455	408	-	-
Depreciation of property, plant and equipment	4,805	5,313	-	-
Depreciation of right-of-use assets	1,634	1,368	-	-
Direct operating expenses on investments properties	137	372	-	-
Employee benefits expense (Note 26)	10,020	11,788	232	132
Impairment loss on goodwill on consolidation	-	2,222	-	-
Impairment loss on investment property	500	-	-	-
Interest expense on lease liabilities	169	135	-	-
Interest expense for financial liabilities measured at amortised cost:				
- Bank overdrafts	-	46	-	-
- Bankers acceptances	66	2	-	-
- Foreign currency trust receipts	2	51	-	-
- Margin trading	687	512	-	-
- Onshore foreign currency loan	155	208	-	-
- Revolving credits	22	-	-	-
- Term loans	214	489	-	-
Inventories written down	1,463	408	-	-
Inventories written off	565	-	-	-
Lease expenses relating to:				
- Short-term leases	445	352	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

25. PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is arrived at after charging/(crediting):- (Cont'd)				
Net impairment losses on financial assets:				
- Impairment loss on trade receivables	141	660	-	-
- Reversal of impairment loss on trade receivables	(114)	(89)	-	-
Provision for claims and damages	477	959	-	-
Covid-19 related rent concessions	(33)	-	-	-
Dividend income from:				
- Investments in subsidiaries	-	-	(23,560)	(10,200)
- Investments in unit trusts	(80)	(76)	(80)	(76)
- Quoted investments in Malaysia ^(a)	(6,812)	(5,455)	(5)	-
- Quoted investments outside Malaysia ^(b)	(75)	(89)	-	-
Fair value (gain)/loss on financial instruments mandatorily measured at fair value through profit or loss	(561)	1,427	-	-
Government grant income:				
- Covid-19 related subsidies and rebates	(328)	(49)	-	-
- Others	(2,038)	(394)	-	-
Interest income for financial assets measured at amortised cost	(45)	(86)	(2)	(3)
Net gain on disposal of plant and equipment	(120)	(52)	-	-
Net (gain)/loss on foreign exchange				
- Realised	(433)	391	-	-
- Unrealised	(183)	(568)	-	-
Operating lease income	(1,421)	(1,427)	-	-
Proceeds from legal claim	-	(102)	-	-
Reversal of inventories previously written down	(954)	(397)	-	-
Reversal of provision for claims and damages	(822)	(630)	-	-

^(a) Included in Group's Revenue [RM2,497,000 (2020 - RM951,000)] and Group's Other Income [RM4,315,000 (2020 - RM4,504,000)].

^(b) Included in Group's Revenue [Nil (2020 - RM44,000)] and Group's Other Income [RM75,000 (2020 - RM45,000)].

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Directors of the Company</u>				
Executive directors:				
- Short-term employee benefits:				
- Fee	24	30	24	30
- Others	228	371	18	33
	252	401	42	63
- Defined contribution plan	21	22	1	1
	273	423	43	64
Non-executive directors:				
- Short-term employee benefits:				
- Fee:				
- Current year	54	54	54	54
- Overprovided in the previous financial year	(6)	(2)	(6)	(2)
	321	475	91	116
<u>Directors of the Subsidiaries</u>				
Executive directors:				
- Short-term employee benefits	862	1,024	99	-
- Defined contribution plan	106	113	9	-
	968	1,137	108	-
Other employees:				
- Short-term employee benefits	8,350	9,712	29	15
- Defined contribution plan	381	464	4	1
	8,731	10,176	33	16
Total employee benefits expense	10,020	11,788	232	132

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

27. TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax based on results for the year:				
- Malaysian income tax	3,351	1,789	81	91
- Foreign income tax	453	966	-	-
- Deferred tax	(650)	(957)	-	-
	3,154	1,798	81	91
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(175)	211	-	-
- Foreign income tax	(156)	1	-	-
- Deferred tax	(52)	(1,266)	-	-
	(383)	(1,054)	-	-
Effect of change in tax rates	-	(60)	-	-
Tax expense	2,771	684	81	91

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate on results for the year is as follows:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	20,076	9,372	23,565	10,341
Tax at the statutory tax rate of 24%	4,818	2,249	5,656	2,482
Non-deductible expenses	1,139	1,850	100	75
Tax-exempt income	(1,670)	(1,343)	(5,675)	(2,466)
Non-taxable income	(229)	(3)	-	-
(Decrease)/Increase in unrecognised deferred tax assets	(77)	33	-	-
Crystallisation of deferred tax liabilities on amortisation of revalued properties	(470)	(528)	-	-
Effect of change in tax rates	-	(60)	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdictions	(222)	(322)	-	-
Tax rebate	(132)	(135)	-	-
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(175)	211	-	-
- Foreign income tax	(156)	1	-	-
- Deferred tax	(52)	(1,266)	-	-
Others	(3)	(3)	-	-
Tax expense	2,771	684	81	91

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

27. TAX EXPENSE (CONT'D)

As at 30 April 2021, no deferred tax assets have been recognised for the following items:-

	Group	
	2021 RM'000	2020 RM'000
Deductible temporary differences of:		
- Property, plant and equipment	13	13
- Financial instruments	133	177
Unabsorbed capital allowances	-	52
Unutilised tax losses expiring in year of assessment:		
- 2025	106	106
- 2026	76	263
- 2027	146	218
- 2028	36	-
	510	829

The unabsorbed capital allowances has no expiry date.

28. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by weighted average number of ordinary shares in issue during the financial year after taking into the effects of treasury shares as follows:-

	Group	
	2021	2020
Profit for the financial year attributable to owners of the Company (RM'000)	16,370	7,256
Weighted average number of ordinary shares in issue ('000)	108,934	108,954
Number of shares in issue at 1 May 2020/2019 ('000)	108,954	108,954
Effect of treasury shares held ('000)	(20)	-
Weighted average number of shares in issue at 30 April ('000)	108,934	108,954
Basic earnings per ordinary share (sen)	15.03	6.66

The diluted earnings per share equals the basic earnings per share as the Company did not have any potential dilutive ordinary shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

29. DIVIDENDS

	Group/Company	
	2021 RM'000	2020 RM'000
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2021	2,179	-
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2020	-	2,179

30. NOTES TO STATEMENTS OF CASH FLOWS

	Group	
	2021 RM'000	2020 RM'000
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired (Note 6)	327	536
Acquisition by means of leases	(262)	(536)
Net cash disbursed	65	-
Short-term Loans and Borrowings		
Balance at 1 May 2020/2019	38,544	21,723
Net cash flow changes	22,500	17,126
Currency translation differences	(28)	(305)
Balance at 30 April	61,016	38,544
Represented by: (Note 18)		
- Banker acceptance	1,425	-
- Foreign currency trust receipts	198	-
- Invoice financing	430	-
- Margin trading	44,361	30,542
- Onshore foreign currency loan	14,602	7,002
- Revolving credits	-	1,000
	61,016	38,544

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

30. NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

	Group	
	2021	2020
	RM'000	RM'000
Term Loans		
Balance at 1 May 2020/2019	10,439	10,812
Drawdowns	125	125
Repayments	(642)	(509)
Currency translation differences	25	11
Balance at 30 April (Note 18)	9,947	10,439
Lease Liabilities		
Balance at 1 May 2020/2019		
- Brought forward from preceding year	4,048	-
- Effect of adopting MFRS 16	-	4,340
- Adjusted	4,048	4,340
Additions	262	536
Repayments	(782)	(846)
Adjustment due to Covid-19-related rent concessions	(33)	-
Effect of lease modification	709	-
Currency translation differences	43	18
Balance at 30 April (Note 19)	4,247	4,048
The total cash outflow for leases is as follows:-		
Operating Activities		
Lease expenses relating to short-term leases	445	352
Interest portion of lease liabilities	169	135
Financing Activities		
Principal portion of lease liabilities	782	846
	1,396	1,333

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

31. RELATED PARTY DISCLOSURES

Transactions with related parties during the financial year are as follows:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other key management personnels compensation:				
- Short-term employee benefits	-	37	-	-
- Defined contribution plan	-	4	-	-
	-	41	-	-
Advances from subsidiaries	-	-	(767)	(650)
Advances to subsidiaries	-	-	23,210	12,828
Consultancy fee paid or payable to a director of the Company	(320)	-	-	-
Consultancy fee paid to a director of the Group	(156)	-	-	-
Dividends from subsidiaries	-	-	23,560	10,200
Management fee charged to subsidiaries	-	-	336	384
Payment on behalf by subsidiaries	-	-	-	(15)
Payment received from subsidiaries	-	-	(25,396)	(15,364)
Payment to subsidiaries	-	-	470	465

32. OPERATING SEGMENTS

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

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

Reportable Segments	Descriptions
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 contracting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

32. OPERATING SEGMENTS (CONT'D)

- (a) The Group Executive Committee assesses the performance of the reportable segments based on their profit before interest and tax. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reporting segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

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

32.1 Business Segments

2021	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	89,543	9,323	565	2,832	15,226	117,489
Inter-segment revenue	507	488	68	25,095	1,763	27,921
	90,050	9,811	633	27,927	16,989	145,410
Consolidation adjustments						(27,921)
Consolidated revenue						<u>117,489</u>
Results						
Segment profit/(loss) before interest and tax	14,357	2,449	(290)	26,463	2,935	45,914
Finance costs						(1,317)
Tax expense						(2,771)
Consolidation adjustments						(24,521)
Consolidated profit after tax						<u>17,305</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 Business Segments (Cont'd)

2021	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
Segment profit/(loss) before interest and tax includes the following:-						
Covid-19 related rent concessions	-	-	-	-	33	33
Depreciation of investment properties	(45)	(134)	-	(276)	-	(455)
Depreciation of property, plant and equipment	(2,077)	(1,664)	(47)	(57)	(960)	(4,805)
Depreciation of right- of-use assets	(166)	(443)	(329)	(252)	(444)	(1,634)
Direct operating expenses on investments properties	(32)	(45)	-	(60)	-	(137)
Dividend income from:						
- Investments in unit trusts	-	-	-	80	-	80
- Quoted investments	4,363	27	-	2,497	-	6,887
Employee benefits expense (including directors' remuneration)	(2,195)	(1,488)	(155)	(232)	(5,950)	(10,020)
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	-	-	-	561	-	561
Gain on disposal of plant and equipment	122	8	-	-	12	142
Government grant income	158	300	10	-	1,898	2,366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 Business Segments (Cont'd)

2021	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
Segment profit/(loss) before interest and tax includes the following:- (Cont'd)						
Impairment loss on investment property	(500)	-	-	-	-	(500)
Impairment loss on trade receivables	(1)	-	-	-	(140)	(141)
Interest expense	(341)	(238)	-	(671)	(65)	(1,315)
Interest income	25	12	3	5	-	45
Inventories written down	(1,463)	-	-	-	-	(1,463)
Inventories written off	(565)	-	-	-	-	(565)
Lease expenses relating to short-term leases	(9)	-	-	-	(436)	(445)
Loss on disposal of plant and equipment	-	(22)	-	-	-	(22)
Net realised gain on foreign exchange	419	14	-	-	-	433
Net unrealised gain on foreign exchange	183	-	-	-	-	183
Operating leases income	290	791	-	335	5	1,421
Provision for claims and damages	(477)	-	-	-	-	(477)
Reversal of impairment loss on trade receivables	30	21	-	-	63	114
Reversal of inventories previously written down	954	-	-	-	-	954
Reversal of provision for claims and damages	822	-	-	-	-	822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 Business Segments (Cont'd)

2020	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	68,932	12,808	344	1,502	27,271	110,857
Inter-segment revenue	473	308	115	10,620	2,608	14,124
	69,405	13,116	459	12,122	29,879	124,981
Consolidation adjustments						(14,124)
Consolidated revenue						<u>110,857</u>
Results						
Segment profit/(loss) before interest and tax	8,459	243	(515)	10,303	4,745	23,235
Finance costs						(1,443)
Tax expense						(684)
Consolidation adjustments						(12,420)
Consolidated profit after tax						<u>8,688</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)**

32. OPERATING SEGMENTS (CONT'D)

32.1 Business Segments (Cont'd)

2020	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
Segment profit/(loss) before interest and tax includes the following:-						
Depreciation of investment properties	-	(133)	-	(275)	-	(408)
Depreciation of property, plant and equipment	(2,199)	(1,873)	(48)	(57)	(1,136)	(5,313)
Depreciation of right-of-use assets	(166)	(441)	(338)	(252)	(171)	(1,368)
Direct operating expenses on investments properties	-	-	-	(372)	-	(372)
Dividend income from:						
- Investments in unit trusts	-	-	-	76	-	76
- Quoted investments	4,504	45	-	995	-	5,544
Employee benefits expense (including directors' remuneration)	(2,519)	(2,607)	(106)	(132)	(6,424)	(11,788)
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	-	-	-	(1,427)	-	(1,427)
Gain on disposal of plant and equipment	33	16	-	-	3	52
Government grant income	-	107	-	-	336	443

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021
(CONT'D)

32. OPERATING SEGMENTS (CONT'D)**32.1 Business Segments (Cont'd)**

2020	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
Segment profit/(loss) before interest and tax includes the following:- (Cont'd)						
Impairment loss on goodwill on consolidation	(1,952)	(270)	-	-	-	(2,222)
Impairment loss on trade receivables	(118)	(134)	-	-	(408)	(660)
Interest expense	(300)	(289)	-	(696)	(158)	(1,443)
Interest income	64	14	3	5	-	86
Inventories written down	(408)	-	-	-	-	(408)
Lease expenses relating to short-term leases	-	-	-	-	(352)	(352)
Proceeds from legal claim	102	-	-	-	-	102
Provision for claims and damages	(959)	-	-	-	-	(959)
Net realised loss on foreign exchange	(390)	-	-	-	(1)	(391)
Net unrealised gain on foreign exchange	568	-	-	-	-	568
Operating lease income	12	791	-	505	119	1,427
Reversal of impairment loss on trade receivables	1	-	-	-	88	89
Reversal of inventories previously written down	397	-	-	-	-	397
Reversal of provision for claims and damages	630	-	-	-	-	630

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 Business Segments (Cont'd)

2020	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
Assets						
Segment assets	183,669	63,455	26,645	184,343	24,262	482,374
Consolidation adjustments						(125,745)
Consolidated total assets						<u>356,629</u>
Additions to non-current assets other than financial instruments are:						
- Property, plant and equipment	-	794	-	-	124	918
- Right-of-use assets	-	-	-	-	536	536
Liabilities						
Segment liabilities	22,417	8,855	15	59,992	12,569	103,848
Unallocated liabilities:						
- Current tax liabilities						1,239
- Deferred tax liabilities						18,980
Consolidation adjustments						(23,295)
Consolidated total liabilities						<u>100,772</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.2 Geographical Information

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

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

Group	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	98,277	75,230	153,804	159,878
Singapore	19,212	35,627	24,851	26,562
	117,489	110,857	178,655	186,440

32.3 Major Customer

For the financial year ended 30 April 2021, there was 1 (2020 - 1) major customer from manufacturing, formulation and sale of resin, chemicals and building materials segment that contributed 10% or more of the Group's total revenue and the total revenue generated from this major customer amounted to approximately RM40,944,000 (2020 - RM15,657,000).

33. FINANCIAL GUARANTEE CONTRACTS

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM71,080,000 (2020 - RM70,999,000). The total utilisation of these credit facilities as at 30 April 2021 amounted to approximately RM26,603,000 (2020 - RM18,442,000). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be recalled at any time in the event of default by the subsidiaries.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.11. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

Company	2021 RM'000	2020 RM'000
Carrying amount	-	-
Contractual undiscounted cash flows	26,603	18,442

34. CAPITAL COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Purchase of property	1,700	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

35. CONTINGENT LIABILITIES

Litigation

One of the Company's subsidiaries, Resources Conservation Sdn. Bhd. ("RCSB") had filed a Summons at the Shah Alam Magistrate's Court against Covenant (Warehousing) Sdn. Bhd. for recovery of RM40,000 being balance rental for the month of October 2018 payable by Covenant (Warehousing) Sdn. Bhd. to RCSB for the rental of a premise known as No. 2, Jalan 33/4, Jalan Gambus, Section 33, Elite Industrial Estate, 40350 Shah Alam, Selangor Darul Ehsan.

Covenant (Warehousing) Sdn. Bhd.'s defence is that the RM40,000 was used for expenses for the premises and they filed a counterclaim initially for RM743,088, which was on 18 February 2020 amended to RM591,860 purportedly being claims for damages and repairs incurred arising from alleged leakage and disrepair of the said premise. RCSB had filed the reply and rejected Covenant (Warehousing) Sdn. Bhd.'s counterclaim on 3 March 2020.

As the counterclaim was beyond the jurisdiction of the Magistrate's Court, the matter was transferred to the Shah Alam Sessions Court vide Suit No. BA-A52NCvC-469-08/2019. A hearing of the matter which was rescheduled to 21 to 23 June 2021 from the original date of 25 January 2021 was vacated due to the Movement Control Order in Malaysia. The Court has not fixed a new date yet.

The directors are of the opinions that the counterclaim from Covenant (Warehousing) Sdn. Bhd. is frivolous and was filed in order to frustrate RCSB's claim. Accordingly, no provision has been recognised in the statement of financial position in respect of the litigation.

36. FINANCIAL RISK MANAGEMENT

The activities of the Group are exposed to certain financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and other price risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 33.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 9. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies, i.e. Ringgit Malaysia ("RM") and Singapore Dollar ("SGD"). The major foreign currencies transacted are Euro ("EUR") and United States Dollar ("USD"), and the gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:-

Group	Denominated in EUR		Denominated in USD	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Receivables	13,013	5,583	1,202	2,991
Cash and cash equivalents	957	4,117	3,585	1,793
Payables	(137)	(962)	(3,844)	(6,116)
Loans and borrowings	(549)	(355)	(13,913)	(6,647)
	13,284	8,383	(12,970)	(7,979)

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. Such exposure is also partly mitigated in the following ways:

- (a) The Group's foreign currency sales and purchases provide a natural hedge against fluctuations in foreign currencies.
- (b) The Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	Increase/ (Decrease) in profit 2021 RM'000	Increase/ (Decrease) in profit 2020 RM'000
Appreciation of EUR against RM by 10%	1,010	637
Depreciation of EUR against RM by 10%	(1,010)	(637)
Appreciation of USD against RM by 10%	(986)	(606)
Depreciation of USD against RM by 10%	986	606

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:-

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments				
Financial assets	932	917	93	90
Financial liabilities	20,902	12,050	-	-
Floating rate instruments				
Financial liabilities	54,308	40,981	-	-

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss (and equity) to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Decrease)/ Increase in profit 2021 RM'000	(Decrease)/ Increase in profit 2020 RM'000
Increase in interest rates by 100 basis points	(413)	(311)
Decrease in interest rates by 100 basis points	413	311

Other Price Risk

The Group's exposure to other price risk arises mainly from quoted investments and investments in unit trusts. The Group manages its exposure to other price risk by maintaining a portfolio of debt securities and equities with different risk profiles. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

Other Price Risk (Cont'd)

The following table demonstrates the sensitivity analysis to reasonably possible price movements in these equity instruments, with all other variables held constant:-

	Group				
	Increase/ (Decrease) in profit 2021 RM'000	Increase/ (Decrease) in OCI* 2021 RM'000	Increase/ (Decrease) in profit 2020 RM'000	Increase/ (Decrease) in OCI* 2020 RM'000	
	Increase in price by 5%	266	7,740	245	5,142
	Decrease in price by 5%	(266)	(7,740)	(245)	(5,142)

	Company		
	Increase/ (Decrease) in OCI* 2021 RM'000	Increase/ (Decrease) in OCI* 2020 RM'000	
	Increase in price by 5%	201	137
	Decrease in price by 5%	(201)	(137)

* Other comprehensive income.

37. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to shareholders and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:-

	Group	
	2021 RM'000	2020 RM'000
Loans and borrowings	70,963	48,983
Lease liabilities	4,247	4,048
Total interest-bearing debts	75,210	53,031
Total equity	281,992	255,857
Total capital	357,202	308,888
Debt-to-equity ratio	0.27	0.21

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

38. 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 RM281,546,000 (2020 - RM255,919,000) divided by the number of ordinary shares in issue at the end of the reporting period excluding treasury shares held by the Company of approximately 108,934,000 (2020 - 108,954,000).

39. FINANCIAL INSTRUMENTS

39.1 Classification of Financial Instruments

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial Assets					
Mandatorily at fair value through profit or loss:					
- Other investments	10	7,176	6,615	-	-
Designated at fair value through other comprehensive income upon initial recognition:					
- Other investments	10	154,791	102,833	4,011	2,747
Amortised cost:					
- Receivables	9	24,135	21,383	1,331	1,121
- Cash and cash equivalents	13	14,846	18,960	111	332
		38,981	40,343	1,442	1,453
Financial Liabilities					
Amortised cost:					
- Loans and borrowings	18	70,963	48,983	-	-
- Lease liabilities	19	4,247	4,048	-	-
- Payables	21	20,241	22,344	1,167	871
		95,451	75,375	1,167	871

39.2 Fair Value Information

The method used in determining the fair values of financial instruments recognised on the statements of financial position are disclosed in their respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (CONT'D)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 15 December 2020, M-Field Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a sale and purchase agreement to acquire a unit of three storey terrace factory for a total consideration of RM1,900,000. The sales was not completed as at end of the reporting period.
- (b) On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the Covid-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the Covid-19 pandemic.

Although the Group's operations have been disrupted, its financial performance and cash flows for the current reporting period had not been materially impacted by the Covid-19 pandemic.

The Group will continue to make necessary steps to safeguard and prepare its financial condition emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

41. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the current financial year's presentation as follows:-

Company	As previously reported RM'000	As restated RM'000
Statement of Financial Position (Extract):-		
Assets		
NON-CURRENT ASSETS		
Investments in subsidiaries	78,409	91,292
CURRENT ASSETS		
Receivables	14,004	1,121

The loan to a subsidiary forms part of the Company's net investment in the subsidiary. Accordingly, the amount owing by the subsidiary of approximately RM12,883,000 was reclassified and presented under "investments in subsidiaries" in the statement of financial position.

LIST OF PROPERTIES HELD BY THE GROUP

Beneficial No. Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount as at 30/04/2021 (RM)	Date of Revaluation
1	M-Field Sdn Bhd PN 5288 Lot No 55, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years Expiring on 21 March 2043	Leasehold Land & Building 38 years old	156	Tenanted 4 Storey Terrace Factory	624	888,094	Revalued on 15/4/2019
2	M-Field Sdn Bhd PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years Expiring on 21 March 2043	Leasehold Land & Building 38 years old	156	Tenanted Intermediate 4 Storey Terrace Factory	624	869,762	Revalued on 15/4/2019
3	M-Field Sdn Bhd Nos 302 & 304, 2½ Mile Jalan Ipoh, 51200 Kuala Lumpur.	Freehold	Freehold Land & Buildings 40 years old	336	Tenanted/Vacant Intermediate 2 Units of 4 Storey Terrace Shop/ Offices	1,338	6,500,000	Revalued on 15/4/2019
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 on 4 June 2046	Leasehold Land & Buildings 31 years old	5,800	Owner-occupied 2 Storey Office Block, Factory & Warehouse	2,300	7,382,010	Revalued on 15/4/2019
5	Inagro Sdn Bhd HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 23 years old	121	Owner-occupied Single Storey Terrace House	74	150,000	Revalued on 15/4/2019
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	-	3,000,000	Revalued on 15/4/2019
7	Inagro Sdn Bhd CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 24 years old	20,716	Owner-occupied 2 Storey Office Block, Factory & Warehouse	6,600	20,678,572	Revalued on 15/04/2019

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 as at	
								30/04/2021 (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.	Leasehold for 99 years Expiring on 2 October 2085	Leasehold Land & Building 28 years old	6,596	Owner-occupied 2 Storey Office Block, Factory & Storey Office Warehouse	3,346	5,701,515	Revalued on 15/04/2019
9	Resources Conservation Sdn Bhd	Lot No. 38227, Mukim of Pekan Baru Hicom, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Building 22 years old	4,047	Owner-occupied 2 Storey Office Building & Warehouse	1,711	7,933,333	Revalued on 15/04/2019
10	Resources Conservation Sdn Bhd	HS (D) 51801, PT No. 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 23 years old	5,415	Tenanted 2 Storey Office Building & Warehouse	3,456	10,820,690	Revalued on 15/04/2019
11	Resources Conservation Sdn Bhd	GM 146, Lot 87, Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 21 years old	2,307	Owner-occupied Industrial Land	1,846	3,000,000	Revalued on 15/04/2019
12	Striketech Sdn Bhd	HS (D) 26575, Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 24 September 2094	Leasehold Land & Building 20 years old		Owner-occupied Buildings for Research & Development & Operations	3,881	25,739,583	Revalued on 15/04/2019
13	Cleanway Disposal Services Pte Ltd	Lot 7889L, Mukim 5 Bearing Postal Address, 40 Penjuru Road, Singapore.	Leasehold for 30 years Expiring on 31 December 2031	Leasehold Building 18 years old	4,005	Owned-occupied A Part Single/ Part 3 Storey Single Factory	3,125	13,767,931 (Exchange rate: 3.0863)	Revalued on 30/04/2019
14	Resources Conservation Sdn Bhd	HS (D) 264610 PT 317, Seksyen 23, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 28 July 2109	Leasehold Land & Building 11 years old	1,205	Tenanted 1½ Storey Semi-detached Factory	700	3,911,111	Revalued on 15/04/2019

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 as at 30/04/2021 (RM)	Date of Revaluation
15	Global Pacific Petroleum Sdn Bhd	PN 652, Lot 3851, Mukim Port Dickson, Port Dickson, Negeri Sembilan.	Leasehold for 99 years Expiring on 1 April 2075	Leasehold Land & Building 33 years old	62,221	Owner-occupied Plant Tank Farm, Compressor Room, Drum Filling Station, Double Storey Warehouse cum Administrative Office, Single Storey Detached Factory & Laboratory	17,727	11,726,692	Revalued on 15/04/2019
16	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3½ Mile Kapar Road, Mukim Kapar, Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 24 years old	19,450	Owner-occupied 3 Storey Office Block, Factory & Warehouse	10,815	22,558,282	Revalued on 15/04/2019
17	Lux Distributor Sdn Bhd	Lot 16435, Jalan 4, Kawasan Perusahaan Taman Selayang Baru, 68100 Batu Caves, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 24 years old	3,006	Owner-occupied 3 Storey Office & Warehouse	1,641	8,909,091	Revalued on 15/04/2019
18	Lux Distributor Sdn Bhd	Lot 182924, Mukim of Plentong, District of Johor Bahru. Bearing Portal Address No. 27, Jalan Sri Plentong 3, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru.	Freehold	Freehold Factory 30 years old	1,951	Owner-occupied 1½ Storey Office & Warehouse	1,094	2,752,941	Revalued on 15/04/2019
19	Toh Ban Seng Contractor Pte Ltd	287 Kaki Bukit, Avenue 1, Shun Li Industrial Park, Singapore 416078.	Leasehold for 60 years Expiring on 30 October 2056	A 3 Storey Strata Terrace Factory 30 years old	643	Owner-occupied Dormitory, Office & Warehouse	643	7,011,231 (Exchange rate: 3.0863)	Revalued on 30/04/2019

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 as at 30/04/2021 (RM)	Date of Revaluation
20	Coveright Surfaces Malaysia Sdn Bhd	Lot No. 25742 held under Title No. PM 1763, Mukim of Pekan Batu 4, Klang, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 16 May 2089	An Intermediate Single Storey Terrace House 31 years old	111	Owner-occupied Single Storey Terrace House	100	174,858	Revalued on 15/04/2019
21	Lux Distributor Sdn Bhd	Unit No. 7-18-5, Menara Riverview, Jalan Jelutong, 11600 Pulau Pinang.	Freehold	An apartment Unit 27 years old	-	Vacant Apartment	78	331,081	Revalued on 15/04/2019
22	M-Field Sdn Bhd	PT No. 44002 held under Title HSD 222386, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 8 June 2104	An Immediate Three Storey Shop/Office 16 years old	153	Tenanted 3 Storey Shop/Office	153	2,706,762	(Note 1)
23	M-Field Sdn Bhd	PT No. 44004 held under Title HSD 222388, Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 8 June 2104	An Immediate Three Storey Shop/Office 16 years old	153	Vacant 3 Storey Shop/Office	153	3,663,746	(Note 1)

Note 1 : No revaluations were performed due to the properties were purchased in the financial year ended 30 April 2019.

ANALYSIS OF SHAREHOLDINGS

AS AT 2 AUGUST 2021

Class of Shares	: Ordinary shares
Voting Rights	: One vote per share
Issued Shares	: 108,933,900 ordinary shares (excludes 11,114,100 ordinary shares bought back and retained as treasury shares as at 2 August 2021)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	Number of Holders	Percentage %	Number of Shares *	Percentage %
Less than 100	33	2.84	708	0.00
100 - 1,000	101	8.69	47,992	0.04
1,001 - 10,000	768	66.09	3,519,052	3.23
10,001 - 100,000	222	19.10	6,610,444	6.07
100,001 to less than 5% of issued shares*	36	3.10	32,901,800	30.20
5% and above of issued shares*	2	0.17	65,853,904	60.45
Total	1,162	100.00	108,933,900	100.00

* Excluding 11,114,100 shares bought back by the Company and retained as treasury shares as at 2 August 2021.

Directors' Shareholdings (As per the Register of Directors' Shareholdings as at 2 August 2021)

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	67,430,104	61.90	18,000*	0.02
2	Low Chin Ann @ Han Chin Ann	-	0.00	-	0.00
3	Lai Yew Choong	-	0.00	-	0.00
4	Kan Mun Hoow	5,039,000	4.63	-	0.00
5	Clifton Heath Fernandez	-	0.00	-	0.00
6	Lye Meei Ruu	-	0.00	-	0.00

Substantial Shareholders' Shareholdings (As per the Register of Substantial Shareholders as at 2 August 2021)

No.	Name of Substantial Shareholder	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	67,430,104	61.90	18,000*	0.02

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

In the subsidiaries

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

ANALYSIS OF SHAREHOLDINGS AS AT 2 AUGUST 2021 (CONT'D)

30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1	KAN YOW KHEONG	42,875,104	39.36
2	KAN YOW KHEONG	22,978,800	21.09
3	PUI CHENG WUI	5,115,000	4.70
4	KAN MUN HOOW	5,039,000	4.63
5	CHUA SIM NEO @ DIANA CHUA	4,839,600	4.44
6	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	3,721,900	3.42
7	TEO KWEE HOCK	2,590,800	2.38
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAN YOW KHEONG	1,576,200	1.45
9	LAI NYUK MOI	1,072,400	0.98
10	PUI BOON HEAN	722,000	0.66
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	679,800	0.62
12	PUI BOON KENG	679,400	0.62
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SEE JOVIN	600,000	0.55
14	TOHTONKU SDN. BERHAD	590,000	0.54
15	GOH THONG BENG	587,600	0.54
16	LAI CHIN LOY	572,200	0.53
17	SOW TIAP	408,000	0.37
18	TAN AH LEK @ TAN BAN CHUAN	400,000	0.37
19	LIM KHUAN ENG	323,000	0.30
20	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	315,800	0.29
21	FOLLOW ME INDUSTRIES SDN. BHD.	246,000	0.23
22	LEYU CHONG HUA @ LEO CHONG HUA	229,000	0.21
23	LIM BAN JOO	224,000	0.21
24	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI KONG YEW	220,000	0.20
25	CHUAH SAW LEE	200,000	0.18
26	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	200,000	0.18
27	YAP CHOO JOO @ YAP TSE LOO	200,000	0.18
28	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO	193,200	0.18
29	KENANGA NOMINEES (TEMPATAN) SDN BHD SAW WAH THENG	190,000	0.17
30	ETAH SDN BHD	177,400	0.16
TOTAL		97,766,204	89.75

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting (“23rd AGM”) of the Company will be held on a fully virtual basis via Remote Participation and Voting (“RPV”) facilities at <https://agm.digerati.com.my/analabs-online> provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 7 October 2021 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 2021. **(Please refer to Explanatory Note)**
2. To re-elect the following Directors who retire in accordance with Clause 119 of the Company’s Constitution and who being eligible offer themselves for re-election: -
 - (i) Kan Yow Kheong **(Ordinary Resolution 1)**
 - (ii) Kan Mun Hoow **(Ordinary Resolution 2)**
 - (iii) Low Chin Ann @ Han Chin Ann **(Ordinary Resolution 3)**
 - (iv) Lai Yew Choong **(Ordinary Resolution 4)**
 - (v) Clifton Heath Fernandez **(Ordinary Resolution 5)**
 - (vi) Lye Meei Ruu **(Ordinary Resolution 6)**
3. To approve the payment of Directors’ Fee of RM108,000 in respect of the financial year ending 30 April 2022. **(Ordinary Resolution 7)**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

5. SPECIAL BUSINESS

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

5.1 Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”) **(Ordinary Resolution 9)**

“THAT pursuant to Sections 75 and 76 of the Act and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time to such persons 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 the shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF THE 23rd ANNUAL GENERAL MEETING (CONT'D)

5.2 Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares (Ordinary Resolution 10)

“THAT subject to the rules, regulations and orders made pursuant to the Companies Act 2016 (“the Act”), provisions of the Company’s Constitution and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) Bursa Securities and any other relevant authorities, the Board be and is hereby authorised to purchase the Company’s shares through Bursa Securities (“Proposed Share Buy-Back”) subject to the following:-

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

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

5.3 Retention of Mr Low Chin Ann @ Han Chin Ann as an Independent Director (Ordinary Resolution 11)

“THAT subject to the passing of Ordinary Resolution 3 above, Mr Low Chin Ann @ Han Chin Ann who would have served as an Independent Director of the Company for a cumulative term of nine (9) years from 1 December 2021 onwards, be and is hereby retained as an Independent Director of the Company.”

NOTICE OF THE 23rd ANNUAL GENERAL MEETING (CONT'D)

5.4 Retention of Mr Lai Yew Choong as an Independent Director

(Ordinary Resolution 12)

“THAT subject to the passing of Ordinary Resolution 4 above, Mr Lai Yew Choong who would have served as an Independent Director of the Company for a cumulative term of nine (9) years from 1 December 2021 onwards, be and is hereby retained as an Independent Director of the Company.”

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

BY ORDER OF THE BOARD

CYNTHIA GLORIA LOUIS (SSM PC No. 201908003061)(MAICSA No. 7008306)

CHEW MEI LING (SSM PC No. 201908003178)(MAICSA No. 7019175)

Company Secretaries

Petaling Jaya
Selangor Darul Ehsan
30 August 2021

Notes:

1. *As part of the safety measures to curb the spread of the Covid-19 outbreak, our Company will conduct the 23rd AGM as a fully virtual general meeting via Remote Participation and Voting (“RPV”) facilities provided by Digerati Technologies Sdn Bhd at <https://agm.digerati.com.my/analabs-online>.*

Pursuant to the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers revised by the Securities Commission Malaysia on 16 July 2021 (“Revised Guidance Note and FAQs”), an online meeting platform can be recognized as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is hosted in Malaysia.

By utilizing the RPV facilities at <https://agm.digerati.com.my/analabs-online> (prior registration as User is required), shareholders are to remotely attend, participate, speak (by way of posing questions to the Board via real time submission of typed texts) and cast their votes at the 23rd AGM. Please refer to the Administrative Guide for procedures to utilize the RPV facilities.

2. *A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him save for a member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
4. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.*

NOTICE OF THE 23rd ANNUAL GENERAL MEETING (CONT'D)

6. *The instrument appointing a proxy 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 forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The appointment of proxy may also be submitted electronically at <https://agm.digerati.com.my/analabs-online> not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.*

Members Entitled to Attend

7. *For purposes of determining a member who shall be entitled to attend the 23rd AGM, the Company shall be requesting Bursa Depository, in accordance with Clause 70 of the Company's Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 29 September 2021. Only a depositor whose name appears on the General Meeting Record of Depositors as at 29 September 2021 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his behalf.*

Explanatory Notes: -

1. **Directors' Report, Audited Financial Statement and the Auditors' Report for the financial year ended 30 April 2021**

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

2. **Re-election of Directors in accordance with Clause 119 of the Company's Constitution (Resolutions 1 to 6)**

In accordance with Clause 119 of the Company's Constitution, all the Directors for the time being of the Company shall retire from office every year and are eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

3. **Directors' Fee (Resolution 7)**

Shareholders' approval on the Directors' Fee for the Board was obtained at the 22nd AGM held on 8 October 2020 and there is no revision to any of the fee. Details of Directors' Fee are set-out on page 32 of the Annual Report.

The Company will be seeking the approval of the shareholders for the Proposed Directors' Fee for an amount up to RM108,000 for the financial year ending 30 April 2022. The fee will not be paid until the approval of the shareholders has been obtained at the 23rd AGM.

The Directors who are shareholders of the Company will abstain from voting on Resolution 7 pertaining to their respective Directors' Fee.

4. **Authority to issue shares under Sections 75 and 76 of the Companies Act, 2016 (Resolution 9)**

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 23rd AGM.

The proposed Resolution 9, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 23rd AGM, to allot and issue ordinary shares up to an aggregate amount of not exceeding 10% of the total number of issued shares of the Company for the time being from the unissued capital of the Company pursuant to Sections 75 and 76 of the Companies Act, 2016. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to placement of shares, funding for future investment project(s) and/or business expansion and/or working capital and/or acquisitions or the issuance of shares as a consideration for the acquisition of assets.

NOTICE OF THE 23rd ANNUAL GENERAL MEETING (CONT'D)

5. **Proposed Renewal of Authority for the Purchase by the Company of Its Own Ordinary Shares (Resolution 10)**

The proposed Resolution 10, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting. For further information on the Proposed Share Buy-Back, please refer to the Share Buy-Back Statement dated 30 August 2021 accompanying the 2021 Annual Report.

6. **Proposed Retention of Independent Directors (Resolutions 11 and 12)**

The proposed Resolutions 11 and 12, if passed, will allow Mr Low Chin Ann @ Han Chin Ann (Mr Low) and Mr Lai Yew Choong (Mr Lai) to be retained as Independent Directors in line with Practice 4.2 of the Malaysian Code of Corporate Governance. The full details of the Board's justification and recommendations for the retention of Mr Low and Mr Lai as Independent Directors are set out on pages 29 to 30 of the 2021 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF GENERAL MEETING

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

1. **Details of individuals who are standing for election as Directors.**

No individual is standing for election as Director at the 23rd AGM of the Company.

2. **Statement relating to general mandate for issue of securities in accordance with - Paragraph 6.03(3) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad**

Details of the general mandate for the Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 4 of the Notice of the 23rd AGM.

PERSONAL DATA PRIVACY

By lodging of a completed Form of Proxy to the Share Registrar of the Company for appointing a proxy(ies) and/or representative(s) to attend and vote in person at the 23rd Annual General Meeting and any adjournment thereof, a member of the Company is hereby:

- 1) consented to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 23rd Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 23rd Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**");
- 2) warranted that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes ("**Warranty**"); and
- 3) agreed that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

**ANALABS RESOURCES BERHAD**Registration No: 199801012843 (468971-A)
(Incorporated in Malaysia)

CDS ACCOUNT NO.	
NO. OF SHARES	

FORM OF PROXY

I/We _____

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

of _____

being a member / members of **ANALABS RESOURCES BERHAD** (Registration No: 199801012843 (468971-A)) hereby appoint the following person(s):-

Name	Email 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 Twenty-Third Annual General Meeting ("23rd AGM") of the Company held on a fully virtual using Remote Participation and Voting ("RPV") facilities via <https://agm.digerati.com.my/analabs-online> provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 7 October 2021 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
Ordinary Resolution 1	Re-election of Kan Yow Kheong as a Director.		
Ordinary Resolution 2	Re-election of Kan Mun Hoow as a Director.		
Ordinary Resolution 3	Re-election of Low Chin Ann @ Han Chin Ann as a Director.		
Ordinary Resolution 4	Re-election of Lai Yew Choong as a Director.		
Ordinary Resolution 5	Re-election of Clifton Heath Fernandez as a Director.		
Ordinary Resolution 6	Re-election of Lye Meei Ruu as a Director.		
Ordinary Resolution 7	Approval of Directors' Fee for the financial year ending 30 April 2022		
Ordinary Resolution 8	Re-appointment of Crowe Malaysia PLT as Auditors.		
Ordinary Resolution 9	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 10	Proposed Renewal of Share Buy-Back.		
Ordinary Resolution 11	Retention of Low Chin Ann @ Han Chin Ann as an Independent Director.		
Ordinary Resolution 12	Retention of Lai Yew Choong as an Independent Director.		

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:

Appointment of Proxy

- A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him save for a member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- The instrument appointing a proxy 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 forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. The appointment of proxy may also be submitted electronically at <https://agm.digerati.com.my/analabs-online> not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

Members Entitled to Attend

- For purposes of determining a member who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Depository, in accordance with Clause 70 of the Company's Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 29 September 2021. Only a depositor whose name appears on the General Meeting Record of Depositors as at 29 September 2021 shall be entitled to attend, speak and vote at the said meeting or appoint a proxy(ies) on his behalf.

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AFFIX
STAMP

ANALABS RESOURCES BERHAD
Registration No: 199801012843 (468971-A)
Unit 621, 6th Floor, Block A,
Kelana Centre Point, No. 3
Jalan SS7/19, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan

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Fold this flap for sealing



ANALABS RESOURCES BERHAD
Registration No. 199801012843 (468971-A)

Unit 621, 6th Floor, Block A
Kelana Centre Point, No. 3, Jalan SS7/19
Kelana Jaya, 47301 Petaling Jaya
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Tel: +603 7880 9699
Fax: +603 7880 8699

Email: enquiry@analabs.com.my

www.analabs.com.my