



ANALABS RESOURCES BERHAD

Registration No. 199801012843 (468971-A)

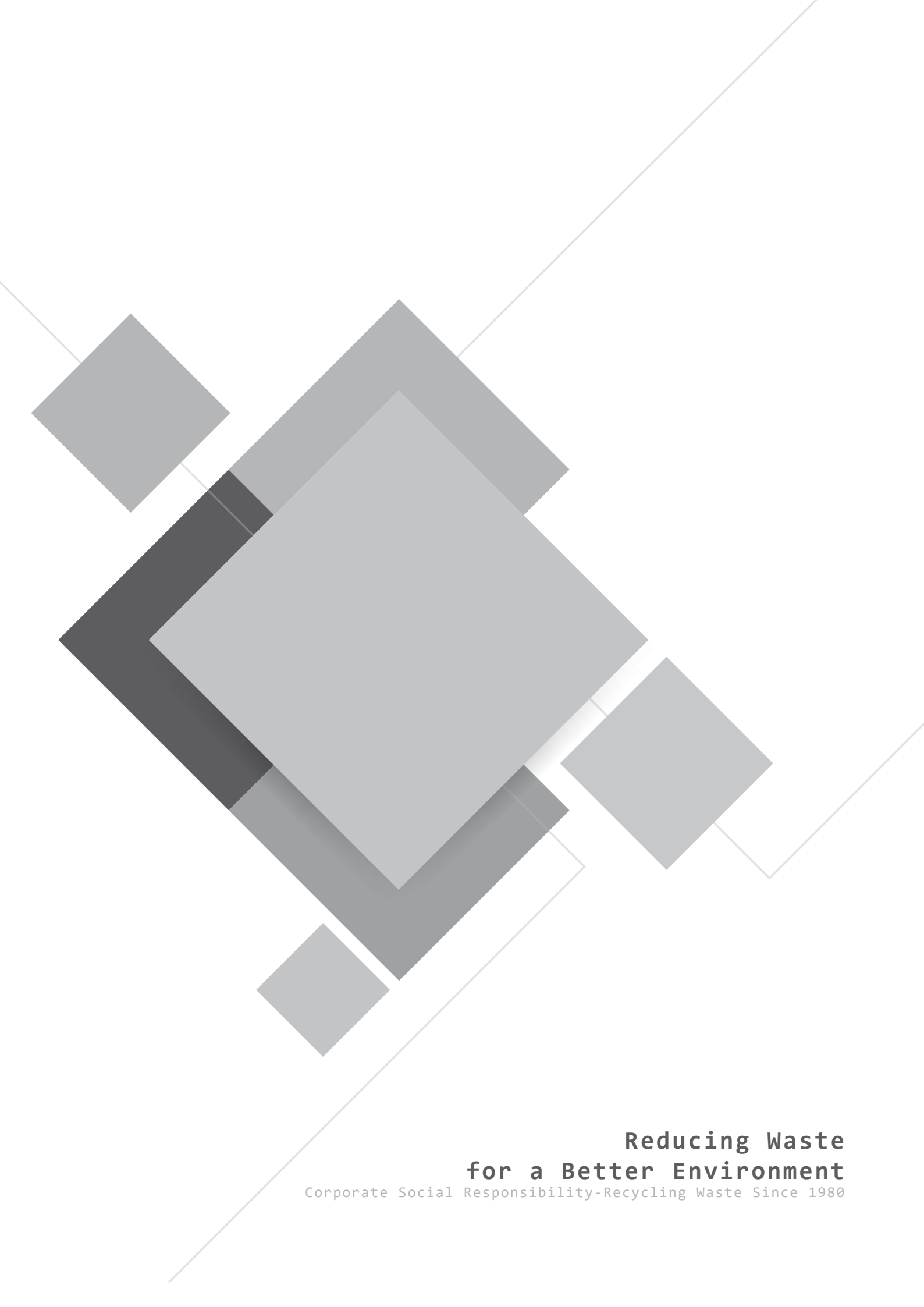


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ANNUAL REPORT

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



WHAT'S INSIDE

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kan Yow Kheong

- Executive Chairman

Kan Mun Hoow

- Executive Director cum Group Chief Executive Officer

Low Chin Ann @ Han Chin Ann

- Senior Independent Non-Executive Director

Lai Yew Choong

- Independent Non-Executive Director

Clifton Heath Fernandez

- Independent Non-Executive Director

Lye Meei Ruu

- Independent Non-Executive Director

Chia Yee Yan

- 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



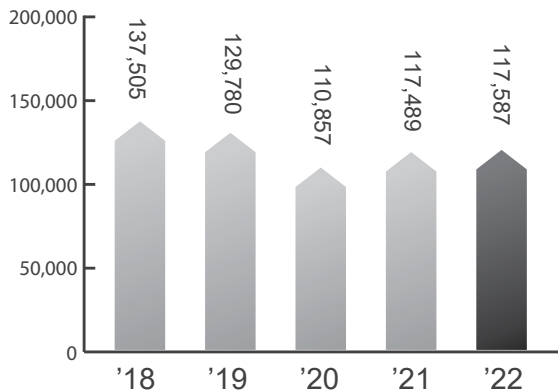
SINGAPORE



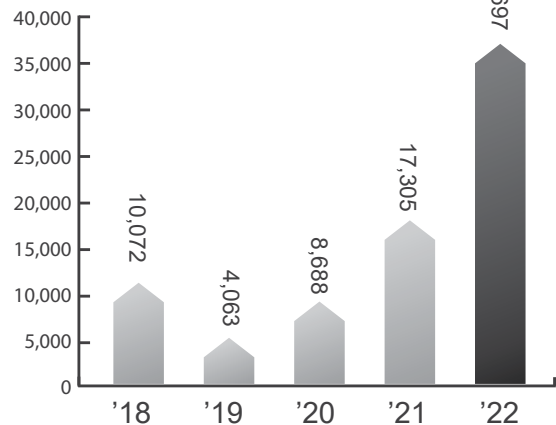
FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2018	2019	2020	2021	2022
TURNOVER (RM'000)	137,505	129,780	110,857	117,489	117,587
PROFIT AFTER TAXATION (RM'000)	10,072	4,063	8,688	17,305	36,697
PROFIT ATTRIBUTABLE TO					
SHAREHOLDERS (RM'000)	9,489	3,918	7,256	16,370	29,463
NET EARNINGS PER SHARE (SEN)	8.46	3.57	6.66	15.03	27.05
NET ASSETS (RM'000)	249,694	269,992	255,857	281,992	328,808
NET ASSETS PER SHARE (RM)	2.24	2.49	2.35	2.58	2.96
DIVIDEND PER SHARE (SEN)	1.00	2.00	2.00	2.00	2.00

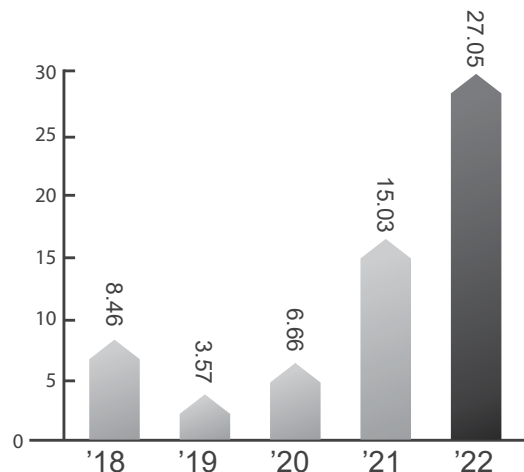
**TURNOVER
(RM'000)**



**PROFIT AFTER TAXATION
(RM'000)**



**NET EARNINGS PER SHARE
(SEN)**



PROFILE OF DIRECTORS

MR. KAN YOW KHEONG Executive Chairman

Mr. Kan Yow Kheong, a Malaysian, Male, aged 68, 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 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 cum Group Chief Executive Officer 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 cum Group Chief Executive Officer (Group CEO)

Mr. Kan Mun Hoow, a Malaysian, Male, aged 42, was appointed to the Board of Directors of Analabs as the Executive Director on 9 March 2017 and was re-designated as the Group CEO on 1 April 2022. 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. He has no other family relationship with any director and/or major shareholder of the Company.

He 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 42, 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.

He is an Independent Non-Executive Director of Kumpulan Kitacon Berhad.

Mr. Low is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit and Risk Management Committee. He 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 74, 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 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 50, 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 Accountant (ACCA, UK). He holds a Chartered Accountancy and a Diploma in Management from The Malaysian Institute of Management (AMIM) and is a Certified Management System, Lead Auditor for ISO 9001/ 45001/ 14001 etc. He is also a Chartered Internal Auditor, IIA, C.A (M), Asean CPA and a member of Chartered Quality Institute, UK and INSOL International.

He is currently the Training and Certification Director of UNICERT International 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 audit and placement consultancy for clients in Southeast Asia region.

He 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 attended all 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.

MS. LYE MEEI RUU
Independent Non-Executive Director

Ms. Lye Meei Ruu, a Malaysian, Female, aged 36, 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 10 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 is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. She attended all five (5) Board Meetings held 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 DIRECTORS (CONT'D)

MS. CHIA YEE YAN **Independent Non-Executive Director**

Ms. Chia Yee Yan, a Malaysian, Female, aged 29, was appointed to the Board of Directors of the Company on 9 May 2022 as an Independent Non-Executive Director.

Ms. Chia graduated with a Bachelor of Accounting degree with First Class Honors from Universiti Utara Malaysia in 2016.

She was instrumental in developing both offline and online marketing plans to establish a brand identity and to strengthen the company's reputation to stand out from competition. She has managed the distributorship for customers in the South East Asia region for the past 3 years.

Ms. Chia is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. As Ms. Chia was appointed subsequent to the financial year, she did not attend any Committee Meetings, in which she is a member and any Board Meeting held 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 as at the date of her appointment.

PROFILE OF KEY SENIOR MANAGEMENT

MR. KAN YOW KHEONG
Executive Chairman

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

MR. KAN MUN HOOW
Executive Director cum Group Chief Executive Officer

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

MS. LAI NYUK MOI
Finance Manager

Ms. Lai Nyuk Moi, a Malaysian, Female, aged 53, 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 20 years of experience in various divisions in 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 “Company”), I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 30 April 2022 (“FY 2022”).

Analabs which started its humble business in laboratory testing, trading in chemicals, building water treatment plant and recycling of waste sector has over the years strategically invested in financial assets and has gained a strong 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.

GROUP FINANCIAL PERFORMANCE

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 2022 which reported a robust set of numbers.

Despite the global economic downturn due to the Covid-19 pandemic, the Group was able to steer through the tough market environment to deliver our targets and achieved a profit before tax (PBT) of RM39.0 million for FY 2022, which was RM18.9 million higher than the PBT of RM20.1 million for FY 2021, representing a growth of 94.0%.

As at 30 April 2022, the Group's financial position remained healthy with net assets amounting to RM328.8 million, which was RM46.8 million higher than the net assets of RM282.0 million as at 30 April 2021.

CHAIRMAN'S STATEMENT (CONT'D)

OPERATING ENVIRONMENT

The manufacturing, formulation and sale of resin, chemicals and building materials segment remained the Group's main focus and was the key revenue contributor for the FY 2022.

The Group continues to face challenges with an overcrowding of players where supply outstripped the demand especially in the building material sub-segment and escalated inflation leading to the surge of commodity prices which adversely affect the financial performance of the Group as a whole.

The Group's investment holding and property letting segment reported an increase in PBT of RM19.2 million, representing a year-to-year growth of 1200%, to RM20.8 million in FY 2022 mainly due to the higher dividend income received from its quoted investments in the blue-chip counter of RM7.3 million and the one-off gain of RM9.6 million arising from the disposal of a foreign subsidiary.

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 deliver 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 dividend of 2.0 sen per ordinary share on 11 March 2022.

As at 30 April 2022, the Company held a total of 11,114,100 treasury shares from its issued share capital of 120,048,000 ordinary shares.

LOOKING FORWARD

Our nation and the world are facing an unprecedented health crisis due to Covid-19. This global pandemic impacted the world's economy and has forced us to adapt to "the new norm" in our work, life and social interactions. From the pandemic to Russia's invasion of Ukraine, the increasing uncertainties in the economic outlook continues to pose a significant challenge to the Group in the foreseeable future.

With the geopolitical developments, highly volatile commodity prices that are unfavourable to our businesses and the new minimum wages legislation, the Group expects the business outlook to be very challenging. Nevertheless, the Group has undertaken necessary measures to control cost structures and strategies to identify new opportunities to mitigate these effects. The Group foresees constant dividend income from its investment holding segment can be sustainable with the gradual re-opening of the post pandemic marketplace.

ACKNOWLEDGEMENT

I personally would like to extend my appreciation to my fellow Directors, Mr. Lai, Mr. Low, Mr. Clifton, Ms. Lye, Mr. MH Kan and our newly appointed Director, Ms. Chia 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 and spill-over of the Covid-19 pandemic.

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, Smart Business Consulting, 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, 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 (“FY”) ended 30 April 2022.

BUSINESS SEGMENTS

Analabs Resources Berhad (“Analabs”) is an investment holding company with subsidiaries in Malaysia and Singapore. The Company is involved in 5 diversified business segments which include:

- Investment holding and property letting;
- Contract work, pipe laying and rehabilitation;
- Manufacturing, formulation and sale of resin, chemicals and building materials;
- Recovery and sale of recycled products; and
- Culture and sale of prawns.

Investment Holding and Property Letting

Our investment holding and property letting segment includes shares investment and leasing of commercial and industrial properties. As we moved into 2022, the Malaysian economy shows a general improved outlook amid the divergence pace of vaccination roll-outs and emergence of new Covid-19 variants. The Government’s strategy towards adopting sustainable long-term policies in dealing with Covid-19 has resulted in more consistent regulations on economic activity, improving sentiments toward financial security and investors’ confidence in the Malaysian stock market.

In line with the anticipated economic recovery pace, our investment holding segment reported an increase of RM7.4 million in revenue to RM9.9 million during FY 2022. Our Group’s strategy is to continue investing in blue-chip counters for sustainable dividend income and capital appreciation.

While for the property letting segment, the rental income reported was RM0.3 million for FY 2022, which remained below the pre-pandemic level. However, our Group is cautiously optimistic on the future prospects of this segment.

During FY 2022, Analabs disposed off its entire equity interest in its Singapore subsidiary, Cleanway Disposal Services Pte Ltd at RM17.3 million, resulting in a one-off gain to the Group’s profits of RM9.6 million. The disposal was completed on 31 December 2021.

Contract Work, Pipe Laying and Rehabilitation

Our contract work, pipe laying and rehabilitation segment has been involved in the piping industry in Singapore since 1984, where we serve a wide range of clientele in private sectors. We are involved in the excavation works for pipe laying, replacement and maintenance. Currently, our market is focused in Singapore.

During the FY 2022, sales from this segment increased by 73.7%, from RM15.2 million to RM26.4 million as a result of the reopening of international borders and the lifting of Covid-19 related restrictions in Singapore. The segment shows a strong rebound with activity levels reaching its pre-pandemic level.

In line with the higher activity, this segment’s profit before tax grew by 190.3% from RM3.1 million in FY 2021 to RM9.0 million in FY 2022.

Our Group’s strategy is to continue to build up the order book with small and short-term contracts to minimise the risk and long-term commitment and ensuring cost control measures remains a priority for every project.

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

Our manufacturing, formulation and sale of resin, chemicals and building materials segment is mainly involved in manufacturing and selling resin impregnated papers. Coveright Surfaces Malaysia Sdn. Bhd. has been recognised locally and internationally as one of the specialists in paper impregnation with its in-house production of resin. Our customers are based internationally, and include, but not limited to Australia, Korea, Malaysia, New Zealand, Taiwan and United States.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

BUSINESS SEGMENTS (Cont'd)

Manufacturing, Formulation and Sale of Resin, Chemicals and Building Materials (Cont'd)

During the FY 2022, this business segment experienced a contraction, as revenue was lower by 20% to RM71.6 million from RM89.5 million reported a year ago due to the inconsistent recovery of global economy from the pandemic-triggered recession. A hike in resin price, as well as ocean freight cost and oil price fluctuation continue to pose a significant downside to this segment's profitability. The profit before tax of the segment slumped by 47.5%, from RM14.1 million in FY 2021 to RM7.4 million in FY 2022.

In the current challenging times, our Group's strategy is to focus on the growth to enhance revenue streams by expanding our clientele base and invest in resources for continuous improvement in products research and development. Apart from that, we are closely monitoring the commodity prices and our capital requirements so as not to be caught in the competitive pricing trap amid the geopolitical uncertainties and currency devaluation giving rise to the inflation.

Recovery and Sale of Recycled Products

Our recovery and sale of recycled products segment covers recycling of hazardous industrial waste and domestic waste. The segment's activities involve the Group's core business as a professional waste management company that has set industrial benchmarks time and again with its innovative and environmentally friendly recycling practices to satisfy customer requirements.

This segment's sales dropped 7.5% year on year to RM8.6 million in FY 2022 whereas the profit before tax increased by 50.0% year on year to RM2.4 million in FY 2022 as a result of the effective cost control measures undertaken by the management. This segment is expected to experience a gradual growth moving forward in tandem with projected Malaysia industrial production growth to trend around 5% in 2023.

Our Group has been constantly enhancing our expertise and extensive know-how in environment management to provide a one stop solution. Through the application of new recycled products, we aim to increase our market share in the niche market of scheduled waste management industry.

Culture and Sale of Prawns

Our culture and sale of prawn segment is involved in breeding prawns in freshwater for local markets. Our prawn farm is located at Kuala Langat, where it is equipped with eco-friendly culture systems. This segment reported an increase in sales of 50.0% year on year to RM0.9 million in FY 2022. The loss before tax increased by 50.0% year on year to RM0.6 million in FY 2022 due to lower survival rate of prawns and the hike in the cost of imported prawn fry following the disruption from the Covid-19 pandemic.

This segment remains a challenge to the Group. Through day-to-day monitoring and knowledge transfer on water treatment and recirculation system, this segment is seeking for continuous improvement in culturing our prawn farms. We strongly believe that food is a necessity and a recession proof business and this would enable us to diversify our Group's venture.

OPERATIONS REVIEW

Financial Results

For the FY 2022, our Group achieved a revenue of RM117.6 million representing a year-on-year increase of 0.1%. The revenue was mainly contributed by manufacturing, formulation and sale of resin, chemicals and building materials segment of RM71.6 million and contract work, pipe laying and rehabilitation segment of RM26.4 million.

Correspondingly, our Group's profit before tax increased by 94.0% from RM20.1 million in FY 2021 to RM39.0 million in FY 2022. The increase in the profit before tax was largely due to a few factors including higher dividend income received from quoted investments by RM12.4 million, one off gain arising from disposal of a foreign subsidiary in Singapore of RM9.6 million, higher written down of inventories by RM2.3 million, as well as foreign exchange losses of RM1.7 million as compared to foreign exchange gain of RM0.6 million in the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

OPERATIONS REVIEW (Cont'd)

Assets, Liabilities and Equity

Our Group's total assets increased from RM401.5 million to RM445.0 million, representing a year-on-year increase of 10.8% as compared to the preceding financial year. The increase in total assets was mainly due to the increase of quoted investments by RM49.3 million and an increase in cash and cash equivalents by RM7.2 million. The increase was partially offset by the decrease of property, plant and equipment of RM12.8 million mainly due to the disposal of the foreign subsidiary in Singapore.

Our Group's liabilities decreased by 2.8% to RM116.2 million as at 30 April 2022 from RM119.5 million a year before. The decrease was mainly due to lesser lease liabilities held by the Group as a result of the disposal of foreign subsidiary in Singapore. Our Group's debt-to-equity ratio has decreased to 0.26 from 0.27 as at end of the preceding financial year.

As at 30 April 2022, our Group's total equity increased from RM282.0 million to RM328.8 million, representing a year-on-year increase of 16.6%.

Working Capital Position

As at 30 April 2022, our Group recorded receivables of RM26.3 million, a marginal increase of 0.8% as compared to RM26.1 million as at 30 April 2021. This was mainly due to the increase of non-trade receivables comprising the balance to be received from the buyer following the disposal of a foreign subsidiary in Singapore.

As at 30 April 2022, our Group had payables of RM8.9 million, a decrease of 56.4% as compared to RM20.4 million as at 30 April 2021. The decrease was due to lower operating costs incurred by manufacturing, formulation and sale of resin, chemicals and building materials segment and higher utilisation of bank credit facilities leading to higher loan and borrowings outstanding as at financial year end.

Our Group's inventories increased by RM2.0 million from RM12.4 million in the preceding financial year due to higher storage of the raw materials held by manufacturing, formulation and sale of resin, chemicals and building materials segment.

RISK AND UNCERTAINTIES

Our Group is exposed to a variety of 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.

Further details on the Group's financial risk management can be found in Note 36 of the Financial Statements in this Annual Report.

Apart from the financial risks, our Group's activities are also exposed to certain operational risks as follows,

Economic, Political and Social

Like all other businesses, adverse developments in the economic, political and social conditions in Malaysia and other international markets where our Group has material operations could materially and adversely affect the business and financial performance as well as the growth of our Group.

Such adverse developments include, but not limited to, changes in political leadership, epidemic outbreaks, social unrests and global economic downturn.

Whilst it is not possible to prevent the occurrence of these events, our Group attempts to mitigate the effect of these risks through close monitoring of the Government's masterplan on long term economic and development policies and strategy.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

RISK AND UNCERTAINTIES (Cont'd)

Dependence on Key Management

The continued success of Analabs is, to a certain extent, dependent on the abilities and continued efforts of the key management. The ability to attract and retain skilled personnel helps to ensure the sustainable growth of our Group. We will continue to provide our employees with long-term career prospects within our Group and job rotation opportunities to develop multiple skills. In the next few years, we aim to source for candidates with the right fit aligned with our succession plan.

Raw Materials Price Volatility

Our manufacturing, formulation and sale of resin, chemicals and building materials segment is exposed to materials price fluctuation. Raw paper and resin are the two major components used in the production of impregnated decorative surfacing films. Resin price are volatile as a result of the fluctuation of oil price and supply shortage in the market.

The strengthening of US Dollars against RM has caused the surge of our raw materials cost which are purchased in US Dollar resulting in lower margin as most of our sales are denominated in Euro and Ringgit Malaysia. To mitigate this risk, we maintain regular communications with our suppliers to monitor the latest pricing and constantly tap on new source of supplier from other regions to obtain competitive pricing.

Machineries Breakdown

Our manufacturing, formulation and sale of resin, chemicals and building materials segment has 4 impregnating lines. A major risk is the breakdown of machines which would then slow down the production rates and cause wastages. This in turn results in higher cost of production. To mitigate this risk, repairs and maintenance are carried out regularly to mitigate breakdowns. Constant monitoring of equipment and spare parts are also in practiced by the engineers to ensure all variable elements meets with the applicable standards set.

Changes in Regulations

Changes in environmental related laws and regulation may have an adverse impact on the existing technologies, marketing strategies and operational practices established by our recovery and sale of recycled products segment. With global investment in green technology on the rise, environmental quality standards are upgraded with growing health awareness.

To survive in the long run, we continue to keep abreast with all possible updates from ISO (International Organisation for Standardisation) Standard, Department of Environment and the Local Town Council Regulations as well as recommended changes to the related legal requirements.

FUTURE OUTLOOK

Following an uneven economic recovery, global growth is expected to slow down in the year 2022 as risks from the pandemic and Russia-Ukraine war begins to materialise. The war and its associated sanctions have caused the supply disruption in the energy and food market and are elevating the inflation worldwide with further tightening of monetary policies.

In these unprecedented times, we expect the outlook to remain challenging moving forward. Our Group is constantly undertaking continuous enhancements in production efficiencies, overheads and production cost management. We 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.

CORPORATE SUSTAINABILITY STATEMENT

REPORTING PROFILE AND SCOPE

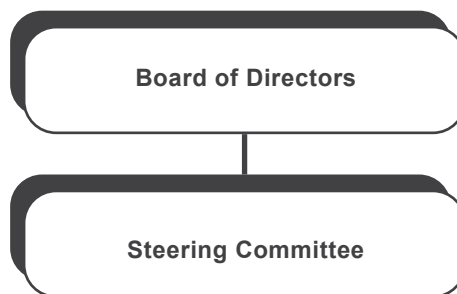
Analabs Resources Berhad (“Analabs”) is committed to integrate sustainability in its business practices, focuses primarily on the management of Economic, Environmental and Social (“EES”) risks and opportunities, as a measure to generate long-term benefits and business continuity. Analabs is supporting the United Nation’s Sustainable Development Goals (“UN SDGs”) and working alongside our stakeholders to bring more value to its business and society as a whole.

The information and data disclosed in this statement were derived from our internal reporting processes, systems and records. The statement is prepared in accordance with the Sustainability Reporting Guide and Toolkits from Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

Unless otherwise stated, the statement covers the sustainability performance of the operations of Analabs and its subsidiaries (“the Group”, “we” or “our”) for the financial year (“FY”) 2022.

SUSTAINABILITY GOVERNANCE STRUCTURE

At Analabs, our efforts have been guided by a robust standard and an improved framework that promotes integrity, ethical behaviour, accountability and transparency. Our sustainability governance has been spearheaded by the Board of Directors (“the Board”) in collaboration with the Steering Committee. The Steering Committee comprises the members of the Senior Management and head of departments of Analabs.



Among the responsibilities are:

Board of Directors:

- oversee the implementation of sustainability strategies and targets; and
- approve the annual Sustainability Statement.

Steering Committee:

- identify the material matters relevant to business operations;
- recommend targets, initiatives and standard procedures to manage material matters identified as well as implement the approved recommendations;
- monitor and report the progress of all sustainability initiatives and strategies to the Board;
- consider the views of stakeholders in managing sustainability matters; and
- assess the company’s sustainability risks and opportunities.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS' ENGAGEMENTS

At Analabs, we believe ongoing engagement with various stakeholders allows us to understand their needs and make the business sustainable. We engage with our stakeholder groups through various communication channels - from web-based media platforms, meetings and seminars to in-person interactions.

The following table outlines our key stakeholders, as well as the method of engagement and the frequency of engagement.

Stakeholder Group	Engagement Method	Frequency
Customers	Customer complaint management	Regularly
	Customer feedback management	Regularly
	Daily management	Daily
	Events and engagement sessions	Regularly
	Market research and products innovation	Regularly
	Site visit	Regularly
Vendors/Subcontractors	Independent evaluation	Annually
	Regular visit	Regularly
	Vendor briefing programmes	Regularly
	Vendor development programme (VDP)	Regularly
	Vendor relationship management	Regularly
Government and regulators	Formal meetings or visits	Ad hoc
	Licensing, audits & inspections	Annually
	Performance and monitoring reports	Periodically
Employees	Meeting	Daily and weekly
	Performance appraisal	Annually
	Training and development	Regularly
Investors	Annual general meetings	Annually
	Extraordinary general meetings	Ad hoc
	Investors briefing	Ad hoc
	Corporate announcements	Periodically
	Media releases	Ad hoc
Local communities	Corporate social responsibilities activities	Ad hoc
	Donations	Ad hoc

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS

Material sustainability matters are identified via reviews and assessments of the context and strategy of each subsidiary by the management with considerations to relevant stakeholders' requirements and expectations. These are the critical internal and external risk and opportunities that are pertinent to the long-term growth and continual improvement of Analabs. A total of thirteen (13) material sustainability matters were identified as outlined in the graph below and profitability remained rated as highly important to stakeholders and has strategic influence to the Group.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)



Sustainability Materiality Profile



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Economic

1. Financial Performance

Market condition affects all businesses in every industry. Adverse market condition can lead to poor financial performance. Business model plays a vital role in challenging market condition and affecting the business performance. We believe our business model remains effective in delivering sustained favourable financial performance to the Group.

At Analabs, we practice to have active discussion on corporate and business strategies with the senior management and the Board. The management are hands-on in their day-to-day operations and encourage collaboration between all the levels.

Analabs's financial performance highlights for the financial year ended 30 April 2022 and its comparatives for the previous financial year are as follows: -

Financial year ended	2022	2021
Revenue (RM'000)	117,587	117,489
Profit after taxation (RM'000)	36,697	17,305
Net assets (RM'000)	328,808	281,992
Net assets per share (RM)	2.96	2.58

2. Indirect Economic Impact

Analabs has been involved in recycling scheduled waste since the year 1980. In 1987, Montreal Protocol, an international treaty was signed to protect the ozone layer. Since then, Analabs has recycled Chlorofluorocarbons (CFCs) and changed to other alternate solvents.

Analabs promotes a sustainable environment through the recycling services in line with the Group's motto "Reducing Waste for A Better Environment". Our recycling services and reuse of recycled solvent products enable our customers to stay cost competitive through relatively cheaper replacements which can help to lower their production costs in the long run. Our subsidiary is certified with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 integrated management system.



GCTB-0068-QC
ISO 9001:2015



GCTB-0068-EC
ISO 14001:2015



GCTB-0068-OHC
ISO 45001:2018

Environmental

1. Product and Services Responsibility

Forest stewardship council - Chain of custody ("FSC CoC")

Coveright Surfaces Malaysia Sdn Bhd ("Coveright"), one of the major subsidiaries of Analabs, is involved in wood panel industry, particularly in manufacturing impregnated decorative surfacing films to customers from all over the world. Given the increasing public concern about the state of the world's forests and timber resources, Coveright joins the FSC and became part of the FSC-certified chain of custody to promote sustainable forest management with its SHEQ (Safety, Health, Environment and Quality) management system.

Becoming FSC-certified means Coveright is sourcing materials from FSC-certified forests, recycling and/or controlled sources and is following FSC-defined best practice throughout the supply chain. In FY 2022, about 89.5% of Coveright's paper supply is sourced from FSC-certified suppliers.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

1. Product and Services Responsibility (Cont'd)

Forest stewardship council - Chain of custody ("FSC CoC") (Cont'd)

Coverright also complies with FSC's core labour requirements, includes: -

- no child labour;
- eliminate all forms of forced and compulsory labour;
- ensure no discrimination in employment and occupation; and
- respect freedom of association and the effective right to collective bargaining.



Scheduled waste management

Analabs provides scheduled waste management services mainly via two of its subsidiaries, namely Resources Conservation Sdn Bhd ("RCSB") and Syntax System Solutions Sdn Bhd ("SSS"). Analabs and its subsidiaries strive to prevent pollution through environmental controls and minimization of wastes.

We offer a one-stop solution for waste management requirements. We provide bundled environmentally friendly solutions for waste reduction, energy conservation and resource management. We assist in lowering the environmental effects through 3R Concept - reducing, recycling and reusing of waste.

In our day-to-day operations, we adhere to Standard Operating Procedures which is in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 in providing our scheduled waste management services covering liquid and solid waste.

At RCSB and SSS, scheduled waste generated by the waste generators are transported and processed at the prescribed premises according to the requirements of Department of Environment ("DOE"). For those waste that cannot be recycled, they are properly disposed through the appropriate legal channel.



Our employees attended the courses on Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") and are certified as Competent Person for Certified Environmental Professionals in the Operation of Industrial Effluent Treatment Systems ("CePIETSO"). In FY 2022, the total scheduled waste we treated has increased by 28.2 % as compared to FY 2021.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

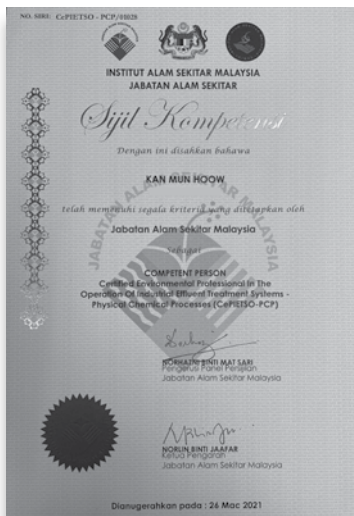
MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

1. Product and Services Responsibility (Cont'd)

Scheduled waste management (Cont'd)

To deliver proper waste management services to our customers, Analabs remains committed in keeping our employees competent in handling the jobs while looking for method of waste processing which can reduce the carbon footprint.

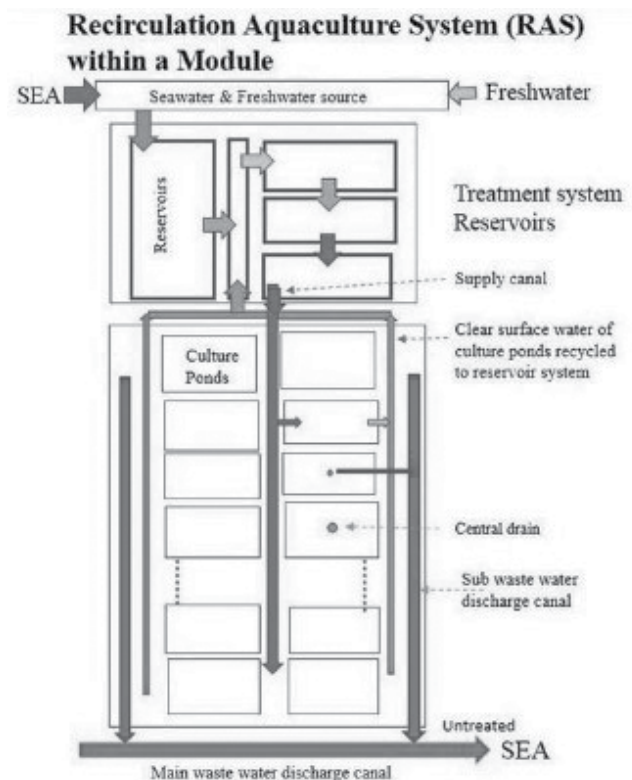


Sustainable aquaculture

Striketech Sdn Bhd, ("Striketech") is one of the subsidiaries of Analabs, is involved in the culture of prawns. Today, society has become increasingly concerned about the negative impacts of aquacultural activities have on the environment. The issues raised include among others, excretions from the aquatic life, accumulation of excess feed in the water and increase of the toxicity which degrade the water quality. In most of the conventional aquacultural practice, contaminated water is discharged back to the ocean without treatment.

As part of our sustainable approach to reduce water pollution, Striketech is using recirculating aquaculture system (RAS) to recycle water by running it through filters to remove prawn waste and food and then recirculating it back into the tanks. Apart from that, Striketech also sources the fries and feeds from the reliable supplier, Charoen Pokphand group in Malaysia.

We believe that sustainable aquaculture could be the key to feeding our growing population. By taking part in the sector, we help to create a source of aquatic-sourced food and commercial product while reducing the harm to environment and protecting the various aquatic species.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

2. Energy Efficiency

In response to the climate change issues faced worldwide, Analabs recognises the need to deepen our commitment to sustainability by reducing our carbon footprint. We have identified “energy efficiency” as a new key sustainability opportunity. Increased efficiency can lower the greenhouse gas emissions and other pollutants as well as to reduce the energy consumption costs especially when our operation involves the usage of heavy machineries and high reliance on natural gas.

Towards the end of FY 2022, Coveright has made a shift to solar by installing a solar system with capacity of 613.36kW in our factory located at Klang, Selangor. Energy produced from the solar project is supplied to Tenaga Nasional Berhad under the Net Energy Metering (NEM) scheme. Up to April 2022, the solar power system has been generating about 146,000 kWh energy and resulted in an average saving of 1.9% of its electricity expenses per month.



146,000 kWh energy is



Equivalent to 103 metric tonnes carbon dioxide (CO₂)



Equivalent to greenhouse gas emissions from 256,828 miles driven by an average gasoline-powered passenger vehicle



Equivalent to CO₂ emissions from 11,643 gallons of gasoline consumed



Equivalent to carbon sequestered by 1,711 tree seedlings grown for 10 years



Equivalent to 114,478 pounds of coal burned

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

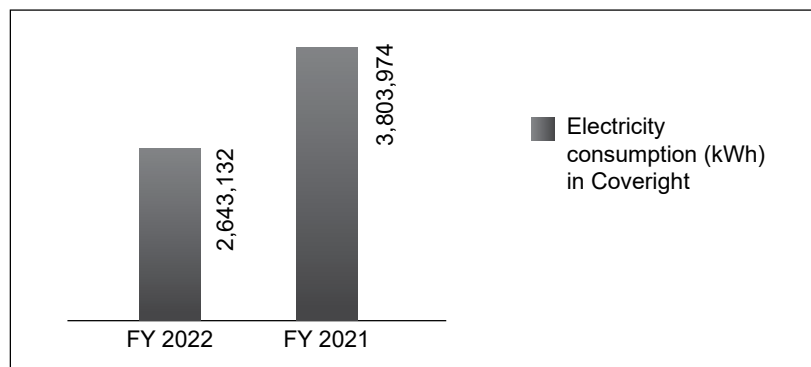
2. Energy Efficiency (Cont'd)

Moving forward, Coveright targets to switch its factory street lighting from fluorescent lights to LED lights as part of the sustainable energy initiatives.

Coveright also invested in an impregnation machine with the installation of heat recovery system which helps to recover the heat in exhaust air. The constant supply of the hot air through the recovery system enables us to reduce the gas consumption in heating our treater at the achieved temperature. As the system is filtered, it improves the air quality.

Among some of the other measures taken by Analabs employees to increase the energy savings and reduce operating costs are:

- reducing the operating hours for office equipment such as air-conditioners;
- turning off the light during non-operation hours; and
- shutting down computers and all appliances when not in use.



3. Air Emissions

Coveright is required to carry out its annual environmental analysis to:

- identify the environmental aspect of its activities and products;
- determine those which can/have significant impacts on the environment; and
- establish an environmental management program which caters for those aspects.

The effectiveness of the environmental management program is monitored via an Integrated Management System audit, observations and feedback by management.

At Coveright, we engaged external party to conduct a yearly monitoring of the dust, heavy metals and air emission. Based on the air emission test result for FY 2022, the discharge of the hazardous substance is within the limits of Malaysian Environment Quality (Clean Air) Regulation 2014 as shown in the table below.

Coveright maintains its existing practice to conduct testing of its local exhaust ventilation systems and monitor the employees' exposure to the chemicals.

Test parameter			2022	2021	Malaysian clean air regulation
			Result	Result	
Isokinetic dust (Particulates)		mg/m3	31.57 - 38.28	25.24 - 35.75	400
Oxides of nitrogen	NOx	mg/m3	10.04 - 17.57	12.69 - 16.52	2,000
Sulfuric acid	H ₂ SO ₄	mg/m3	< 1	< 1	200
Hydrogen sulphide	H ₂ S	ppm	< 0.01	< 0.01	5

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

3. Air Emissions (Cont'd)

			2022	2021	
Test parameter			Result	Result	Malaysian clean air regulation
Hydrofluoric acid	HF	mg/m ³	< 5	< 5	100
Hydrogen chloride	HC1	mg/m ³	< 1	< 1	400
Chlorine gas	Cl ₂	mg/m ³	< 1	< 1	200
Copper	Cu	mg/m ³	< 0.1	< 0.1	100
Zinc	Zn	mg/m ³	< 0.1	< 0.1	100
Arsenic	As	mg/m ³	< 0.1	< 0.1	25
Antimony	Sb	mg/m ³	< 0.1	< 0.1	25
Lead	Pb	mg/m ³	< 0.1	< 0.1	25
Cadmium	Cd	mg/m ³	< 0.1	< 0.1	15
Mercury	Hg	mg/m ³	< 0.1	< 0.1	10
Flue velocity		m/s	9.82 - 11.53	12.80 - 17.10	N/A
Moisture content			2.7% - 3.6%	11.4% - 13.7%	N/A
Dark smoke			Not exceeding chart No. 1	Not exceeding chart No. 1	Not exceeding chart No. 1

Notes:

Test was conducted by Spectroscience Laboratories Sdn Bhd.

As part of the commitment to reduce the emissions including dusk, dark smoke, metallic compounds, Coveright continues to look forward to exploring new application of green technology in the manufacturing process.

4. Water Consumption

In FY 2022, Coveright has in general reduced its water consumption by 20%. Coveright uses its wastewater treatment plant to recycle the wastewater and reuse them in the manufacturing process.

5. Waste Management

At Coveright, we target to reduce our scheduled solid waste to 0.80 tonne per 1 million square metre (sqm) of impregnated decorative surfacing films. Throughout the year, Coveright has undertaken the following initiatives to achieve the desired target:

- optimising the filter press efficiency;
- optimising the separation of supernatant from sludge;
- optimising the water evaporation before packaging to presses cake; and
- use the recycled water in cooking melamine formaldehyde resin.

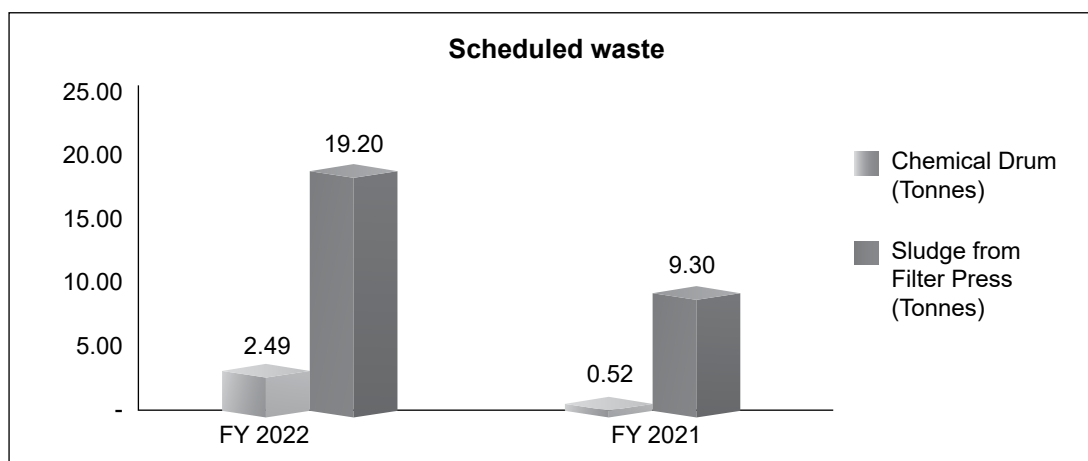
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

5. Waste Management (Cont'd)

In FY 2022, scheduled waste generated by Coveright increased by 11.87 tonnes to 21.69 tonnes due to the production inefficiency. On average, Coveright generated about 0.70 tonnes (FY 2021: 0.22 tonnes) scheduled waste for every 1 million sqm of surfacing films produced. Even though Coveright has increased its tonnage of waste, we will strive to improve to achieve our environmental target.



Based on the monthly industrial effluent discharge monitoring conducted by Chemvi Laboratory, the industrial effluent discharged by Coveright is always within the parameter limits of effluents of Standard B in compliance with Environmental Quality Act (Industrial Effluents) Regulation 2009.

Appended below the analysis results for the last 3 months of FY 2022 and FY 2021:

FY 2022					
Reporting month		Apr-22	Mar-22	Feb-22	
Test parameter	Methods	Results	Results	Results	Standard B
pH (Lab)	APHA 4500 H+B	7.42 at 28.5°C	7.13 at 26.2°C	6.7 at 27.0°C	5.5 - 9.0
COD, mg/l	APHA 5220 C	10	10	10	200
BOD*5 days @ 20°C, mg/l	APHA 5210 B	ND (<5)	ND (<5)	ND (<5)	50
Total suspended solids, mg/l	APHA 2540 D	9	9	10	100
Fluoride, mg/l	APHA 4500 F - D	ND (<0.05)	ND (<0.001)	0.17	5
Copper (Cu), mg/l	APHA 3120 B	0.02	ND (<0.001)	ND (<0.001)	1
Nickel (Ni), mg/l	APHA 3120 B	ND (<0.001)	0.001	ND (<0.001)	1
Iron (Fe), mg/l	APHA 3120 B	0.06	0.06	0.05	5
Manganese (Mn), mg/l	APHA 3120 B	0.006	0.01	ND (<0.001)	1
Zinc (Zn), mg/l	APHA 3120 B	0.07	0.05	0.06	2
Color, ADMI (original pH)	APHA 2120 F	<10	12	16	200
Color, ADMI (pH adjusted @ 7)	APHA 2120 F	<10	12	16	200
# Free Chlorine (Cl ₂), mg/l	APHA 4500 Cl F	ND (<0.1)	ND (<0.1)	ND (<0.1)	2

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

5. Waste Management (Cont'd)

Appended below the analysis results for the last 3 months of FY 2022 and FY 2021: (Cont'd)

FY 2021					
Reporting month		Apr-21	Mar-21	Feb-21	
Test parameter	Methods	Results	Results	Results	Standard B
pH (Lab)	APHA 4500 H+B	7.13 at 30.0°C	7.34 at 27.8°C	7.32 at 29.5°C	5.5 - 9.0
COD, mg/l	APHA 5220 C	10	13	6	200
BOD*5 days @ 20°C, mg/l	APHA 5210 B	ND (<5)	ND (<5)	ND (<5)	50
Total suspended solids, mg/l	APHA 2540 D	9	8	9	100
Fluoride, mg/l	APHA 4500 F - D	ND (<0.05)	ND (<0.001)	0.12	5
Copper (Cu), mg/l	APHA 3120 B	ND (<0.001)	ND (<0.001)	0.004	1
Nickel (Ni), mg/l	APHA 3120 B	ND (<0.001)	ND (<0.001)	ND (<0.001)	1
Iron (Fe), mg/l	APHA 3120 B	0.05	0.06	0.07	5
Manganese (Mn), mg/l	APHA 3120 B	0.01	0.01	ND (<0.001)	1
Zinc (Zn), mg/l	APHA 3120 B	0.05	0.2	0.05	2
Color, ADMI (original pH)	APHA 2120 F	<10	16	<10	200
Color, ADMI (pH adjusted @ 7)	APHA 2120 F	<10	21	<10	200
# Free Chlorine (Cl ₂), mg/l	APHA 4500 Cl F	ND (<0.1)	ND (<0.1)	ND (<0.1)	2

Notes:

ND - not detected.

Standard B - Environmental Quality (Industrial Effluents) Regulations 2009 Fifth Schedule, Parameter Limits of Effluents of Std B.

* - sample for BOD was preserved at <4°C.

- holding time for the analysis was exceeded.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Environmental (Cont'd)

6. Biodiversity

Mangroves are crucial in the fight against climate change because they are estimated to be up to four times more effective than most other forests at absorbing and storing greenhouse gases. Therefore, we are planning to replant mangrove trees on the river banks along our prawn farms as one of our efforts in fighting against the climate crisis.



Social

1. Occupational Safety and Health

Creating a safe environment is undeniably a legal requirement. Yet, it is critical to the long-term success of Analabs. Good safety and health practices enable us to retain our employees, reduce injuries and illness, improve operational efficiency, and in the long run preserve our reputation and increase our profitability.

At Analabs, we promote safety and health at work. We are committed to continuously enhance our safety and health practices to reduce workplace accident rate and maintain a safe working environment for our employees.

Coveright has established its own in-house Occupational Health, Safety and Environment (“OHSE”) committee which meets monthly to facilitate the management of OHSE related initiatives. Every meeting requires the attendance from both representatives of employer and employee and covers topics such as safety and health related issues, safety improvement initiatives, latest accident statistics, etc.

Among the initiatives and measures in place to minimise the safety and health risk and hazards includes:

- policy and procedures;
- supervision by production shift leaders; and
- competent person in handling machinery and equipment.

Coveright had established an Emergency Response Team (ERT) to handle the emergencies and ensure the safety of employees during the occurrence of any disastrous events such as fire, flood and chemicals spillage.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Social (Cont'd)

1. Occupational Safety and Health (Cont'd)

Annual safety trainings are conducted internally by our own Coveright's employees covering the topics such as hazardous chemical management and fire prevention as to address and emphasise the safety awareness among our employees in Coveright. Coveright also outsources training such as forklift driver safety training to external trainers, where it keeps our forklift drivers well equipped with the ability to operate the forklifts in a correct and safe manner.

Noise monitoring

Apart from that, Coveright also ensures its manufacturing activities do not expose the employees to the noise level beyond the Malaysian Recommended Limit (70.0 dB (A) for day time and 65.0 dB (A) for night time).

Illustrated below the results of the boundary noise level monitoring conducted by Spectroscience Laboratories Sdn Bhd at Coveright's premise from 15th April 2022 to 17 April 2022 and from 15th April 2021 to 17 April 2021:

Location	Daytime (from 15.04.2022 to 17.04.2022)						Recommended
	LA _{eq}	LA ₁₀	LA ₅₀	LA ₉₀	LA _{max}	LA _{min}	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LA _{eq} [dB (A)]
1	61.5	74.1	68.8	60.9	78.3	59.2	Below 70
2	62.2	73.5	66.3	60.5	77.2	55.4	Below 70
3	64.2	74.5	66.9	62.1	77.9	55.9	Below 70
4	61.4	71.5	65.6	60.1	74.9	56.3	Below 70

Location	Nighttime (from 15.04.2022 to 17.04.2022)						Recommended
	LA _{eq}	LA ₁₀	LA ₅₀	LA ₉₀	LA _{max}	LA _{min}	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LA _{eq} [dB (A)]
1	58.4	69.5	60.0	55.5	73.2	46.7	Below 65
2	53.2	59.2	53.9	51.5	61.2	46.5	Below 65
3	57.3	64.5	60.1	56.3	66.9	53.3	Below 65
4	58.7	68.8	60.8	56.4	72.2	49.4	Below 65

Location	Daytime (from 15.04.2021 to 17.04.2021)						Recommended
	LA _{eq}	LA ₁₀	LA ₅₀	LA ₉₀	LA _{max}	LA _{min}	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LA _{eq} [dB (A)]
1	60.4	71.6	66.2	60.4	74.9	57.6	Below 70
2	67.0	69.6	63.3	61.4	71.8	54.6	Below 70
3	61.7	73.5	67.6	63.9	75.3	59.1	Below 70
4	54.7	65.5	69.6	64.5	68.9	50.8	Below 70

Location	Nighttime (from 15.04.2021 to 17.04.2021)						Recommended
	LA _{eq}	LA ₁₀	LA ₅₀	LA ₉₀	LA _{max}	LA _{min}	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LA _{eq} [dB (A)]
1	55.6	63.5	57.3	53.5	65.5	49.7	Below 65
2	51.1	60.7	56.5	50.2	63.1	48.6	Below 65
3	58.6	67.1	61.6	57.6	70.5	52.1	Below 65
4	54.4	64.6	60.7	54.6	68.6	52.6	Below 65

Note:

LA_{eq} – Equivalent Continuous Sound Level

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Social (Cont'd)

1. Occupational Safety and Health (Cont'd)

Coveright will run a noise monitoring and audiometric testing programme to highlight the effects of noise on hearing and general health among its employees and ensure the noise exposure control measures are in place.

COVID-19 pandemic

Analabs has 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 ensuring 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. Along with the rapid Covid-19 vaccination roll-out, all the employees at Analabs have completed their 2 doses of vaccines and 1 booster shot.

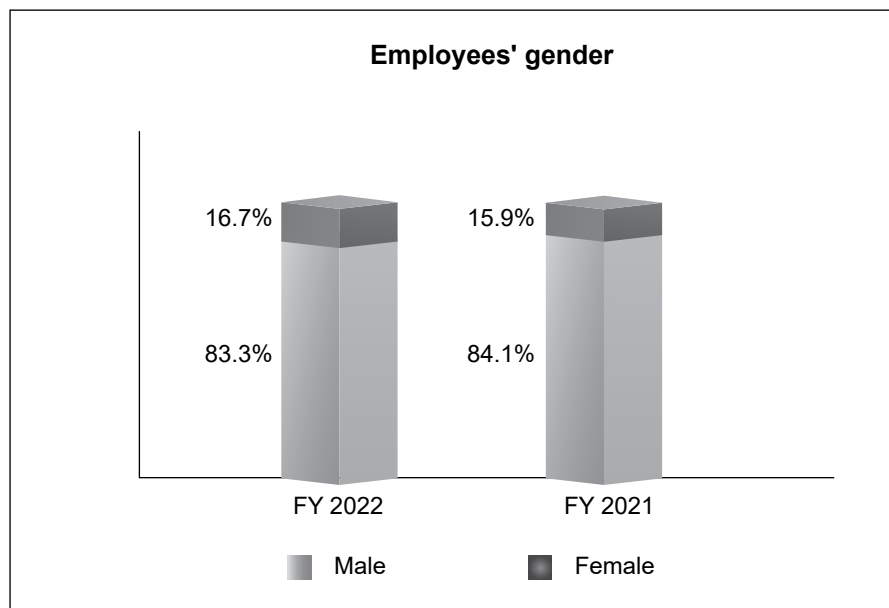
2. Diversity

Diversity in the workplace helps to increase creativity and productivity. Analabs and its subsidiaries embraced diverse workforce and promote a collaborative and respectful working environment among the employees. Analabs believes that a fair employment practice, equal treatment to all employees and equal access to opportunities are important in boosting employees' motivation to drive their performance. Analabs cares for its employees and ensure that they have a sense of belonging at Analabs to create a stable sustainable workforce.

Gender diversity

At Analabs, its manufacturing, construction and prawn cultivation segments have been mainly dominated by males from leadership roles to operational roles. The male and female ratio of Analabs has decreased slightly from 5.3 (male) : 1 (female) to 5 (male) : 1 (female) in FY 2022. Analabs will continue to encourage more female to be involved in the operations and decision making to create a productive working environment.

The chart below shows the employees gender in percentage:



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

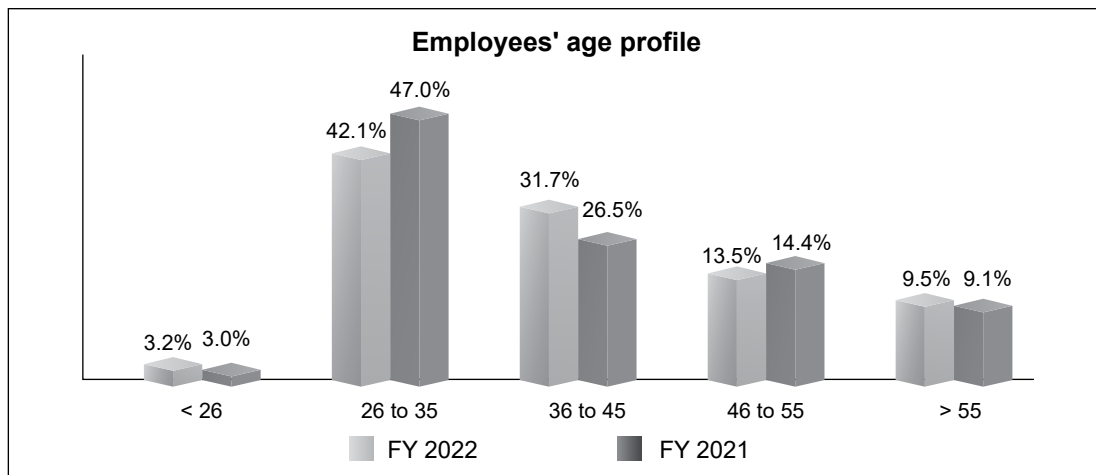
Social (Cont'd)

2. Diversity (Cont'd)

Age diversity

Age diversity in the workplace allows the employees to bring differing experience, skills and viewpoints to the table and promotes a creative problem solving. At Analabs, 3.2% are young people below the age of 26, 42.1% aged between 26 to 35, 31.7% aged between 36 to 45 and 13.5% aged between 46 to 55. The remaining 9.5% represents our experienced employees who are aged above 55 and are sources of knowledge management to Analabs. They help to strengthen the loyalty among the employees and culture of the Group.

The chart below shows the employees' age category in percentage:



Analabs strives to provide a working environment in which all employees treat each other with courtesy and respect and are willing to share the experience and knowledge with each other to achieve a sustainable growth of the Group.

3. Human Capital Development

As a learning organisation, Analabs fosters the culture of continuous learning at the whole organisation level where it facilitates the learning of all its employees and continuously transforms itself. At Analabs, we always look to provide our employees with career development and competency management.

The Group has a policy of providing training for all levels of staff based on competency assessments and succession planning for relevant positions. We provide the employees with internal and external training to enable them to increase their skillset and expand their capability.

During FY 2022, Analabs provides a total of 90 hours training as compared to 131 training hours in FY 2021 covering the areas such as:

- ISO 9001, ISO 14001, ISO 45001 awareness and compliance;
- workplace hazards;
- standard operation procedure ("SOP") and work instructions;
- personal protective equipment;
- emergency drill – fire & spillage;
- scheduled waste and chemical management;
- emergency response plan;
- safety data sheet; and
- forklift safety briefing ("Theory and Practical").

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Social (Cont'd)

3. Human Capital Development (Cont'd)



At Analabs, employees are highly valued as assets. We frequently organise staff gatherings, social outings and excursions to inculcate team work and relationship building. Since year 1988, Analabs had been travelling across international borders with its employees to many countries like China, Europe, France, Germany, Indonesia, Italy, Japan, Portugal, Thailand, Turkey, etc.

Internships

Analabs offers internship programmes for undergraduate students from both local and private colleges and universities in Malaysia. The interns are given the opportunity to undertake practical training in various departments and are potentially offered by the Group a permanent position after their internships as management trainees, executives and etc.

For high performing candidates, they are directly enrolled in the management trainees programme where they are allowed to participate in the meeting involving the senior management. During FY 2022, five (5) students completed their internship with Analabs in Account, Admin and Production.

Analabs continues to discover new talents and develop future leaders to ensure the competence of the workforce, sustainable growth and succession planning of the Group.

Governance

1. Good Governance

Several policies and codes are published in Analabs's website and they include, among others, the following: -

- Employees' Code of Conduct;
- Whistleblowing Policy; and
- Anti-bribery and Anti-corruption Policy.

On 1 June 2020, Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 ("Act") came into force. Analabs established its anti-bribery and anti-corruption policy to ensure strict adherence and effectiveness of the Group's anti-bribery and anti-corruption programmes/initiatives against any form of bribery and corruption. The policies apply to all the Directors, employees and any third parties whom Analabs engages with.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Governance (Cont'd)

1. Good Governance (Cont'd)

During FY 2022, an online training and assessment is conducted internally for our employees in order to refresh awareness of antibribery and anti-corruption measures, and to continuously promulgate integrity and ethics among them.

Analabs regularly engages with its stakeholders in the government agencies and regulatory bodies on matters relating to the policies that govern the business of the Group. Hence, we are able to keep abreast of any new developments to conform with the stipulated requirements for sustainable planning and growth of the Group.

Coveright, which is involved in the manufacturing of impregnated decorative surfacing films, is in compliance with Department of Occupational Safety and Health ("DOSH") and Department of Environment ("DOE") for waste, air, noise and chemicals emissions and hence is certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015.



Coveright has become Forest Stewardship Council (FSC) certified since the year 2015. Coveright has its system in place which is in line with the requirements of the Chain of Custody Standards and undergoes a sequence of evaluation made by FSC certification body. On annual basis, the FSC certification body carries out a surveillance evaluation including desk audits, site visit, interview and stakeholders' consultation on Coveright. For any non-conformities, they are brought to the attention of the senior management for corrective actions.

2. Privacy Policy

Analabs recognises the importance of respecting the privacy of its customers and has undertaken appropriate measures to ensure that customers information is safeguarded at all times. A privacy policy has been published on the Analabs's websites in adherence to the Personal Data Protection Act 2010.

MOVING FORWARD

We are mindful of our responsibilities to enhance our capacity across our operations and accountability to our stakeholders. We remain focus on our sustainable initiatives for our Group's long-term growth.

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") for the financial year ended 30 April 2022.

Save for the following practices, we have fully complied with all the MCCG practices for the financial 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, which is available in the Company's website at www.analabs.com.my:-

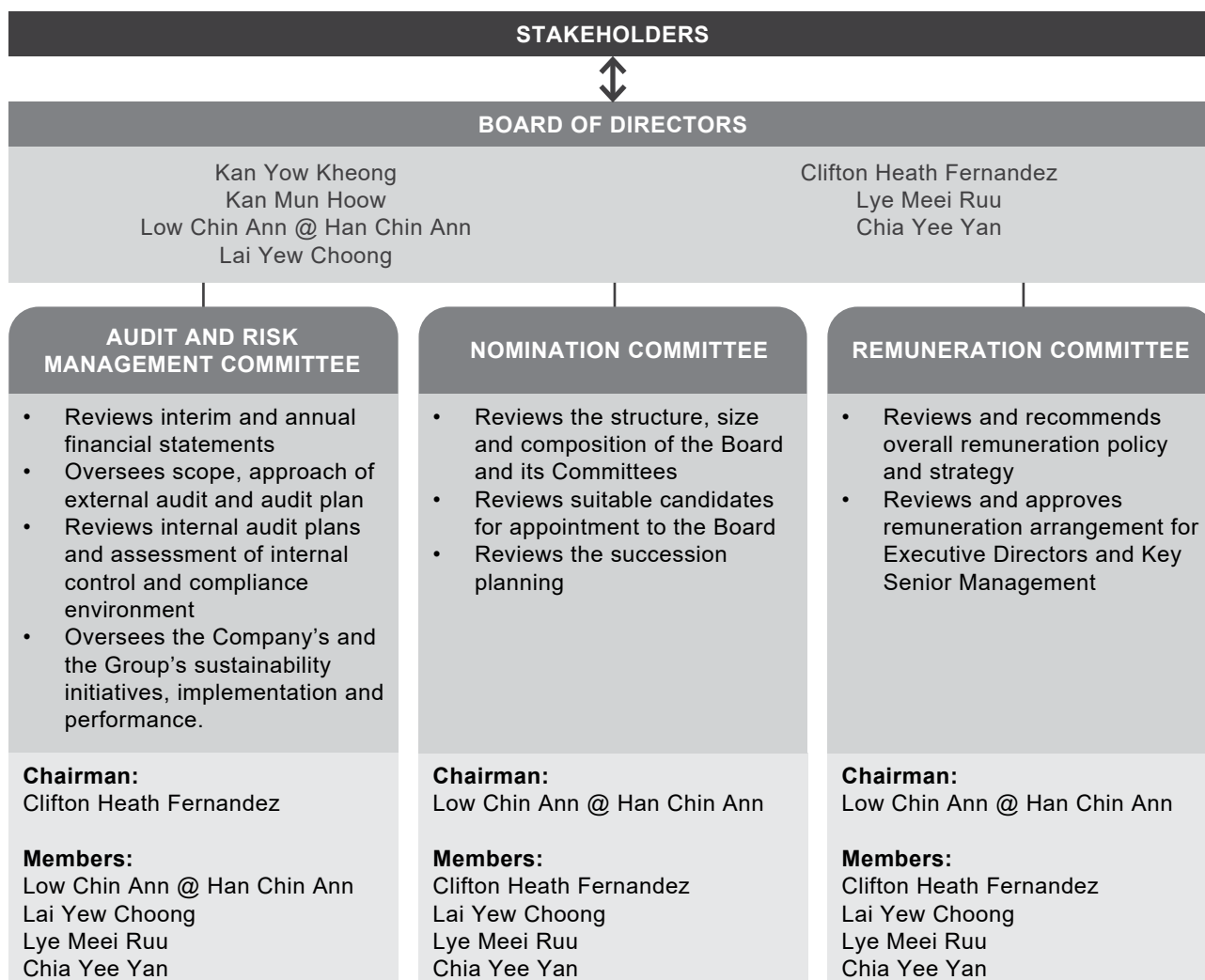
- Practice 4.5 - Although the Company does not currently have a written policy on diversity pertaining to the selection of its Board members, the Board has always taken into account diversity as one of the selection criteria of Board appointees as it recognises that a diversified Board will provide effective 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 of Directors ("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 prioritises 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 formalised in the Board Charter, which defines the matters reserved for the Board and its Committees as well as those delegated to the Executive Chairman, Executive Director cum Group Chief Executive Officer (CEO) and Management. A copy of 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 July 2022.

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 continual 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 in order 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, including economic and social considerations underpinning sustainability 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 financial year under review, the Company undertook the following:-

- **Environmental Awareness**

Analabs' certain subsidiaries are 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 but not limited to the following:-

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

- **Community Engagements**

Analabs offers internship programmes for local colleges, universities and academies by providing positions in various departments leading to management trainees. Interns are rotated in various departments to gain experience and exposure.

- **Stakeholder Engagement**

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

There is a clear separation of the responsibility and role between the Executive Chairman (Chairman) and the Executive Director who is also the Group CEO to promote greater accountability and for better checks and balances. The position of Chairman and the CEO are held by different individuals and their roles are described in the Board Charter, which is available on the Company's website at www.analabs.com.my.

The Chairman is responsible for the overall leadership and efficient functioning of the Board as well as provides direction for the implementation of strategies as approved by the Board. The Chairman ensures that quality information is provided to the Board to facilitate decision-making in a timely manner. The Chairman encourages all Directors to play an active role in Board activities and allow dissenting views to be freely addressed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (Cont'd)

The CEO leads the management team which assists him in the management and business operations of the Company and the Group. The CEO is responsible for the execution of the Group's business plans and implementing the Board's strategies, policies and decisions.

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 also ensure the integrity of financial information and that the controls and risk management systems are robust and defensible.

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

- corporate plans and programmes;
- annual budgets, including major capital commitments;
- new ventures;
- material acquisitions and disposals of undertakings and properties; and
- 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 the following policies which are available for reference at the Company's website at www.analabs.com.my:-

- 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.
- Anti-Bribery and Anti-Corruption Policy (ABAC Policy). The Group has put in place an ABAC Policy to incorporate the rules, compliance, controls and procedures to promote better governance culture and ethical behaviour within the Group and to ensure that business is conducted professionally. Analabs has adopted a zero-tolerance approach against all forms of bribery and corruption and a strong stance against such acts.

Company Secretaries

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (Cont'd)

Information and Support for Directors

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.

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 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's MMLR 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.

Meetings and Time Commitments

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 2022. 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 2022 and the details of the attendance of the Board 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 Ruo	5/5	5/5*	-	-	1/1
Chia Yee Yan (Appointed on 9 May 2022)	-	-	-	-	-

* *Attended by invitation.*

ARMC	-	<i>Audit and 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"> • Transfer Pricing • Key Tax Updates from Budget 2022 • Modern ESG Reporting • ESG Reporting Metrics and Measurements
Kan Mun Hoow	<ul style="list-style-type: none"> • Transfer Pricing • Key Tax Updates from Budget 2022

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
Low Chin Ann @ Han Chin Ann	<ul style="list-style-type: none"> • Transfer Pricing • Key Tax Updates from Budget 2022 • Global Economic Outlook - The Post Covid-19 Recovery Part Two • ACCA Technical Symposium 2021: Business Strategy and Financial Reporting Considerations in Response to the Impact of Covid-19 and Post Pandemic Recovery • Internal Audit- A View from the Board • Cyber Security for Internal Auditors - Latest Techniques and Attacks • Tackling Anxiety Through Emotional Intelligence • CPD Skills Webinar - The Impact of Blockchain • Questioning Techniques for Internal Auditors • National Tax Seminar 2021
Lai Yew Choong	<ul style="list-style-type: none"> • Transfer Pricing • Key Tax Updates from Budget 2022 • SC's Audit Oversight Board Conversation with Audit Committees
Clifton Heath Fernandez	<ul style="list-style-type: none"> • Transfer Pricing • Key Tax Updates from Budget 2022 • Social Media and Business Mastery Virtual Bootcamp (Success Resources) • Entrepreneur Masterclass (World Masterclass) • Anti-Bribery Conference 2021 (PECB) • Asia Leadership Conference 2021 (Asia Leadership)
Lye Meei Ruu	<ul style="list-style-type: none"> • Transfer Pricing • Key Tax Updates from Budget 2022 • First Webinar of The 'Reforming Our Defamation Law' Series - Defamation Law Reform Sub-Committee on The Defence of Fair Comment • Company Law Cases and Trends • Restructuring and Insolvency Case • Fraud Litigation Cases and Trends • Wills - Practical Issues

* Excluding the Director appointed after the financial year end.

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 seven (7) members comprising the Executive Chairman, five (5) Independent Non-Executive Directors and one (1) Executive Director cum Group CEO.

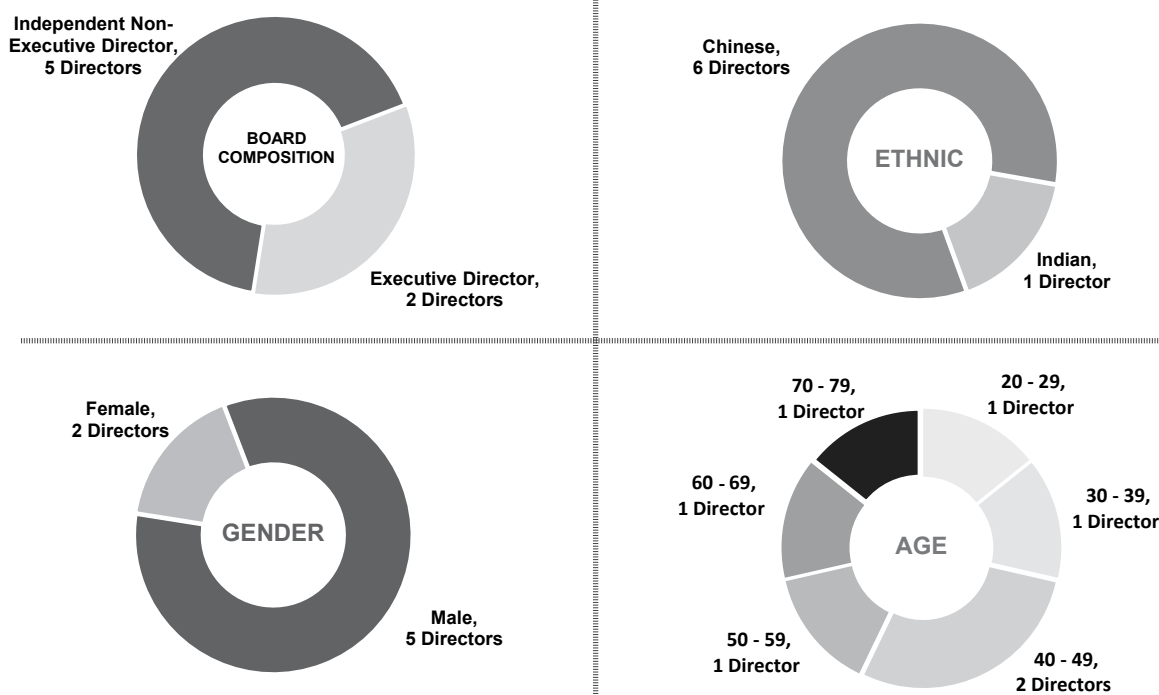
The Board has complied with Paragraph 15.02(1) of the Listing Requirements which requires at least two Directors or one-third of the Board (whichever is the higher) to be Independent Directors. The presence of the Independent Directors, forming more than half of the Board members, provides objectivity and independent judgment to decision making. In the event of any vacancy in the Board resulting in non-compliance with Para 15.02(1) of the MMLR, the Company would 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 composition, ethnicity, gender and age are disclosed as follows:-



The experience matrix of the Board are 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						√				
Chia Yee Yan (Appointed on 9 May 2022)			√				√			

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (Cont'd)

Appointment of New Directors

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 proposed candidate must also fulfil the criteria set in the Directors' Fit and Proper Policy which is available on the Company's website at www.analabs.com.my and entails among others, the following:-

- Probity, personal integrity and reputation;
- Experience, competence and time commitment; and
- Financial integrity.

On 9 May 2022, Ms. Chia Yee Yan was appointed to the Board as an Independent Non-Executive Director of the Company. Ms. Chia had previously reached out to the Company to offer her candidacy. She has experience in developing marketing plans and brand management and would be able to provide invaluable views and guidance to the Board and the Group on marketing and brand management.

Tenure of Independent Directors

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (Cont'd)

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

NC Activities

NC activities carried out during the financial year and up to the date of this Statement are as follows:-

- an assessment of the Directors, which includes the self-assessment carried out by the individual Directors;
- a review on the retirement of Directors by rotation eligible for re-election at the forthcoming AGM;
- a review and assessment on the effectiveness of the Board as a whole and Committees of the Board;
- an evaluation on 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;
- assessed and recommended to the Board the retention of the Independent Directors;
- assessed and recommended to the Board the re-designation of the Executive Director to Executive Director cum Group CEO;
- assessed and recommended to the Board the appointment of Ms. Chia Yee Yan as the Independent Non-Executive Director;
- reviewed and recommended to the Board the reconstitution of the ARMC, NC and Remuneration Committee ("RC"); and
- reviewed and recommended to the Board the terms of reference of the NC.

There were no major concerns arising from the results of the Assessments. The feedback confirmed that the Board and each of its Committees 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 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 fee for Directors is 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' fee for the financial year ending 30 April 2023 and recommended the same to the Board.

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 2022 are as follows:-

Group	Fee (RM)	Salaries, Bonuses and Incentives (RM)	Other Emoluments (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	161,056	18,372	-	191,428
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	197,152	19,836	-	294,988

Company	Fee (RM)	Salaries, Bonuses and Incentives (RM)	Other Emoluments (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

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:

- Excluding the Director appointed after the financial year end.
- **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 2022, at the 23rd AGM. The Company will be seeking the approval of the shareholders for the Proposed Directors' Fee of up to RM108,000.00 for the financial year ending 30 April 2023 at the forthcoming AGM. The fee will not be paid until the approval of the shareholders in the forthcoming AGM.
- **Non-Executive Directors**
The Non-Executive Directors are not entitled to any other benefits or incentive plan.
- **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 salaries, fee and allowances including a variable performance-linked bonus.
- **Senior Management**
The top 5 Senior Management's remuneration falls within the band of RM50,000, for the financial year ended 30 April 2022 are as follows:-

Senior Management	Fee	Salaries, Bonuses and Incentives	Other Emoluments	Benefits-in-kind
RM1 to RM50,000	1	-	4	-
RM50,001 to RM100,000	-	1	1	-
RM100,001 to RM150,000	-	2	-	-
RM150,001 to RM200,000	-	1	-	-
RM400,001 to RM450,000	-	1	-	-

- **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 Requirement 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 possesses 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 FY 2022 are set out on pages 51 to 52.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Audit and Risk Management Committee ("ARMC") (Cont'd)

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 assesses 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 Auditors. 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.

In the event a former audit partner is appointed as a member of the ARMC, the former key audit partner is to observe a cooling-off period of at least three (3) years before being appointed.

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.

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 47 to 49 of the Annual Report.

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

The Internal Auditors 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 report directly to the ARMC. Details on the IA function are set out in the ARMC Report of this Annual Report.

The Internal Auditors have unrestricted access to the ARMC and are 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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:-

- The Annual Report;
- The various disclosures and announcements made to BMSB including the Quarterly Results and Annual Results;
- 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 Centre 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 is made in accordance with a Resolution of the Board dated 8 August 2022.

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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 the Company and the Group for the financial year ended 30 April 2022 were RM48,000 and RM207,000 respectively (both exclusive of service tax).

There was RM10,000 non-audit fees payable by the Company and the Group to the External Auditors or affiliates of auditors' firm for the financial year ended 30 April 2022.

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 2022 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 and 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 and 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 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 Board is of the view that the Group's risk management and internal control 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 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, 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, Executive Director cum Group CEO 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.

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 is communicated and disseminated to key management within the Group. Information critical to the achievement of the Group's business objectives is 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

For the financial year under review, the Board has also received reasonable assurance from the Executive Director cum Group CEO 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 adopted by the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on the Statement on Risk Management and Internal Control ("SORMIC") pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants), for the financial year ended 30 April 2022, and reported to the Board that nothing has come to their attention that causes them to believe the SORMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SORMIC: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate.

AAPG 3 does not require the auditors to consider whether the Directors' SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

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.

This Statement is made in accordance with a Resolution of the Board dated 8 August 2022.

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 five (5) members of the Board of Directors (“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)
Lye Meei Ruu (Independent Non-Executive Director) (Appointed on 1 August 2022)
Chia Yee Yan (Independent Non-Executive Director) (Appointed on 1 August 2022)

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 2022 are as follows:

	Meetings Attended by the Members/ Total Number of Meetings Held During the Financial Year Ended 30 April 2022	% 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

* Excluding members appointed after the financial year end.

The Executive Chairman, Executive Director cum Group Chief Executive Officer (CEO) 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 July 2022. 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 2022 included the following:-

• Financial Reporting

- o 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.
- o The External Auditors concurred with the accounting policies adopted by Management and that they were in conformity with the relevant accounting standards.
- o The Committee reviewed the Group's quarterly financial statements before presenting to the Board for approval and public release.
- o The Committee reviewed and recommended to the Board the proposed disposal by the Company of its 100% equity interest in Cleanway Disposal Services Pte Ltd comprising of 880,000 fully paid-up ordinary shares to Tay Paper Resources Pte Ltd.

• External Audit

- o 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 fee for the Group. Salient areas of audit emphasis, audit approach, internal control observations and assessment on impact of Covid-19, amongst others, were discussed and brought to the attention of the Committee.
- o The Committee was also updated on the new accounting standards to be adopted and disclosure of key audit matters.
- o The Committee reviewed the External Auditors' Report prepared in conjunction with the Annual Audited Financial Statements of the Company and the Group and relevant disclosures.
- o 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.
- o 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.
- o 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.
- o Without the presence of Executive Directors and Management, discussed with the External Auditors twice on 24 June 2021 and 6 August 2021 on the assistance provided by Management during the course of audit and the adequacy of the Group's internal control; and
- o Having assessed the performance of the External Auditors, the Committee recommended their re-appointment as External Auditors for the ensuing year.

• Internal Control and Risk Management

- o 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

During the financial year under review, the Group had changed its outsourced Internal Auditors from RSM Corporate Consulting (Malaysia) Sdn. Bhd. ("RSM") to Smart Business Consulting, a professional firm. The change is to mitigate the impairment on Internal Auditors independence as RSM has been the Group's Internal Auditors for more than 10 years. 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, reviews 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 Auditors.

The outsourced Internal Auditors carried out internal audit 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 Coveright Surfaces Malaysia Sdn. Bhd., covering the following segments:

- Human Resources
- Account and Finance
- Information Technology
- Sales and Marketing
- Purchasing
- Manufacturing - Operation

The costs incurred for the outsourced internal audit function in respect of the financial year ended 30 April 2022 amounted to RM9,000 (FY 2021 - 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 2022.

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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FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2022. All values shown in this report are rounded to the nearest thousand ("RM'000") unless 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	29,463	13,126
- Non-controlling interests	7,234	-
	36,697	13,126

DIVIDENDS

On 11 March 2022, 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 2022.

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

As at 30 April 2022, 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 the value of current assets 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
 Chia Yee Yan (Appointed on 9 May 2022)

Directors of Subsidiaries (Other than Directors of the Company)

Lai Nyuk Moi
 Lim Yoke Soo
 Muhamad Hanis Bin Baharuddin
 Tan Cher Heng
 Wan Mei Yi
 Woo Pek Chuan
 Zuraimi Binti Mohamed
 Kan Mun Foo (Resigned on 31 May 2022)

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 1.5.2021	Number of ordinary shares		Balance at 30.4.2022
		Bought	Sold	
<u>Direct</u>				
Kan Yow Kheong	67,430,104	1,681,700	-	69,111,804
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 in 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 the directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 as follows:

	Group RM'000	Company RM'000
Executive directors:		
- Short-term employee benefits:		
- Fee	24	24
- Others	197	18
	221	42
- Defined contribution plan	20	1
	241	43
Non-executive directors:		
- Short-term employee benefits:		
- Fee	54	54
	295	97

INDEMNITY AND INSURANCE COST

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

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 41 to the financial statements.

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

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

The details of the auditors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Audit fee:		
- Crowe Malaysia PLT	147	48
- Other firm	60	-
Non-audit fees	10	10
	217	58

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 8 AUGUST 2022**

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 65 to 133 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 2022 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 8 AUGUST 2022**

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 65 to 133 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 8 August 2022

Lai Nyuk Moi

Before me
Datin Tee Hsiao Mei
No. B 272
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 2022 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 65 to 133.

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 2022, 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 matters described below to be the key audit matters 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)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><u>Valuation of inventories (Refer to Note 3 and Note 11 to the financial statements)</u></p> <p>The Group carries significant inventories as disclosed in Note 11 to the financial statements. Management periodically reviews the inventories for potential write-downs by considering their aging profile, estimation of market price fluctuations and net realisable value. These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of: <ul style="list-style-type: none"> • the Group's inventory management process; • how the Group identifies and assesses inventory write-downs; and • how the Group ascertains the accounting estimates for inventory write downs. • Reviewing the ageing analysis of inventories and testing the reliability thereof. • Examining the perpetual records for inventories movements and to identify slow moving aged items. • Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories. • Reviewing net realisable value of major inventories. • Evaluating the reasonableness and adequacy of the allowance for inventories written down and written off.

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.

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

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 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.
- 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.

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

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

Shah Alam

8 August 2022

Ong Beng Chooi
03155/05/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	72,815	85,612	-	-
Investment properties	5	41,295	40,269	-	-
Right-of-use assets	6	41,389	44,987	-	-
Goodwill on consolidation	7	7,821	7,787	-	-
Investments in subsidiaries	8	-	-	111,458	112,792
Receivables	9	6,245	64	6,178	-
Other investments	10	211,258	154,971	3,651	4,011
		380,823	333,690	121,287	116,803
CURRENT ASSETS					
Inventories	11	14,399	12,406	-	-
Receivables	9	20,086	26,034	3,570	1,331
Contract assets	12	6,087	4,723	-	-
Other investments	10	-	6,996	-	-
Prepayments		133	229	-	-
Current tax assets		1,402	658	32	28
Cash and cash equivalents	13	22,037	14,846	5,616	111
		64,144	65,892	9,218	1,470
Assets classified as held for sale	14	-	1,902	-	-
		64,144	67,794	9,218	1,470
TOTAL ASSETS		444,967	401,484	130,505	118,273
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	66,272	66,272	66,272	66,272
Treasury shares	16	(10,160)	(10,160)	(10,160)	(10,160)
Reserves		266,050	225,434	71,501	60,994
Equity attributable to owners of the Company		322,162	281,546	127,613	117,106
Non-controlling interests	17	6,646	446	-	-
TOTAL EQUITY		328,808	281,992	127,613	117,106

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2022
(CONT'D)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
NON-CURRENT LIABILITIES					
Loans and borrowings	18	10,929	9,235	-	-
Lease liabilities	19	599	3,458	-	-
Deferred tax liabilities	20	19,327	22,143	-	-
		30,855	34,836	-	-
CURRENT LIABILITIES					
Payables	21	8,863	20,381	2,892	1,167
Loans and borrowings	18	72,163	61,728	-	-
Lease liabilities	19	591	789	-	-
Contract liabilities	12	1,075	538	-	-
Provision	22	1,051	608	-	-
Current tax liabilities		1,561	612	-	-
		85,304	84,656	2,892	1,167
TOTAL LIABILITIES		116,159	119,492	2,892	1,167
TOTAL EQUITY AND LIABILITIES		444,967	401,484	130,505	118,273
NET ASSETS PER SHARE (RM)	38	2.96	2.58		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	23	117,587	117,489	3,182	23,901
Cost of sales		(86,520)	(93,591)	-	-
Gross profit		31,067	23,898	3,182	23,901
Other income	24	26,605	10,368	11,144	82
Administrative and other operating expenses		(16,078)	(12,848)	(1,135)	(418)
Net impairment gain/(loss) on financial assets		59	(27)	-	-
Finance costs		(2,679)	(1,315)	-	-
Profit before tax	25	38,974	20,076	13,191	23,565
Tax expense	27	(2,277)	(2,771)	(65)	(81)
Profit for the financial year		36,697	17,305	13,126	23,484
Other comprehensive income/(loss):-					
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
- Fair value changes of equity investments		18,729	11,287	(440)	1,184
<u>Items that will be reclassified subsequently to profit or loss:</u>					
- Currency translation differences for foreign operations		324	164	-	-
- Reclassification of currency translation reserve to profit or loss on disposal of a foreign subsidiary		(5,607)	-	-	-
		13,446	11,451	(440)	1,184
Total comprehensive income		50,143	28,756	12,686	24,668
Profit for the financial year attributable to:					
- Owners of the Company		29,463	16,370	13,126	23,484
- Non-controlling interests		7,234	935	-	-
		36,697	17,305	13,126	23,484
Total comprehensive income attributable to:					
- Owners of the Company		42,795	27,826	12,686	24,668
- Non-controlling interests		7,348	930	-	-
		50,143	28,756	12,686	24,668
Earnings per share:	28				
- Basic (sen)		27.05	15.03		
- Diluted (sen)		27.05	15.03		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

Group	Non-Distributable				Distributable				Non-controlling interests	Total equity
	Share capital	Treasury shares	Revaluation surplus	Capital reserve	Fair value reserve	Retained profits	Equity attributable to owners of the Company	Non-controlling interests		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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 2022
(CONT'D)

Group	Non-Distributable				Distributable			Equity		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	attributable to owners of the Company RM'000	Non-controlling interests RM'000		
Balance at 1 May 2021	66,272	(10,160)	77,874	5,072	491	(9,735)	151,732	281,546	446	281,992
Dividends to owners of the Company (Note 29)	-	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Dividends by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(1,148)	(1,148)
Total transactions with owners	-	-	-	-	-	-	(2,179)	(2,179)	(1,148)	(3,327)
Fair value changes of equity investments	-	-	-	-	-	18,729	-	18,729	-	18,729
Currency translation differences for foreign operations:	-	-	-	210	-	-	-	210	114	324
- changes during the year	-	-	-	-	-	-	-	-	-	-
- transfer to profit or loss on disposal of a foreign subsidiary (Note 30)	-	-	-	(5,607)	-	-	-	(5,607)	-	(5,607)
Total other comprehensive (loss)/income for the financial year	-	-	-	(5,397)	-	18,729	-	13,332	114	13,446
Profit for the financial year	-	-	-	-	-	-	29,463	29,463	7,234	36,697
Total comprehensive (loss)/income for the financial year	-	-	-	(5,397)	-	18,729	29,463	42,795	7,348	50,143
Disposal of equity investments	-	-	-	-	-	133	(133)	-	-	-
Amortisation of revaluation reserve:	-	-	(1,464)	-	-	-	1,464	-	-	-
- disposal of properties	-	-	(10,020)	-	-	-	10,020	-	-	-
- disposal of a foreign subsidiary (Note 30)	-	-	(11,484)	-	-	-	11,484	-	-	-
Balance at 30 April 2022	66,272	(10,160)	66,390	(325)	491	9,127	190,367	322,162	6,646	328,808

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(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 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 2021/1 May 2021	66,272	(10,160)	713	60,281	117,106
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)	-	-	(440)	-	(440)
Profit for the financial year	-	-	-	13,126	13,126
Total comprehensive (loss)/income for the financial year	-	-	(440)	13,126	12,686
Balance at 30 April 2022	66,272	(10,160)	273	71,228	127,613

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM/(FOR)					
OPERATING ACTIVITIES					
Profit before tax		38,974	20,076	13,191	23,565
Adjustments for:-					
Covid-19-related rent concessions		-	(33)	-	-
Depreciation of investment properties		493	455	-	-
Depreciation of property, plant, and equipment		3,868	4,805	-	-
Depreciation of right-of-use assets		1,541	1,634	-	-
Dividend income from:					
- Investments in subsidiaries		-	-	(2,846)	(23,560)
- Investments in unit trusts		(79)	(80)	(79)	(80)
- Quoted investments		(19,294)	(6,887)	-	(5)
Equipment written off		1	-	-	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss		-	(561)	-	-
Gain on disposal of assets classified as held for sale		(98)	-	-	-
Gain on disposal of a foreign subsidiary	30	(9,589)	-	(10,676)	-
Impairment losses on investment property		400	500	-	-
Impairment losses on trade receivables		5	141	-	-
Interest expense for other financial liabilities measured at amortised cost		2,597	1,146	-	-
Interest expense on lease liabilities		113	169	-	-
Interest income for financial assets measured at amortised cost		(196)	(45)	(115)	(2)
Inventories written down		3,788	1,463	-	-
Inventories written off		12	565	-	-
Net gain on disposal of plant and equipment		(20)	(120)	-	-
Net unrealised loss/(gain) on foreign exchange		1,073	(183)	(274)	-
Provision for claims and damages		920	477	-	-
Reversal of impairment losses on trade receivables		(64)	(114)	-	-
Reversal of inventories previously written down		(434)	(954)	-	-
Reversal of provision for claims and damages		(477)	(822)	-	-
Waiver of debts		(4,436)	-	-	-
<hr/>					
Operating profit/(loss) before working capital changes and balance carried forward		19,098	21,632	(799)	(82)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating profit/(loss) before working capital changes and balance brought forward		19,098	21,632	(799)	(82)
Changes in:-					
Contract assets and contract liabilities		(727)	(1,197)	-	-
Inventories		(5,343)	2,766	-	-
Receivables and prepayments		6,646	(4,490)	276	-
Payables		(6,629)	(2,093)	12	(1)
Cash from/(for) operations		13,045	16,618	(511)	(83)
Interest paid		(2,559)	(1,315)	-	-
Tax paid		(3,079)	(4,199)	(69)	(93)
Net cash from/(for) operating activities		7,407	11,104	(580)	(176)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investments in existing subsidiaries		-	-	(5,275)	-
Acquisition of right-of-use assets	31	(189)	(65)	-	-
Advances to subsidiaries		-	-	(643)	(21,710)
Dividends received		19,373	6,967	2,925	23,645
Increase in bank balances under lien with licensed banks		(130)	-	-	-
Increase in fixed deposits under lien with licensed banks		140	(13)	-	-
Interest received		83	45	2	2
Disposal of a foreign subsidiary, net of cash and cash equivalents disposed of	30	6,408	-	9,511	-
Proceeds from disposal of assets classified as held for sale		2,000	-	-	-
Proceeds from disposal of plant and equipment		31	180	-	-
Proceeds from disposal of quoted investments		1,144	-	-	-
Proceeds from disposal of unit trusts		111	231	-	-
Purchase of investment property		(1,919)	-	-	-
Purchase of plant and equipment		(2,138)	(275)	-	-
Purchase of quoted investments		(31,735)	(40,810)	-	-
Purchase of units trusts		(79)	(80)	(79)	(80)
Net cash (for)/from investing activities		(6,900)	(33,820)	6,441	1,857
Balance carried forward		507	(22,716)	5,861	1,681

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Balance brought forward		507	(22,716)	5,861	1,681
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
Advances from subsidiaries		-	-	1,713	297
Dividend paid:					
- owners of the Company		(2,179)	(2,179)	(2,179)	(2,179)
- non-controlling interests		(1,148)	(422)	-	-
Drawdown of term loans	31	3,000	125	-	-
Net increase in short-term loans and borrowings	31	9,231	22,500	-	-
Purchase of own shares		-	(20)	-	(20)
Repayment of lease liabilities	31	(810)	(782)	-	-
Repayment of term loans	31	(921)	(642)	-	-
Net cash from/(for) financing activities		7,173	18,580	(466)	(1,902)
Net increase/(decrease) in cash and cash equivalents		7,680	(4,136)	5,395	(221)
Cash and cash equivalents brought forward		14,007	18,134	111	332
Currency translation differences		(479)	9	110	-
Cash and cash equivalents carried forward	13	21,208	14,007	5,616	111

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

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. 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 8 August 2022.

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.

For the financial year under review, the Group has applied the Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2 which are effective for annual periods beginning on or after 1 January 2021. It has also early applied Amendments to MFRS 16 'Covid-19-Related Rent Concessions' and 'Covid-19-Related Rent Concessions beyond 30 June 2021' which are effective for annual periods beginning on or after 1 April 2021.

The initial application of the above amendments did not have any significant impacts on the Group's 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 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 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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, other than freehold land, are stated at cost or at valuation less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at valuation less 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, Plant and Equipment (Cont'd)

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 - 10 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 a right-of-use asset) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 2.16. 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.

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 and the Company 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 price (as defined in Note 2.15). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial Assets (Cont'd)

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 fair value through other comprehensive income. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial Liabilities

Financial liabilities of the Group consists 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leases (Cont'd)

Lessee Accounting (Cont'd)

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
Plant and machinery	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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Foreign Currency Transactions and Translation (Cont'd)

In translating the financial position and results of a foreign operation whose functional currency is not the 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Fair Value Measurement (Cont'd)

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).

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Revenue from Contracts with Customers (Cont'd)

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.

2.17 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.

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 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.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unutilised 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, unutilised 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.

2.21 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.

2.22 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.

2.23 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 2022

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3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

The outbreak of the Covid-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the Covid-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

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 2022

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4. PROPERTY, PLANT AND EQUIPMENT

Group	At	Transfer from		Disposals	Write-off	Depreciation	Disposal	Currency	At
	1.5.2021	right-of-use	assets						
	RM'000	RM'000	(Note 6)	RM'000	RM'000	RM'000	of a foreign	differences	RM'000
							subsidary		
							(Note 30)		
							RM'000	RM'000	RM'000
<u>Carrying amount</u>									
Freehold land	45,600	-	-	-	-	-	-	-	45,600
Buildings	36,096	-	-	-	-	(1,714)	(10,000)	127	24,509
Plant and machinery	1,840	1,583	(8)	(8)	-	(1,496)	-	1	1,920
Office equipment	85	21	(1)	(1)	(1)	(34)	-	1	71
Furniture and fittings	2	-	-	-	-	(1)	-	-	1
Laboratory equipment	112	5	-	-	-	(29)	(84)	-	4
Motor vehicles	1,877	529	126	(2)	-	(594)	(1,237)	11	710
	85,612	2,138	126	(11)	(1)	(3,868)	(11,321)	140	72,815
<u>At 1.5.2020</u>									
Group	1.5.2020	At	Additions	Transfer to	Disposal	Depreciation	Classified	Currency	At
	RM'000	RM'000	RM'000	investment	RM'000	RM'000	as held	translation	30.4.2021
				properties			for sale	differences	RM'000
				(Note 5)			(Note 14)		RM'000
				RM'000			RM'000		RM'000
<u>Carrying amount</u>									
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)	(60)	(642)	201	85,612

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (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 30.4.2022				
Freehold land	-	45,600	-	45,600
Buildings	-	27,644	(3,135)	24,509
Plant and machinery	122,411	-	(120,491)	1,920
Renovation	1,321	-	(1,321)	-
Office equipment	5,752	-	(5,681)	71
Furniture and fittings	973	-	(972)	1
Laboratory equipment	668	-	(664)	4
Motor vehicles	10,585	-	(9,875)	710
	141,710	73,244	(142,139)	72,815

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

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 30.4.2022				
Freehold land	-	45,600	-	45,600
Buildings	-	8,362	16,147	24,509
	-	53,962	16,147	70,109
At 30.4.2021				
Freehold land	-	45,600	-	45,600
Buildings	-	19,175	16,921	36,096
	-	64,775	16,921	81,696

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(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	
	2022 RM'000	2021 RM'000
Freehold land	8,135	8,135
Buildings	6,584	6,924
	14,719	15,059

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

	Group	
	2022 RM'000	2021 RM'000
Buildings	6,233	16,955

Certain building of the Group has been leased to a Company within the Group under operating lease with rental payable monthly. The lease contains an initial non-cancellable period of 1 (2021 - 1) year and subsequent renewal period of 2 (2021 - 2) years. The lease does not include residual value guarantee and variable lease payments.

5. INVESTMENT PROPERTIES

Group	At 1.5.2021 RM'000	Additions RM'000	Impairment loss RM'000	Depreciation RM'000	At 30.4.2022 RM'000
<u>Carrying amount</u>					
Freehold land	24,400	640	(400)	-	24,640
Leasehold land	5,952	-	-	(101)	5,851
Buildings	9,917	1,279	-	(392)	10,804
	40,269	1,919	(400)	(493)	41,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

	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 cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000	
At 30.4.2022					
Freehold land	25,540	-	(900)	24,640	
Leasehold land	6,152	(301)	-	5,851	
Buildings	11,859	(1,055)	-	10,804	
	43,551	(1,356)	(900)	41,295	
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	

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 1 to 3 years (2021 - 6 months to 3 years) and an option that is exercisable by the customers to extend their leases, which are negotiated on a contract by contract basis ranging from 2 to 6 years (2021 - 6 months to 6 years).

The Group does not require a financial guarantee from the customers. Instead, the Group requires 1 to 3 months (2021 - 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	722	905
Between 1 and 2 years	667	266
Between 2 and 3 years	99	95
	1,488	1,266

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 30.4.2022				
Freehold land	-	27,240	-	27,240
Leasehold land	-	8,520	-	8,520
Buildings	-	10,539	-	10,539
	-	46,299	-	46,299
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

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.

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	
	2022 RM'000	2021 RM'000
Freehold land	8,140	7,500
Leasehold land	4,959	5,017
Buildings	6,819	5,674

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

6. RIGHT-OF-USE ASSETS

Group	At 1.5.2021 RM'000	Addition (Note 31) RM'000	Depreciation RM'000	Transfer to property, plant and equipment (Note 4) RM'000	Disposal of a foreign subsidiary (Note 30) RM'000	Currency translation differences RM'000	At 30.4.2022 RM'000
<u>Carrying amount</u>							
Leasehold land	44,399	-	(1,350)	-	(2,900)	8	40,157
Office equipment	10	-	(4)	-	(6)	-	-
Plant and machinery	-	945	(86)	-	-	15	874
Motor vehicles	578	-	(101)	(126)	-	7	358
	44,987	945	(1,541)	(126)	(2,906)	30	41,389
<hr/>							
Group	At 1.5.2020 RM'000	Addition (Note 31) RM'000	Depreciation RM'000	Modification of lease liabilities (Note 31) 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

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

Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.4.2022			
Leasehold land	43,363	(3,206)	40,157
Plant and machinery	961	(87)	874
Motor vehicles	872	(514)	358
	45,196	(3,807)	41,389
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

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

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

The Group has also entered into 1 (2021 - 2) non-cancellable operating lease agreement for the use of land (site space). The lease is for a period of 4 years (2021 - 4 to 5 years) with no renewal or purchase option included in the agreement. The lease does 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).

(b) Plant and machinery: The right to use the plant and machinery 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 of range from 4 to 10 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

7. GOODWILL ON CONSOLIDATION

	Group	
	2022 RM'000	2021 RM'000
At cost		
Balance at 1 May 2021/2020	10,009	9,993
Currency translation differences	34	16
	10,043	10,009
Accumulated impairment loss	(2,222)	(2,222)
Balance at 30 April	7,821	7,787

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

	Group	
	2022 RM'000	2021 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	5,752	5,752
Others	2,069	2,035
	7,821	7,787

- (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	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Manufacturing, formulation and sale of resin, chemicals and building materials	12 - 17	15 - 20	1	-1	7	7

- (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares - at cost	119,420	86,371
Accumulated impairment loss	(7,962)	(7,962)
Loan to a subsidiary	-	34,383
	111,458	112,792

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2022 %	2021 %	
AL Resources Pte. Ltd. ^(a)	Singapore	99.99	99.99	Trading in paints and related products.
Cleanway Disposal Services Pte. Ltd. ^(a)	Singapore	-	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.
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.
Coveright Surfaces Malaysia Sdn. Bhd.	Malaysia	100	100	Manufacturing and selling resin impregnated papers.
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.
Resources Conservation Sdn. Bhd.	Malaysia	100	100	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (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
		2022 %	2021 %	
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.
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.
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Dormant.

^(a) Not audited by Crowe Malaysia PLT.

- (a) On 21 December 2021, the Company disposed of its entire equity interest in Cleanway Disposal Services Pte Ltd to Tay Paper Resources Pte Ltd. On 31 December 2021, the Company has fulfilled the required conditions precedent and completed the disposal accordingly. On 30 April 2022, the total consideration of the disposal was finalised at approximately RM17,285,000.
- (b) On 22 December 2021, the Company acquired 63% equity interests in Singapore Analabs Pte Ltd from Cleanway Disposal Services Pte Ltd for a total consideration of approximately RM759,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

9. RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Non-current assets</u>				
Other receivables:				
- Unrelated party	6,245	64	6,178	-
<u>Current assets</u>				
Trade receivables:				
- Unrelated parties	16,455	23,752	-	-
- Accumulated impairment losses	(195)	(504)	-	-
	16,260	23,248	-	-
Other receivables:				
- Subsidiaries	-	-	1,973	1,330
- Unrelated parties	3,826	2,786	1,597	1
	3,826	2,786	3,570	1,331
	20,086	26,034	3,570	1,331
Total receivables	26,331	26,098	9,748	1,331

Trade Receivables

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 April 2022, there were 2 (2021 - 1) 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 group of customer(s) amounted to approximately RM6,573,000 (2021 - RM9,531,000). The credit risk concentration profile by geographical areas of trade receivables (stated at gross) is as follows:-

	Group	
	2022 RM'000	2021 RM'000
Asia	5,150	4,709
Australia	5,011	9,806
Malaysia	4,842	6,192
Others	1,452	3,045
	16,455	23,752

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

9. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

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	
	2022 RM'000	2021 RM'000
Not past due	7,537	7,850
1 to 30 days past due	6,632	10,326
31 to 60 days past due	1,828	3,714
61 to 90 days past due	60	1,054
More than 90 days past due	398	808
	16,455	23,752

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.

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 2022							
Gross carrying amount	7,537	6,632	1,828	60	212	186	16,455
Average credit loss rate	0.04%	0.05%	0.16%	0.00%	0.00%	100.00%	1.19%
Accumulated impairment loss	3	3	3	-	-	186	195
As at 1 May 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

9. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

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:-

	2022 RM'000	Group 2021 RM'000
Balance at 1 May 2021/2020	504	757
Increase during the financial year	5	141
Reversal during the financial year	(64)	(114)
Write off during the financial year	(251)	(282)
Currency translation differences	1	2
Balance at 30 April	195	504

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 the 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 a negative equity position. No impairment loss is provided in respect of the amount due from its subsidiaries because they are all reporting a positive equity position as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

10. OTHER INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets at fair value through other comprehensive income:				
- Investments in unit trusts	6,751	6,554	2,925	3,337
- Quoted shares in Malaysia	201,923	144,733	726	674
- Quoted shares outside Malaysia	2,404	3,504	-	-
	211,078	154,791	3,651	4,011
Financial assets at fair value through profit or loss:				
- Quoted shares in Malaysia	-	6,996	-	-
- Club memberships	180	180	-	-
	180	7,176	-	-
Total other investments	211,258	161,967	3,651	4,011
Disclosed as:				
- Non-current assets	211,258	154,971	3,651	4,011
- Current assets	-	6,996	-	-
	211,258	161,967	3,651	4,011

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	
	2022 RM'000	2021 RM'000
Financial assets at fair value through other comprehensive income		
- Quoted shares in Malaysia	145,806	66,637

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

11. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
At cost:		
- Livestock of prawns	30	199
- Raw materials	8,464	8,379
- Packing materials	14	17
- Finished goods	1,171	2,189
- Goods-in-transit	759	1,336
	10,438	12,120
At net realisable value:		
- Raw materials	3,944	286
- Finished goods	17	-
	3,961	286
	14,399	12,406
Recognised in profit or loss:		
- Inventories recognised as cost of sales	71,118	77,218
- Amount written down to net realisable value	3,788	1,463
- Reversal of inventories previously written down	(434)	(954)

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

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Balance at 1 May 2021/2020	4,185	2,947
Revenue recognised during the financial year	26,385	15,226
Progress billings during the financial year	(25,658)	(14,029)
Currency translation differences	100	41
Balance at 30 April	5,012	4,185
Disclosed as:		
- Contract assets	6,087	4,723
- Contract liabilities	(1,075)	(538)
	5,012	4,185

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

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

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.

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

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 2022, the aggregate transaction price allocated to the remaining performance obligations amounted to approximately RM25,856,000 (2021 - RM9,838,000) and the Group expects to recognise these remaining performance obligations when the projects are completed within the next 2 (2021 - 1) year(s).

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Term deposits (fixed rate)	953	932	96	93
Cash and bank balances	21,084	13,914	5,520	18
	22,037	14,846	5,616	111

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 RM698,236 (2021 - RM838,506) have been pledged as security for credit facilities granted to the Group. In addition, certain cash and bank balances of the Group amounting to RM130,140 (2021 - Nil) have been held in escrow. Accordingly, these balances are not freely available for use.

The effective interest rates of term deposits as at 30 April 2022 ranged from 0.05% to 1.60% (2021 - 0.05% to 2.85%) per annum.

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and cash equivalents	22,037	14,846	5,616	111
Term deposits pledged as security	(699)	(839)	-	-
Bank balances held in escrow	(130)	-	-	-
	21,208	14,007	5,616	111

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

14. ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2022 RM'000	2021 RM'000
Balance at 1 May 2021/2020	1,902	-
<u>Classified as held for sale:</u>		
- Property, plant and equipment (Note 4)	-	642
- Right-of-use assets (Note 6)	-	1,260
	-	1,902
Disposal during the financial year	(1,902)	-
Balance at 30 April	-	1,902

In the previous financial year, the Company's wholly-owned subsidiary, Centralised Waste Treatment Plant Sdn. Bhd. has committed to dispose its leasehold land and buildings for the total consideration of RM2,000,000. The transaction was duly completed during the financial year.

15. SHARE CAPITAL

	Group/Company	
	No. of ordinary shares	RM'000
<u>Issued and Fully Paid-up</u>		
Balance at 30 April 2021/2022	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.

16. TREASURY SHARES

	No. of ordinary shares	Group/Company		
		Total consideration RM'000	No. of ordinary shares	Total consideration RM'000
		2022	2021	2021
Balance at 1 May 2021/2020	11,114,100	10,160	11,094,000	10,140
Purchased during the financial year	-	-	20,100	20
Balance at 30 April	11,114,100	10,160	11,114,100	10,160

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

17. NON-CONTROLLING INTERESTS ("NCI")

	Group				Other comprehensive income/(loss) allocated to NCI	
	Accumulated NCI		Profit allocated to NCI		2022	2021
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	RM'000	RM'000
Singapore Analabs Pte. Ltd. ("SAPL")	6,646	446	7,234	935	114	(5)

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
		2022 %	2021 %	
Singapore Analabs Pte. Ltd. ("SAPL") ^(a)	Singapore	37	37	Investment holding company.

^(a) Not audited by Crowe Malaysia PLT.

The summarised financial information (before inter-company elimination) of the above subsidiary with non-controlling interests that are material to the Group is as follows:

	2022 RM'000	2021 RM'000
Non-current assets	10,136	9,605
Current assets	18,064	13,061
Non-current liabilities	(2,611)	(2,712)
Current liabilities	(7,629)	(18,748)
Net assets	17,960	1,206
Dividends paid to non-controlling interests	(1,148)	(422)
Revenue for the financial year	26,599	15,352
Profit for the financial year	19,551	2,527
Total comprehensive income for the financial year	19,860	2,514
Net cash from operating activities	5,579	1,259
Net cash for investing activities	(610)	(186)
Net cash for financing activities	(4,091)	(1,695)
Net increase/(decrease) in cash and cash equivalents	878	(622)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

18. LOANS AND BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
<u>Secured</u>		
Term loans (floating rate)	12,073	9,947
Banker acceptances (fixed rate)	5,818	1,425
Foreign currency trust receipts (fixed rate)	-	198
Invoice financing (fixed rate)	-	430
Margin trading (floating rate)	49,007	44,361
Onshore foreign currency loan (fixed rate)	15,194	14,602
Revolving credits (fixed rate)	1,000	-
	83,092	70,963
Disclosed as:		
- Non-current liabilities	10,929	9,235
- Current liabilities	72,163	61,728
	83,092	70,963

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 2022 ranged from 0.76% to 6.32% (2021 - 0.76% to 6.32%) 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	
	2022 RM'000	2021 RM'000
Gross loan instalments:		
- Within 1 year	1,541	1,048
- Later than 1 year and not later than 2 years	1,524	1,048
- Later than 2 years and not later than 5 years	4,298	3,144
- Later than 5 years	8,452	8,190
Total contractual undiscounted cash flows	15,815	13,430
Future finance charges	(3,742)	(3,483)
Present value of term loans:		
- Within 1 year	1,144	712
- Later than 1 year and not later than 2 years	1,200	737
- Later than 2 years and not later than 5 years	3,176	2,268
- Later than 5 years	6,553	6,230
	12,073	9,947

The fair values of term loans 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 measured are 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 2022 (CONT'D)

19. LEASE LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Gross lease liabilities:		
- Within 1 year	624	918
- Later than 1 year and not later than 2 years	630	893
- Later than 2 years and not later than 5 years	-	1,061
- Later than 5 years	-	2,002
Total contractual undiscounted cash flows	1,254	4,874
Future finance charges	(64)	(627)
Present value of lease liabilities	1,190	4,247
Disclosed as:		
- Non-current liabilities	599	3,458
- Current liabilities	591	789
	1,190	4,247

The incremental borrowing rates applied to lease liabilities as at 30 April 2022 ranged from 3.26% to 7.00% (2021 - 3.00% to 7.00%) per annum.

20. DEFERRED TAX LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Balance at 1 May 2021/2020	22,143	22,826
Deferred tax income recognised in profit or loss (Note 27)	(611)	(650)
Deferred tax liabilities under/(over)provided in prior years (Note 27)	36	(52)
Realisation of deferred tax liability upon disposal of properties	(409)	-
Disposal of a foreign subsidiary (Note 30)	(1,830)	-
Currency translation differences	(2)	19
Balance at 30 April	19,327	22,143
In respect of taxable/(deductible) temporary differences of:		
- Financial instruments	-	38
- Inventories	-	(519)
- Property, plant and equipment	1,254	2,536
- Provision	-	(146)
- Revaluation of land and buildings	18,073	20,234
	19,327	22,143

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(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 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/ 1 May 2021	38	(519)	2,536	(146)	20,234	22,143
Deferred tax (income)/ expense recognised in:						
- Profit or loss	(38)	519	(952)	146	(286)	(611)
Deferred tax liabilities underprovided in prior years	-	-	36	-	-	36
Realisation of deferred tax liability upon disposal of properties	-	-	-	-	(409)	(409)
Disposal of a foreign subsidiary (Note 30)	-	-	(367)	-	(1,463)	(1,830)
Currency translation differences	-	-	1	-	(3)	(2)
Balance at 30 April 2022	-	-	1,254	-	18,073	19,327

21. PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade payables:				
- Unrelated parties	4,551	9,535	-	-
Other payables:				
- Related party ^(a)	289	4,705	-	-
- Subsidiaries	-	-	2,710	997
- Unrelated parties	4,001	6,119	160	148
	4,290	10,824	2,870	1,145
Dividend payables	22	22	22	22
	8,863	20,381	2,892	1,167

^(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 2022 (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	
	2022 RM'000	2021 RM'000
Balance at 1 May 2021/2020	608	953
Provision made during the financial year	920	477
Provision reversed during the financial year	(477)	(822)
Balance at 30 April	1,051	608

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers:				
- Manufacturing, formulation and sale of resin, chemicals and building materials	71,569	89,543	-	-
- Recovery and sale of recycled products	8,586	9,323	-	-
- Culture and sale of prawns	867	565	-	-
- Contract work, pipe laying and rehabilitation	26,385	15,226	-	-
- Management fee from subsidiaries	-	-	336	336
	107,407	114,657	336	336
Revenue from other sources:				
- Dividend income from quoted investments	9,858	2,497	-	5
- Dividend income from subsidiaries	-	-	2,846	23,560
- Operating lease income	322	335	-	-
	10,180	2,832	2,846	23,565
	117,587	117,489	3,182	23,901

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(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
2022						
Geographical areas:						
- Asia	12,961	2,056	-	-	26,385	41,402
- Australia	40,516	-	-	-	-	40,516
- Malaysia	12,665	6,530	867	-	-	20,062
- Others	5,427	-	-	-	-	5,427
	71,569	8,586	867	-	26,385	107,407
Timing of revenue recognition:						
- Over time	-	-	-	-	26,385	26,385
- At a point in time	71,569	8,586	867	-	-	81,022
	71,569	8,586	867	-	26,385	107,407
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

Information about disaggregation of 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 2022 (CONT'D)

24. OTHER INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Dividend income from:				
- Investments in unit trusts	79	80	79	80
- Quoted investments	9,436	4,390	-	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	-	561	-	-
Gain on disposal of a foreign subsidiary	9,589	-	10,676	-
Gain on disposal of assets classified as held for sale	98	-	-	-
Gain on disposal of plant and equipment	27	142	-	-
Government grant income:				
- Covid-19-related subsidies and rebates	-	328	-	-
- Others	678	2,038	-	-
Interest income for financial assets measured at amortised cost	196	45	115	2
Operating lease income	1,164	1,086	-	-
Realised gain on foreign exchange	15	433	-	-
Reversal of provision for claims and damages	477	822	-	-
Unrealised gain on foreign exchange	280	183	274	-
Waiver of debts	4,436	-	-	-
Others	130	260	-	-
	26,605	10,368	11,144	82

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

25. PROFIT BEFORE TAX

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- Audit fee:				
- Crowe Malaysia PLT	147	149	48	47
- Other firm	60	66	-	-
- Non-audit fees	10	10	10	10
Depreciation of investment properties	493	455	-	-
Depreciation of property, plant and equipment	3,868	4,805	-	-
Depreciation of right-of-use assets	1,541	1,634	-	-
Direct operating expenses on investment properties	135	137	-	-
Employee benefits expense (Note 26)	10,125	10,020	514	232
Equipment written off	1	-	-	-
Impairment loss on investment property	400	500	-	-
Interest expense on lease liabilities	113	169	-	-
Interest expense for financial liabilities measured at amortised cost:				
- Bankers' acceptance	61	66	-	-
- Foreign currency trust receipts	6	2	-	-
- Margin trading	1,909	687	-	-
- Onshore foreign currency loan	215	155	-	-
- Revolving credits	12	22	-	-
- Term loans	394	214	-	-
Inventories written down	3,788	1,463	-	-
Inventories written off	12	565	-	-
Lease expenses relating to:				
- Short-term leases	563	445	-	-
Net impairment (gain)/loss on financial assets:				
- Impairment losses on trade receivables	5	141	-	-
- Reversal of impairment losses on trade receivables	(64)	(114)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

25. PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax is arrived at after charging/(crediting):- (Cont'd)				
Net loss/(gain) on foreign exchange				
- Realised	588	(433)	2	-
- Unrealised	1,073	(183)	(274)	-
Provision for claims and damages	920	477	-	-
Covid-19-related rent concessions	-	(33)	-	-
Dividend income from:				
- Investments in subsidiaries	-	-	(2,846)	(23,560)
- Investments in unit trusts	(79)	(80)	(79)	(80)
- Quoted investments in Malaysia ^(a)	(19,217)	(6,812)	-	(5)
- Quoted investments outside Malaysia ^(b)	(77)	(75)	-	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	-	(561)	-	-
Gain on disposal of a foreign subsidiary	(9,589)	-	(10,676)	-
Gain on disposal of assets classified as held for sale	(98)	-	-	-
Government grant income:				
- Covid-19 related subsidies and rebates	-	(328)	-	-
- Others	(678)	(2,038)	-	-
Interest income for financial assets measured at amortised cost	(196)	(45)	(115)	(2)
Net gain on disposal of plant and equipment	(20)	(120)	-	-
Operating lease income	(1,486)	(1,421)	-	-
Reversal of inventories previously written down	(434)	(954)	-	-
Reversal of provision for claims and damages	(477)	(822)	-	-
Waiver of debts	(4,436)	-	-	-

^(a) Included in Group's Revenue [RM9,858,000 (2021 - RM2,497,000)] and Group's Other Income [RM9,359,000 (2021 - RM4,315,000)]

^(b) Included in Group's Other Income [RM77,000 (2021 - RM75,000)]

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Directors of the Company</u>				
Executive directors:				
- Short-term employee benefits:				
- Fee	24	24	24	24
- Others	197	228	18	18
	221	252	42	42
- Defined contribution plan	20	21	1	1
	241	273	43	43
Non-executive directors:				
- Short-term employee benefits:				
- Fee:				
- Current year	54	54	54	54
- Overprovided in the previous financial year	-	(6)	-	(6)
	295	321	97	91
<u>Directors of the Subsidiaries</u>				
Executive directors:				
- Short-term employee benefits:				
- Fee	28	-	-	-
- Others	710	862	254	99
	738	862	254	99
- Defined contribution plan	99	106	26	9
	837	968	280	108
Other employees:				
- Short-term employee benefits	8,631	8,350	123	29
- Defined contribution plan	362	381	14	4
	8,993	8,731	137	33
Total employee benefits expense	10,125	10,020	514	232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

27. TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax based on results for the year:				
- Malaysian income tax	1,826	3,351	66	81
- Foreign income tax	1,489	453	-	-
- Deferred tax (Note 20)	(611)	(650)	-	-
	2,704	3,154	66	81
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(136)	(175)	(1)	-
- Foreign income tax	(43)	(156)	-	-
- Deferred tax (Note 20)	36	(52)	-	-
	(143)	(383)	(1)	-
Real Property Gains Tax	125	-	-	-
Realisation of deferred tax liability upon disposal of properties	(409)	-	-	-
Tax expense	2,277	2,771	65	81

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	38,974	20,076	13,191	23,565
Tax at the statutory tax rate of 24%	9,354	4,818	3,166	5,656
Non-deductible expenses	4,476	1,139	191	100
Tax-exempt income	(5,117)	(1,670)	(702)	(5,675)
Non-taxable income	(4,694)	(229)	(2,589)	-
Increase/(Decrease) in unrecognised deferred tax assets	12	(77)	-	-
Crystallisation of deferred tax liabilities on amortisation of revalued properties	(286)	(470)	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdictions	(943)	(222)	-	-
Tax rebate	(108)	(132)	-	-
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(136)	(175)	(1)	-
- Foreign income tax	(43)	(156)	-	-
- Deferred tax	36	(52)	-	-
Real Property Gains Tax	125	-	-	-
Realisation of deferred tax liability upon disposal of properties	(409)	-	-	-
Others	10	(3)	-	-
Tax expense	2,277	2,771	65	81

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

27. TAX EXPENSE (CONT'D)

As at 30 April 2022, no deferred tax assets have been recognised for the following items:-

	2022 RM'000	Group 2021 RM'000
Deductible temporary differences of:		
- Property, plant and equipment	12	13
- Financial instruments	3	63
Unabsorbed capital allowances	136	70
Unutilised tax losses expiring in year of assessment:		
- 2028	106	106
- 2029	26	26
- 2030	127	127
- 2031	78	42
- 2032	10	-
	498	447

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:-

	2022	Group 2021
Profit for the financial year attributable to owners of the Company (RM'000)	29,463	16,370
Weighted average number of ordinary shares in issue ('000)	108,934	108,934
Number of shares in issue at 1 May 2021/2020 ('000)	108,934	108,954
Effect of treasury shares held ('000)	-	(20)
Weighted average number of shares in issue at 30 April ('000)	108,934	108,934
Basic earnings per ordinary share (sen)	27.05	15.03

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 2022 (CONT'D)

29. DIVIDENDS

	Group/Company	
	2022 RM'000	2021 RM'000
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2022	2,179	-
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2021	-	2,179

30. DISPOSAL OF A SUBSIDIARY

On 21 December 2021, the Company disposed of its entire equity interest in Cleanway Disposal Services Pte Ltd. On 31 December 2021, the Company has fulfilled the required conditions precedent and completed the disposal accordingly. Following the completion of the disposal, Cleanway Disposal Services Pte Ltd ceased to be a subsidiary of the Company.

On 30 April 2022, the total consideration of the disposal was finalised at approximately RM17,285,000 with the financial effects summarised below:-

	Group 2022 RM'000	Company 2022 RM'000
Investment in a subsidiary	-	6,609
Property, plant and equipment (Note 4)	11,321	-
Right-of-use assets (Note 6)	2,906	-
Receivables	1,392	-
Cash and cash equivalents	3,103	-
Payables	(558)	-
Lease liabilities	(3,026)	-
Current tax liabilities	(5)	-
Deferred tax liabilities (Note 20)	(1,830)	-
Carrying amount of net assets disposed of	13,303	6,609
Currency translation reserve	(5,607)	-
Gain on disposal of a foreign subsidiary (Note 24)	9,589	10,676
Disposal proceeds	17,285	17,285
Less: cash and cash equivalents of a subsidiary disposed of	(3,103)	-
Less: consideration receivable to be satisfied in cash	(7,774)	(7,774)
Net cash inflows from the disposal of a subsidiary	6,408	9,511

In conjunction with the disposal, the Company, on 22 December 2021, acquired 63% equity interests in Singapore Analabs Pte Ltd from Cleanway Disposal Services Pte Ltd for a total consideration of approximately RM759,000. Following the completion of acquisition, Singapore Analabs Pte Ltd is now a direct subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

31. NOTES TO STATEMENTS OF CASH FLOWS

	Group	
	2022 RM'000	2021 RM'000
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired (Note 6)	945	327
Acquisition by means of leases	(756)	(262)
Net cash disbursed	189	65
Short-term Loans and Borrowings		
Balance at 1 May 2021/2020	61,016	38,544
Net cash flow changes	9,231	22,500
Currency translation differences	621	(28)
Other changes	151	-
Balance at 30 April	71,019	61,016
Represented by: (Note 18)		
- Bankers' acceptances	5,818	1,425
- Foreign currency trust receipts	-	198
- Invoice financing	-	430
- Margin trading	49,007	44,361
- Onshore foreign currency loan	15,194	14,602
- Revolving credits	1,000	-
	71,019	61,016

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

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

	Group	
	2022	2021
	RM'000	RM'000
Term Loans		
Balance at 1 May 2021/2020	9,947	10,439
Drawdowns	3,000	125
Repayments	(921)	(642)
Currency translation differences	47	25
Balance at 30 April (Note 18)	12,073	9,947
Lease Liabilities		
Balance at 1 May 2021/2020	4,247	4,048
Additions	756	262
Repayments	(810)	(782)
Adjustment due to Covid-19-related rent concessions	-	(33)
Effect of lease modification	-	709
Disposal of a foreign subsidiary	(3,026)	-
Currency translation differences	23	43
Balance at 30 April (Note 19)	1,190	4,247
The total cash outflow for leases is as follows:-		
Operating Activities		
Lease expenses relating to short-term leases	563	445
Interest portion of lease liabilities	113	169
Financing Activities		
Principal portion of lease liabilities	810	782
	1,486	1,396

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

32. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Advances from subsidiaries	-	-	(2,830)	(767)
Advances to subsidiaries	-	-	1,250	23,210
Consultancy fee paid or payable to a director of the Company	(120)	(320)	-	-
Consultancy fee paid to a director of the Group	(143)	(156)	-	-
Dividends from subsidiaries	-	-	2,846	23,560
Issuance of share capital by a subsidiary	-	-	(38,900)	-
Management fee charged to subsidiaries	-	-	336	336
Payment on behalf of a subsidiary	-	-	243	-
Payment received from subsidiaries	-	-	(4,032)	(25,396)
Payment to subsidiaries	-	-	5,634	470

33. 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.

- 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.
- Each reporting segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 Business Segments

2022	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	71,569	8,586	867	10,180	26,385	117,587
Inter-segment revenue	444	180	207	6,316	2,569	9,716
	72,013	8,766	1,074	16,496	28,954	127,303
Consolidation adjustments						(9,716)
Consolidated revenue						117,587
Results						
Segment profit/(loss) before interest and tax	7,887	(4,792)	(418)	37,633	9,128	49,438
Finance costs						(2,680)
Tax expense						(2,277)
Consolidation adjustments						(7,784)
Consolidated profit after tax						36,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 Business Segments (Cont'd)

2022	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	(44)	(134)	-	(624)	-	(802)
Depreciation of property, plant and equipment	(2,113)	(1,155)	(47)	-	(496)	(3,811)
Depreciation of right-of-use assets	(139)	(309)	(338)	-	(538)	(1,324)
Direct operating expenses on investment properties	(24)	(46)	-	(65)	-	(135)
Dividend income from:						
- Investments in unit trusts	-	-	-	79	-	79
- Quoted investments	9,405	31	-	9,858	-	19,294
Employee benefits expense (including directors' remuneration)	(1,736)	(735)	(144)	(515)	(6,995)	(10,125)
Equipment written off	(1)	-	-	-	-	(1)
Gain on disposal of a foreign subsidiary	-	(6,780)	-	10,676	-	3,896
Gain on disposal of assets classified as held for sale	-	98	-	-	-	98
Gain on disposal of plant and equipment	27	-	-	-	-	27
Government grant income	85	23	5	-	565	678

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 Business Segments (Cont'd)

2022	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	(400)	-	-	-	-	(400)
Impairment loss on trade receivables	(1)	-	-	-	(4)	(5)
Interest expense	(549)	(184)	-	(1,843)	(135)	(2,711)
Interest income	53	20	3	120	-	196
Inventories written down	(3,788)	-	-	-	-	(3,788)
Inventories written off	(12)	-	-	-	-	(12)
Lease expenses relating to short-term leases	(262)	(36)	-	-	(541)	(839)
Loss on disposal of plant and equipment	-	-	-	-	(7)	(7)
Net realised loss on foreign exchange	(601)	-	-	(2)	-	(603)
Net unrealised loss on foreign exchange	(1,353)	-	-	275	-	(1,078)
Operating leases income	394	869	-	358	-	1,621
Provision for claims and damages	(920)	-	-	-	-	(920)
Reversal of impairment loss on trade receivables	12	7	-	-	45	64
Reversal of inventories previously written down	434	-	-	-	-	434
Reversal of provision for claims and damages	477	-	-	-	-	477
Waiver of debts	11,989	-	-	-	-	11,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 Business Segments (Cont'd)

2022	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	202,323	34,758	25,845	290,798	30,277	584,001
Unallocated assets:						
- Current tax assets						1,402
Consolidation adjustments						(140,436)
Consolidated total assets						<u>444,967</u>
Additions to non-current assets other than financial instruments are:						
- Investment properties	-	-	-	1,919	-	1,919
- Property, plant and equipment	1,427	287	-	-	424	2,138
- Right-of-use assets	-	-	-	-	945	945
Liabilities						
Segment liabilities	28,671	3,580	40	60,066	11,841	104,198
Unallocated liabilities:						
- Current tax liabilities						1,561
- Deferred tax liabilities						15,482
Consolidation adjustments						(5,082)
Consolidated total liabilities						<u>116,159</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 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
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 2022

(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 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)	-	(585)	-	(764)
Depreciation of property, plant and equipment	(2,077)	(1,664)	(47)	-	(960)	(4,748)
Depreciation of right-of-use assets	(166)	(443)	(329)	-	(444)	(1,382)
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 2022 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 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	-	-	-	-	419
Net unrealised gain on foreign exchange	183	-	-	-	-	183
Operating lease income	290	981	-	371	5	1,647
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 2022

(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.1 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
Assets						
Segment assets	186,015	61,386	26,320	249,871	24,810	548,402
Unallocated assets:						
- current tax assets						658
Consolidation adjustments						(147,576)
Consolidated total assets						<u>401,484</u>
Additions to non-current assets other than financial instruments are:						
- Property, plant and equipment	24	119	-	-	132	275
- Right-of-use assets	-	-	-	-	327	327
Liabilities						
Segment liabilities	27,416	8,343	66	63,905	12,255	111,985
Unallocated liabilities:						
- Current tax liabilities						612
- Deferred tax liabilities						18,298
Consolidation adjustments						(11,403)
Consolidated total liabilities						<u>119,492</u>

33.2 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	89,145	98,277	153,184	153,804
Singapore	28,442	19,212	10,136	24,851
	<u>117,587</u>	<u>117,489</u>	<u>163,320</u>	<u>178,655</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

33. OPERATING SEGMENTS (CONT'D)

33.3 Major Customer

For the financial year ended 30 April 2022, there was 1 (2021 - 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 RM39,613,000 (2021 - RM40,944,000).

34. 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 RM85,677,000 (2021 - RM71,080,000). The total utilisation of these credit facilities as at 30 April 2022 amounted to approximately RM28,467,000 (2021 - RM26,603,000). 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	2022 RM'000	2021 RM'000
Carrying amount	-	-
Contractual undiscounted cash flows	28,467	26,603

35. CONTINGENT LIABILITIES

Litigation

One of the Company's subsidiaries, Resources Conservation Sdn. Bhd. ("RCSB") had filed a summon 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 which was postponed to 14 June 2022.

Pursuant to a mutual settlement, RCSB and Covenant (Warehousing) Sdn. Bhd. agreed to discontinue their respective claims. A copy of the Notice of Discontinuance has been filed at the Shah Alam Sessions Court on 1 April 2022. The above suit has therefore been brought to a conclusive end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

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 34.

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.

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Receivables	6,429	13,013	1,346	1,202
Cash and cash equivalents	2,768	957	331	3,585
Payables	(311)	(137)	(535)	(3,844)
Loans and borrowings	-	(549)	(15,194)	(13,913)
	8,886	13,284	(14,052)	(12,970)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

Currency Risk (Cont'd)

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:-

	Increase/ (Decrease) in profit 2022 RM'000	Group Increase/ (Decrease) in profit 2021 RM'000
Appreciation of EUR against RM by 10%	675	1,010
Depreciation of EUR against RM by 10%	(675)	(1,010)
Appreciation of USD against RM by 10%	(1,068)	(986)
Depreciation of USD against RM by 10%	1,068	986

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Financial assets	953	932	96	93
Financial liabilities	23,202	20,902	-	-
Floating rate instruments				
Financial liabilities	61,080	54,308	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

Interest Rate Risk (Cont'd)

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 2022 RM'000	(Decrease)/ Increase in profit 2021 RM'000
Increase in interest rates by 100 basis points	(464)	(413)
Decrease in interest rates by 100 basis points	464	413

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.

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 2022 RM'000	Increase/ (Decrease) in OCI* 2022 RM'000	Increase/ (Decrease) in profit 2021 RM'000	Increase/ (Decrease) in OCI* 2021 RM'000
Increase in price by 5%	-	10,554	266	7,740
Decrease in price by 5%	-	(10,554)	(266)	(7,740)

	Company	
	Increase/ (Decrease) in OCI* 2022 RM'000	Increase/ (Decrease) in OCI* 2021 RM'000
Increase in price by 5%	183	201
Decrease in price by 5%	(183)	(201)

* Other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022 (CONT'D)

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	
	2022 RM'000	2021 RM'000
Loans and borrowings	83,092	70,963
Lease liabilities	1,190	4,247
Total interest-bearing debts	84,282	75,210
Total equity	328,808	281,992
Total capital	413,090	357,202
Debt-to-equity ratio	0.26	0.27

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

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 RM322,162,000 (2021 - RM281,546,000) 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 (2021 - 108,934,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022
(CONT'D)

39. FINANCIAL INSTRUMENTS

39.1 Classification of Financial Instruments

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial Assets					
Mandatorily at fair value through profit or loss:					
- Other investments	10	180	7,176	-	-
Designated at fair value through other comprehensive income upon initial recognition:					
- Other investments	10	211,078	154,791	3,651	4,011
Amortised cost:					
- Receivables	9	25,623	24,135	9,748	1,331
- Cash and cash equivalents	13	22,037	14,846	5,616	111
		47,660	38,981	15,364	1,442
Financial Liabilities					
Amortised cost:					
- Loans and borrowings	18	83,092	70,963	-	-
- Lease liabilities	19	1,190	4,247	-	-
- Payables	21	8,863	20,241	2,892	1,167
		93,145	95,451	2,892	1,167

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 2022

(CONT'D)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 21 December 2021, the Company disposed of its entire equity interest in Cleanway Disposal Services Pte Ltd to Tay Paper Resources Pte Ltd. On 31 December 2021, the Company has fulfilled the required conditions precedent and completed the disposal accordingly. On 30 April 2022, the total consideration of the disposal was finalised at approximately RM17,285,000.
- (b) On 22 December 2021, the Company acquired 63% equity interests in Singapore Analabs Pte Ltd from Cleanway Disposal Services Pte Ltd for a total consideration of approximately RM759,000.
- (c) 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. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 5 July 2022, Centralised Waste Treatment Plant Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement to dispose two units of leasehold land and buildings to a third party for a cash consideration of RM4,500,000.

LIST OF PROPERTIES HELD BY THE GROUP

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Carrying Amount as at 30/04/2022 (RM)	Date of Revaluation
1	Centralised Waste Treatment Plant Sdn Bhd	HS (M) 976, PT No. 743 and HS (M) 980, PT No. 747, Mukim of Setul, District of Seremban, Negeri Sembilan.	Leasehold for 99 years Expiring on 2 October 2085	Leasehold Land & Building 29 years old	4,460	Owner-occupied 2 Storey Office Block & 1 Storey Factory	3,346	3,698,864	Revalued on 15/04/2019
2	Coveright Surfaces Malaysia Sdn Bhd	Lot 750, 3½ Mile Kapar Road, Mukim Kapar, Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 25 years old	19,450	Owner-occupied 3 Storey Office Block, Factory & Warehouse	10,815	22,337,423	Revalued on 15/04/2019
3	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 32 years old	111	Owner-occupied Single Storey Terrace House	100	172,287	Revalued on 15/04/2019
4	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 34 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	11,340,038	Revalued on 15/04/2019
5	Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 25 years old	20,716	Owner-occupied 2 Storey Office Block, Factory & Warehouse	6,600	20,517,857	Revalued on 15/04/2019
6	Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land	8,144	Vacant Industrial Land	-	2,600,000	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	
								30/04/2022 (RM)	Date of Revaluation
7	Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 24 years old	121	Owner-occupied Single Storey Terrace House	74	150,000	Revalued on 15/04/2019
8	Lux Distributor Sdn Bhd	Lot 16435, Jalan 4, Kawasan Perusahaan Taman Selayang Baru, 68100 Batu Caves, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 25 years old	3,006	Tenanted 3 Storey Office & Warehouse	1,641	8,865,014	Revalued on 15/04/2019
9	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 31 years old	1,951	Owner-occupied 1½ Storey Office & Semi- detached Factory	1,094	2,729,411	Revalued on 15/04/2019
10	Lux Distributor Sdn Bhd	Unit No. 7-18-5, Menara Riverview, Jalan Jelutong, 11600 Pulau Pinang.	Freehold	An Apartment Unit 28 years old	-	Vacant Apartment	78	321,623	Revalued on 15/04/2019
11	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 39 years old	156	Tenanted 4 Storey Terrace Factory	624	832,142	Revalued on 15/04/2019
12	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 39 years old	156	Tenanted & Vacant Intermediate 4 Storey Terrace Factory	624	814,643	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	
								30/04/2022 (RM)	Date of Revaluation
13	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 & Building 32 years old	5,800	Owner-occupied 2 Storey Office Block, Factory & Warehouse	2,300	7,073,015	Revalued on 15/04/2019
14	M-Field Sdn Bhd	Nos 302 & 304, 2½ Mile Jalan Ipoh, 51200 Kuala Lumpur.	Freehold	Freehold Land & Building 41 years old	336	Tenant & Vacant Intermediate 2 Units of 4 Storey Terrace Shop/ Offices	1,338	6,400,000	Revalued on 15/04/2019
15	M-Field Sdn Bhd	PT No. 44002 held under Title HS(D) 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 17 years old	153	Tenant & Vacant 3 Storey Shop/Office	153	2,674,411	(Note 1)
16	M-Field Sdn Bhd	PT No. 44004 held under Title HS(D) 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 17 years old	153	Tenant & 3 Storey Shop/Office	153	2,631,908	(Note 1)
17	M-Field Sdn Bhd	No. 7, held under Title HS(D) 158573, PT 77183, Mukim of Kapar, District of Klang, Selangor Darul Ehsan. Bearing Portal Address No. 7, Jalan 5/KU6, Kawasan Perindustrian Sungai Buloh, 42100 Klang, Selangor Darul Ehsan.	Freehold	A Three Storey Terrace Factory 2 years old	385	Vacant 3 Storey Terrace Factory	385	1,879,134	(Note 2)

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 30/04/2022 (RM)	Date of Revaluation
18	Resources Conservation Sdn Bhd	Lot No. 38227, Mukim of Pekan Baru Hicom, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Building 23 years old	4,047	Owner-occupied 2 Storey Office Building & Warehouse	1,711	7,899,998	Revalued on 15/04/2019
19	Resources Conservation Sdn Bhd	GM 146, Lot 87, Mukim of Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 22 years old	2,307	Owner-occupied Industrial Land	1,846	3,000,000	Revalued on 15/04/2019
20	Resources Conservation Sdn Bhd	HS (D) 51801, PT No. 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 24 years old	5,415	Tenanted 2 Storey Office Building & Warehouse	3,456	10,731,035	Revalued on 15/04/2019
21	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 12 years old	1,205	Tenanted 1½ Storey Semi-detached Factory	700	3,866,667	Revalued on 15/04/2019
22	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 21 years old	1,035,187	Owner-occupied Buildings for Research & Development & Operations	3,881	25,354,870	Revalued on 15/04/2019
23	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 31 years old	643	Owner-occupied Dormitory, Office & Warehouse	643	6,581,793 (Exchange rate: 3.1510)	Revalued on 30/04/2019

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

Note 2 : The property was purchased during the current financial year.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 AUGUST 2022

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 8 August 2022)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	36	3.20	817	0.00
100 - 1,000	110	9.77	54,483	0.05
1,001 - 10,000	748	66.43	3,454,752	3.17
10,001 - 100,000	193	17.14	5,673,544	5.21
100,001 to less than 5% of issued shares	37	3.28	33,896,400	31.12
5% and above of issued shares	2	0.18	65,853,904	60.45
Total	1,126	100.00	108,933,900	100.00

Directors' Shareholdings

(As per the Register of Directors' Shareholdings as at 8 August 2022)

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	69,111,804	63.44	18,000*	0.02
2	Low Chin Ann @ Han Chin Ann	0	0.00	0	0.00
3	Lai Yew Choong	0	0.00	0	0.00
4	Kan Mun Hoow	5,039,000	4.63	0	0.00
5	Clifton Heath Fernandez	0	0.00	0	0.00
6	Lye Meei Ruu	0	0.00	0	0.00
7	Chia Yee Yan	0	0.00	0	0.00

Substantial Shareholders

(As per the Register of Substantial Shareholders as at 8 August 2022)

No.	Name of Substantial Shareholder	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	69,111,804	63.44	18,000*	0.02

* Deemed interested by virtue of the shares held by his spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

In the subsidiaries

By virtue of his substantial shareholdings 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 8 AUGUST 2022 (CONT'D)

30 Largest Shareholders as at 8 August 2022

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	KAN MUN HOOW	5,039,000	4.63
4	CHUA SIM NEO @ DIANA CHUA	4,839,600	4.44
5	PUI CHENG WUI	4,667,200	4.28
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAN YOW KHEONG	3,257,900	2.99
7	TEO KWEE HOCK	2,958,300	2.72
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	2,696,800	2.48
9	LAI NYUK MOI	1,272,400	1.17
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)	953,900	0.88
11	PUI BOON HEAN	722,000	0.66
12	PUI BOON KENG	679,400	0.62
13	LAI SHWU YAN	653,000	0.60
14	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	607,900	0.56
15	TOHTONKU SDN BHD	590,000	0.54
16	GOH THONG BENG	587,600	0.54
17	SOW TIAP	408,000	0.37
18	TAN AH LEK @ TAN BAN CHUAN	400,000	0.37
19	LIM KHUAN ENG	308,300	0.28
20	FOLLOW ME INDUSTRIES SDN BHD	246,000	0.23
21	LEYU CHONG HUA @ LEO CHONG HUA	229,000	0.21
22	LIM BAN JOO	224,000	0.21
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI KONG YEW (E-BMM)	220,000	0.20
24	CHUAH SAW LEE	200,000	0.18
25	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR PUI CHENG WUI	200,000	0.18
26	YAP CHOO JOO @ YAP TSE LOO	200,000	0.18
27	KENANGA NOMINEES (TEMPATAN) SDN BHD SAW WAH THENG (PCS)	179,700	0.16
28	ETAH SDN BHD	177,400	0.16
29	NANCY LIM SU LI	153,000	0.14
30	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	150,000	0.14
TOTAL		98,674,304	90.57

NOTICE OF THE 24th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting (“24th AGM”) of the Company will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 5 October 2022 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 2022. **(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) Clifton Heath Fernandez **(Ordinary Resolution 3)**
 - iv) Lye Meei Ruu **(Ordinary Resolution 4)**
 - v) Chia Yee Yan **(Ordinary Resolution 5)**

Low Chin Ann @ Han Chin Ann and Lai Yew Choong who also retire by rotation in accordance with Clause 119 of the Company’s Constitution, have indicated their intention not to seek for re-election. Hence, they will retain office until the close of the 24th AGM.

3. To approve the payment of Directors’ Fee up to RM108,000 in respect of the financial year ending 30 April 2023. **(Ordinary Resolution 6)**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**
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 8)**

“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 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 (“Bursa Securities”); 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 24th ANNUAL GENERAL MEETING (CONT'D)

5.2 Proposed Renewal of Authority for the Purchase by the Company of its own Ordinary Shares (Ordinary Resolution 9)

“THAT subject to the rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution and the Listing Requirements of 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.”

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 2022

NOTICE OF THE 24th ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him 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.
2. 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.
3. 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.
4. 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.
5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 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 via facsimile transmission to 03-7890 4670 not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

Members Entitled to Attend

6. For purposes of determining a member who shall be entitled to attend the 24th 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 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as at 29 September 2022 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 2022**

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 5)**

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.

NOTICE OF THE 24th ANNUAL GENERAL MEETING (CONT'D)

In determining the eligibility of the Directors standing for re-election at the forthcoming 24th AGM, the Nomination Committee (NC) had reviewed and assessed each of the Retiring Directors from the annual assessment and evaluation of the Board for the financial year ended 30 April 2022 as follows:-

- i) Directors self-assessment;*
- ii) Assessment on the independence of the Independent Directors; and*
- iii) Evaluation on the effectiveness of the Board as a whole and the Committees of the Board.*

The NC and the Board had recommended the re-election of Directors based on the following:-

- i) Satisfactory performance in discharging their duties and responsibilities;*
- ii) Met the criteria of character, integrity, experience, competence and time commitment in discharging their roles as Directors;*
- iii) Level of independence demonstrated by the Independent Directors; and*
- iv) Ability to carry out their duties professionally and objectively in the best interest of the Company and shareholders.*

3. Directors' Fee (Resolution 6)

Shareholders' approval on the Directors' Fee for the Board was obtained at the 23rd AGM held on 7 October 2021 and there is no revision to any of the fee. Details of Directors' Fee are set-out on page 42 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 2023. The fee will not be paid until the approval of the shareholders has been obtained at the 24th AGM.

The Directors who are shareholders of the Company will abstain from voting on Resolution 6 pertaining to their respective Directors' Fee.

4. Authority to issue shares under Sections 75 and 76 of the Companies Act, 2016 (Resolution 8)

The Directors did not issue any new shares pursuant to the existing mandate which will lapse at the conclusion of the 24th AGM.

The proposed Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 24th 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.

5. Proposed Renewal of Authority for the Purchase by the Company of Its Own Ordinary Shares (Resolution 9)

The proposed Resolution 9, 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 2022 accompanying the 2022 Annual Report.

NOTICE OF THE 24th ANNUAL GENERAL MEETING (CONT'D)

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 24th 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 24th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 24th 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-Fourth Annual General Meeting ("24th AGM") of the Company will be held at the Royal Ballroom of the Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 5 October 2022 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 Clifton Heath Fernandez as a Director.		
Ordinary Resolution 4	Re-election of Lye Meei Ruu as a Director.		
Ordinary Resolution 5	Re-election of Chia Yee Yan as a Director.		
Ordinary Resolution 6	Approval of Directors' fee for the financial year ending 30 April 2023		
Ordinary Resolution 7	Re-appointment of Crowe Malaysia PLT as Auditors.		
Ordinary Resolution 8	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	Proposed Renewal of Share Buy-Back.		

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

Date: _____

Signature of Shareholder(s)**Notes:****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.
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AFFIX
STAMP

ANALABS RESOURCES BERHAD

Registration No: 199801012843 (468971-A)

The Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

Then fold here

Fold this flap for sealing



ANALABS RESOURCES BERHAD
Registration No. 199801012843 (468971-A)

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