



ANALABS RESOURCES BERHAD

Registration No. 199801012843 (468971-A)



**REDUCING WASTE
FOR A BETTER ENVIRONMENT**

Corporate Social Responsibility - Recycling Waste Since 1980

2023

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REDUCING WASTE FOR A BETTER ENVIRONMENT

Corporate Social Responsibility - Recycling Waste Since 1980



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Kan Yow Kheong
Executive Chairman

Kan Mun Hoow
Executive Director cum Chief Executive Officer

Clifton Heath Fernandez
Senior Independent Non-Executive Director

Lye Meei Ruu
Independent Non-Executive Director

Chia Yee Yan
Independent Non-Executive Director

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
Email : BSR.Helpdesk@boardroomlimited.com

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

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
Email : info@corporatepartners.com.my

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

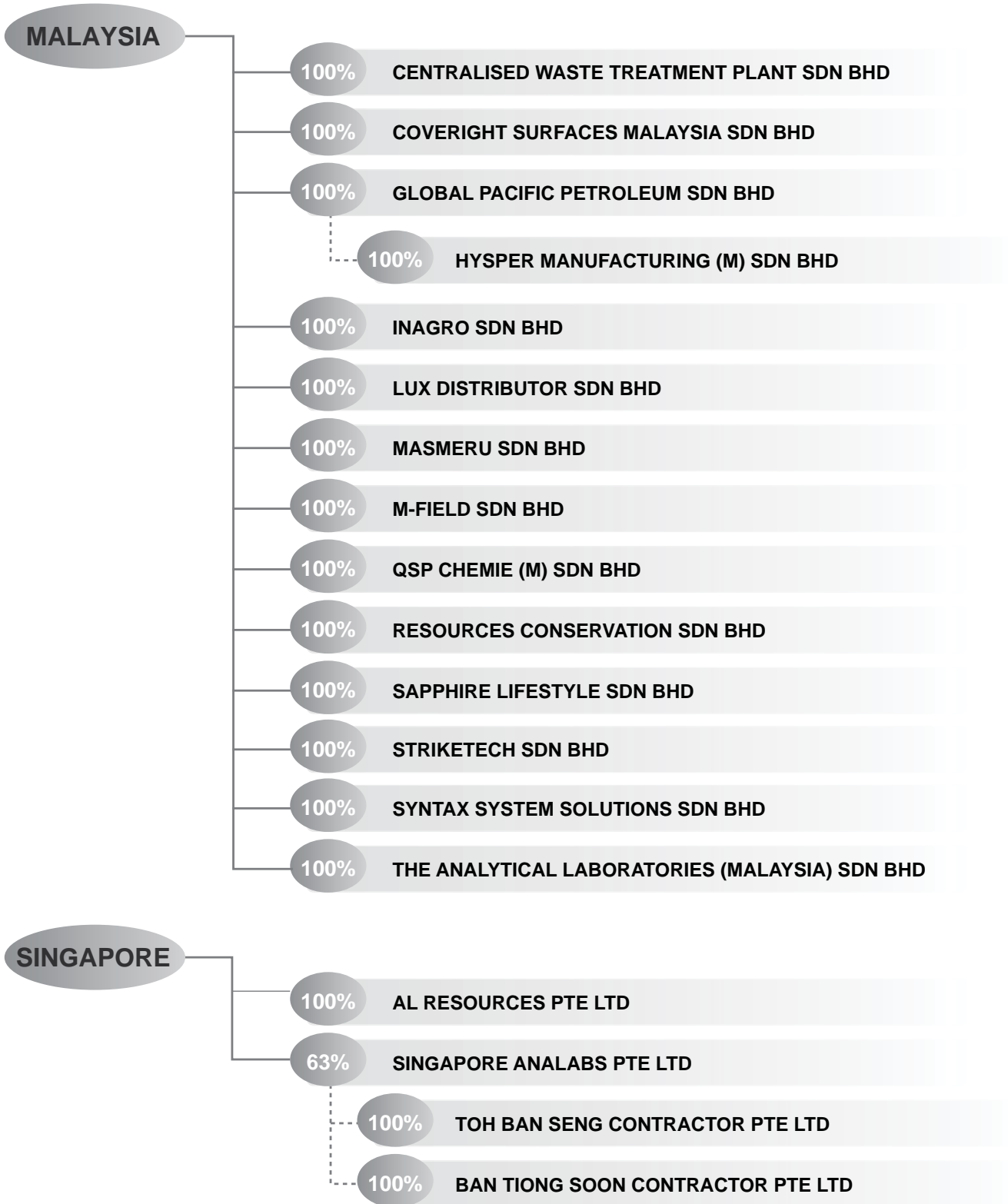
STOCK EXCHANGE

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

WEBSITE

www.analabs.com.my

GROUP STRUCTURE

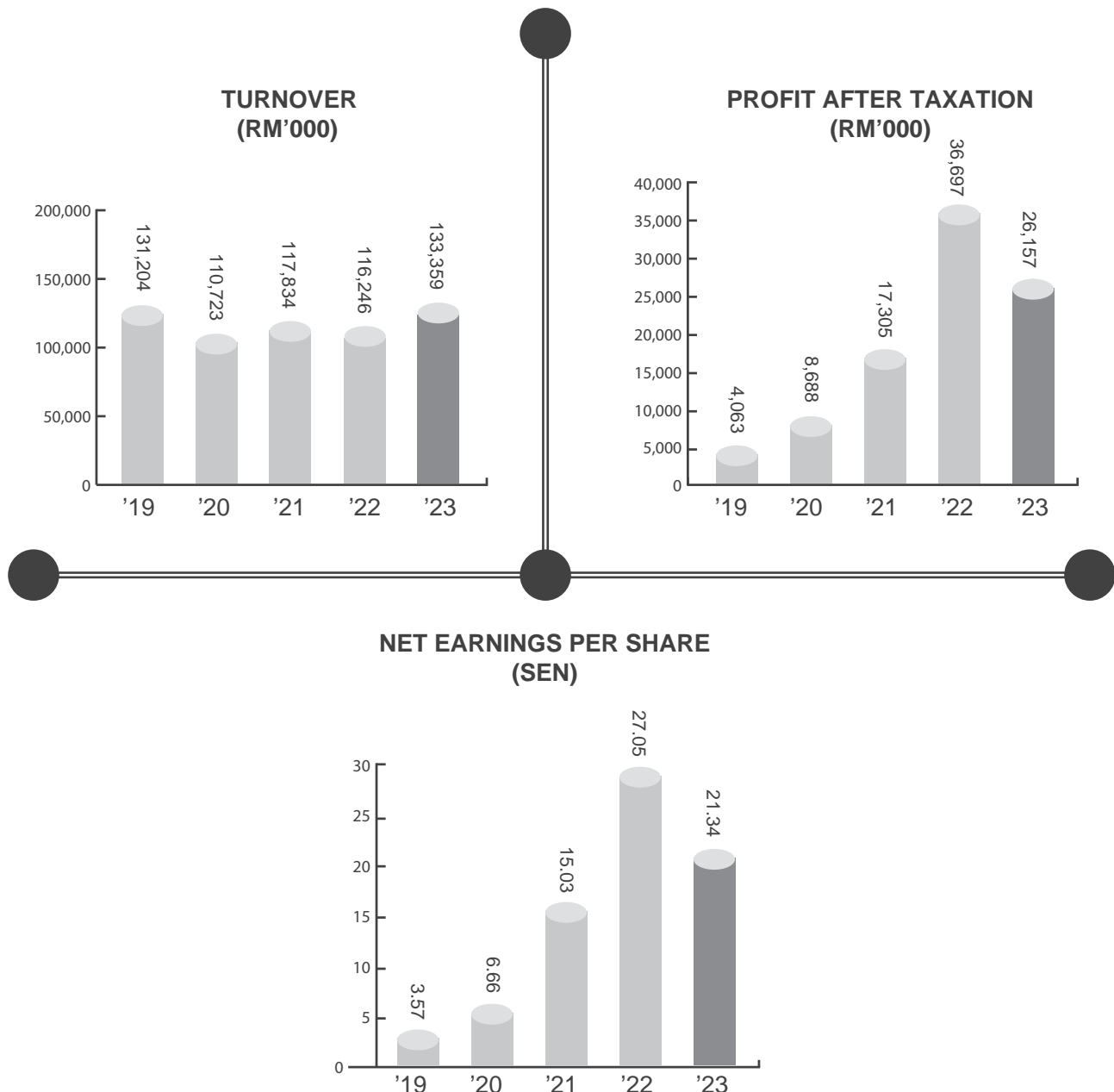


FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2019	2020	2021	2022	2023
TURNOVER (RM'000)	131,204*	110,723*	117,834*	116,246*	133,359
PROFIT AFTER TAXATION (RM'000)	4,063	8,688	17,305	36,697	26,157
PROFIT ATTRIBUTABLE TO					
SHAREHOLDERS (RM'000)	3,918	7,256	16,370	29,463	23,246
NET EARNINGS PER SHARE (SEN)	3.57	6.66	15.03	27.05	21.34
NET ASSETS (RM'000)	269,992	255,857	281,992	328,808	340,920
NET ASSETS PER SHARE (RM)	2.49	2.35	2.58	2.96	3.05
DIVIDEND PER SHARE (SEN)	2.00	2.00	2.00	2.00	2.00

Note:

* The figures have been restated to conform with the presentation of current financial year.



PROFILE OF DIRECTORS

MR. KAN YOW KHEONG *Executive Chairman*

Mr. Kan Yow Kheong, a Malaysian, Male, aged 69, 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.

Mr. Kan confirmed that as at the date of this Annual Report, he has no Conflict of Interest (COI) or potential COI that arose, or might arise, where he has personal pecuniary interest, whether direct and indirect financial interest as well as non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests which are in conflict with the Analabs Group.

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 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 Chief Executive Officer (CEO)*

Mr. Kan Mun Hoow, a Malaysian, Male, aged 43, was appointed to the Board of Directors of Analabs as the Executive Director on 9 March 2017 and was re-designated as the Executive Director cum 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 confirmed that as at the date of this Annual Report, he has no Conflict of Interest (COI) or potential COI that arose, or might arise, where he has personal pecuniary interest, whether direct and indirect financial interest as well as non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests which are in conflict with the Analabs Group.

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. CLIFTON HEATH FERNANDEZ *Senior Independent Non-Executive Director*

Mr. Clifton Heath Fernandez, a Malaysian, Male, aged 51, was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director and was identified as the Senior Independent Non-Executive Director of Analabs on 10 August 2023.

Mr. Clifton is a Fellow of the Chartered Certified Accountant (FCCA, 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/ 27001/ 37001 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.

Mr. Clifton is currently the Training and Certification Director of UNICERT Group. 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 confirmed that as at the date of this Annual Report, he has no Conflict of Interest (COI) or potential COI that arose, or might arise, where he has personal pecuniary interest, whether direct and indirect financial interest as well as non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests which are in conflict with the Analabs Group.

Mr. Clifton is the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. 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. He has no family relationship with any director and/or major shareholder of the Company.

MS. LYE MEEI RUU
Independent Non-Executive Director

Ms. Lye Meei Ruu, a Malaysian, Female, aged 37, 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 more than 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 confirmed that as at the date of this Annual Report, she has no Conflict of Interest (COI) or potential COI that arose, or might arise, where she has personal pecuniary interest, whether direct and indirect financial interest as well as non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests which are in conflict with the Analabs Group.

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 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. She has no family relationship with any director and/or major shareholder of the Company.

MS. CHIA YEE YAN
Independent Non-Executive Director

Ms. Chia Yee Yan, a Malaysian, Female, aged 30, 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 4 years.

Ms. Chia confirmed that as at the date of this Annual Report, she has no Conflict of Interest (COI) or potential COI that arose, or might arise, where she has personal pecuniary interest, whether direct and indirect financial interest as well as non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests which are in conflict with the Analabs Group.

Ms. Chia 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 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. She has no family relationship with any director and/or major shareholder of the Company.

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 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 54, 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 2023 ("FY 2023").

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

FY 2023 had posed significant challenges for Analabs. Nevertheless, prudent management enabled Analabs to ride over this tough and uncertain period. The Group reported a lower profit before tax (PBT) of RM28.2 million or 27.7% lower year-on-year compared to RM39.0 million reported in FY 2022. This was primarily due to the disposal of a foreign subsidiary by the Group in FY 2022, resulting in a one-off gain of RM9.6 million.

As of 30 April 2023, the Group's financial position remained healthy with net assets amounting to RM340.9 million, which was RM12.1 million higher than the net assets of RM328.8 million as of 30 April 2022. While the financial performance might not be as robust as the previous financial year, the Group's resilience and strategic management is still noteworthy.

CHAIRMAN'S STATEMENT (CONT'D)

OPERATING ENVIRONMENT

The manufacturing, formulation and sale of resin, chemicals and building materials segment remained the Group's primary focus and was the key revenue contributor for FY 2023. The segment recorded higher revenue of RM78.2 million, marking an increase of 11.4% year-on-year compared to RM70.2 million reported in FY 2022 as market demand normalised after a dip last year. The segment's PBT increased by RM2.7 million, representing a year-to-year growth of 36.5%, to RM10.1 million in FY 2023.

The contract work, pipe laying and rehabilitation segment reported a 38.6% increase in revenue during FY 2023, rising from RM26.4 million to RM36.6 million. The resurgence of demand for pipe laying works in Singapore can be attributed to the resumption of major infrastructure projects that were halted by the private sector in the last two years due to the pandemic. The segment's PBT for the financial year was relatively higher at RM9.4 million compared to RM9.0 million in FY 2022, underlining the segment's consistent strength.

Despite these accomplishments, the Group continues to face challenges due to an overcrowding of players, where supply outstrips demand, especially within the building material sub-segment. Escalating inflation has also led to a surge in commodity and energy prices, prompting central banks to tighten monetary policies through interest rate hikes, which adversely affects the Group's overall performance.

In this dynamic landscape, management remains vigilant regarding potential investments that will facilitate the Group's growth amidst 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 10 March 2023.

As of 30 April 2023, the Company held a total of 11,114,100 treasury shares from its issued share capital of 120,048,000 ordinary shares.

LOOKING FORWARD

The prolonged Russia-Ukraine geopolitical conflict continues to cast a substantial shadow over the world economy. Additionally, the escalation in central bank policy rates, aimed at combating inflation, further exerts pressure on economic activity. Looking ahead, the Group anticipates that the business outlook will persist in its challenging nature.

Subject to unforeseen circumstances, the Group remains committed to undertaking necessary measures to control its cost structures and developing strategies that proactively identify new opportunities, effectively mitigating the potential impact of these challenges. The Group holds a firm belief that the constant dividend income from its investment holding segment can be upheld on a consistent basis.

ACKNOWLEDGEMENT

I personally would like to extend my appreciation to my fellow Directors, Mr. Clifton, Ms. Lye, Mr. MH Kan and 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 fortify our workforce and empower our organisation's capabilities, ensuring a dynamic and innovative foundation for future growth and success.

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 2023.

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:

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

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. Coverright Surfaces Malaysia Sdn. Bhd. is 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.

During FY 2023, the business segment achieved a 11.4% year-on-year growth in revenue, from RM70.2 million to RM78.2 million, driven by the revitalised demand resulting from the gradual recovery of the post-pandemic economy. Since the fourth quarter of 2022, the downstream demand for melamine in the Asia Pacific market has dwindled, even with a sufficient supply, leading to a reduction in melamine prices and subsequently contributing to the reduction of our resin production costs.

In FY 2022, the segment's profitability was significantly impacted by the notable fluctuations in the exchange rate between the Euro and the US Dollar. Following a decade-low point against the US Dollar in September 2022, the Euro rebounded to historically typical levels, thereby mitigating the exposure to foreign losses for the segment in FY 2023. Consequently, the segment's PBT for the financial year surged by 36.5%, equivalent to RM2.7 million, ascending from RM7.4 million to RM10.1 million. However, the segment's performance has yet to reach its pre-pandemic levels.

In the current challenging times, our Group's strategy is to focus on the growth to enhance revenue streams by retaining and expanding our clientele base with resources invested 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.

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.

Singapore's construction industry was badly affected by the Covid-19 pandemic over the last three years and will see the completion of most of the delayed projects by 2023 with the return of foreign workers and an improvement in the construction materials supply chain with China's reopening.

During FY 2023, sales from the segment increased by 38.6%, from RM26.4 million to RM36.6 million due to the persistent strong demand for public infrastructure development projects and increased tendering price under the inflationary environment.

In FY 2023, the segment recorded a PBT of RM9.4 million, or 4.4% higher compared to the RM9.0 million reported in FY 2022. The size of increase in the PBT however, was marginal as compared to the revenue, as the segment is suppressed by the escalating construction costs including soaring materials prices and labour cost.

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.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

BUSINESS SEGMENTS (Cont'd)

Investment Holding and Property Letting

Our investment holding and property letting segment is engaged in shares investment, particularly in the banking sector, as well as acquisition and leasing of commercial and industrial properties. As we entered 2023, we have seen global stock prices adversely affected by uncertainty surrounding the Russian-Ukraine War. The geopolitical tensions have prompted investors to seek safety in assets that are considered stable, such as the U.S. dollar and government bonds.

Our local stock market has experienced increased pressure following the news of the collapse of a few US-based banks, resulting in a significant drop in the market value of the Group share investments as of year-end-closing.

Despite the disruptions in the stock market prices, full reopening of the economy from April 2022 has led to a surge in the real GDP growth amid pent-up spending and normalisation of business activities. In FY 2023, our investment holding and property letting segment reported an increase in revenue of RM0.6 million, reaching RM10.8 million.

Our Group's strategy is to continue investing in blue-chip stocks for sustainable dividend income and capital appreciation. We remain cautiously optimistic about the prospects of the segment.

Recovery and Sale of Recycled Products

Our recovery and sale of recycled products segment involves the recycling of hazardous industrial waste. The segment's activities are closely aligned with the Group's core business, as a professional waste management company that consistently sets industry benchmarks through innovative and eco-friendly recycling practices designed to meet customer needs.

During FY 2023, the segment experienced a contraction, with revenue declining by 10.6% to RM7.6 million from the RM8.5 million reported a year ago. This decline was attributed to the loss of revenue contribution from a foreign subsidiary which was disclosed in FY 2022. However, the segment's PBT showed a notable increase of 20.8%, reaching RM2.9 million in FY 2023. This positive result was attributed to effective cost control measures implemented by the management.

Looking ahead, it is anticipated to experience modest growth, aligning with the projected Malaysia industrial production growth of around 3.6% in 2024. Our Group remains committed to consistently enhancing our expertise and extensive knowledge in environmental management to offer a comprehensive one-stop solution. Our aim is to expand our presence and bolster our market share in the specialised niche of the scheduled waste management industry.

Culture and Sale of Prawns

Our culture and sale of prawn segment is engaged in seawater prawn breeding for the local markets. Our prawn farm is situated in Kuala Langat and is equipped with environmentally friendly cultivation systems.

During FY 2023, the segment continued to experience a downturn in performance. Revenue plummeted by 77.8% to RM0.2 million, and the loss before tax surged by 66.7% to RM1 million.

The segment continues to pose challenges for the Group. To address this, we are actively engaged in day-to-day monitoring and knowledge transfer concerning water treatment and recirculation systems. Through these efforts, our Group is striving for ongoing enhancement in the cultivation practices of our prawn farms.

We maintain a strong belief that food is an essential commodity and a business resilient to economic downturns. This conviction drives us to diversify our Group's ventures and underscores our commitment to ensuring continuous improvement and growth.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

OPERATIONS REVIEW

Financial Results

In FY 2023, our Group accomplished a revenue of RM133.4 million, marking a year-on-year increase of 14.8%. The major contributors to this revenue were the manufacturing, formulation, and sale of resin, chemicals and building materials segment, accounting for RM78.2 million, and the contract work, pipe laying and rehabilitation segment, contributing RM36.6 million.

Despite the rise in revenue, our Group's PBT witnessed a decline of 27.7%, dropping from RM39.0 million in FY 2022 to RM28.2 million in FY 2023. This reduction in PBT was primarily attributed to specific non-recurring transactions that occurred in the previous financial year. These transactions included a gain of RM9.6 million arising from the disposal of a foreign subsidiary in Singapore and the waiver of RM4.4 million debts.

In FY 2023, the Group experienced lower foreign exchange losses and depreciation, both decreased by RM1.8 million and RM2.2 million, respectively. While these reductions were not substantial enough to significantly boost the Group's overall performance, they did contribute to a modest improvement in the results.

Assets, Liabilities and Equity

Our Group's total assets expanded from RM445.0 million to RM503.2 million, marking a year-on-year growth of 13.1% compared to the preceding financial year. This increase in total assets was primarily driven by a rise in both equity investments and receivables, amounting to RM60.5 million and RM6.4 million, respectively. However, this growth was partially offset by a decrease in cash and cash equivalents of RM5.1 million and a reduction in right-of-use assets of RM3.4 million.

Our Group's liabilities surged by 39.6%, reaching RM162.2 million as of 30 April 2023, compared to RM116.2 million in the prior year. This increase was mainly attributed to the increase in the Group's loans and borrowings, particularly margin trading loans used for acquiring quoted share investments, contributing to a significant increase of RM51.8 million. Consequently, our Group's debt-to-equity ratio rose from 0.26 to 0.38 by the end of the reporting period.

As of 30 April 2023, our Group's total equity increased from RM328.8 million to RM340.9 million, representing a year-on-year increase of 3.68%.

Working Capital Position

As of 30 April 2023, our Group reported receivables of RM32.7 million, marking a 24.3% increase compared to RM26.3 million recorded on 30 April 2022. This growth was in line with the increased sales from both the manufacturing, formulation, and sale of resin, chemicals and building materials segment and the contract work, pipe laying and rehabilitation segment.

As of 30 April 2023, our Group's payables totaled RM11.3 million, reflecting a 14.1% increase compared to RM9.9 million on 30 April 2022. This increase was attributed to higher construction costs incurred to meet the requirements of various projects.

Furthermore, our Group's inventories decreased by RM2.3 million from RM14.4 million in the previous financial year. This reduction was driven by lower storage of raw materials within the manufacturing, formulation, and sale of resin, chemicals and building materials segment. This strategic adjustment was made in response to the volatile fluctuations in commodity prices.

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 33 of the Financial Statements in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

RISK AND UNCERTAINTIES (Cont'd)

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.

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 are exposed to fluctuations in material prices. Raw paper and resin constitute the two major components used in the production of impregnated decorative surfacing films. The volatility of resin prices can be attributed to fluctuations in natural gas and energy prices, market supply shortages and economic downturns.

Likewise, our contract work, pipe laying and rehabilitation work segment is also vulnerable to construction cost pressures due to rising labor costs caused by ongoing manpower shortages, as well as potential disruptions in the supply chain of construction materials stemming from the unresolved Russia-Ukraine conflict. Additionally, as Singapore commits to achieving net-zero emissions by 2050, the use of alternative building materials with lower embodied carbon and the adoption of renewable energy sources may temporarily elevate construction costs until these materials and technologies become more widely embraced within the industry.

To mitigate these risks, we maintain regular communication with our suppliers to monitor the latest pricing trends and consistently explore new sources of suppliers from various regions to secure competitive pricing. We also anticipate the inclusion of clauses addressing material price fluctuations in our contracts.

Machineries Breakdown

Our manufacturing, formulation and sale of resin, chemicals and building materials segment has 4 impregnating lines. Our operation is exposed to the risk of machines breakdown which could subsequently reduce production rates and causes wastage. Consequently, this results in a higher cost of production.

To mitigate this risk, our maintenance team schedules repairs and maintenance regularly to prevent breakdowns. Our engineers also constantly monitor the equipment and spare parts and ensure all variable elements adhere to 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.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT (CONT'D)

FUTURE OUTLOOK

Global growth in 2023 is expected to be moderate and gradual, influenced by the elevated central bank policy rates implemented to combat inflation, which are impeding global economic activities. The reopening of China since late 2022 has boosted the consumption and demand across the regions.

However, the evolution of Russian's war against Ukraine remains uncertain, any further shocks that occur could trigger a more restrictive monetary policy. In most economies including Malaysia, the foremost objective remains to achieve sustained disinflation while ensuring financial stability. Against this backdrop, a persistently challenging outlook is anticipated as we move forward.

Despite the challenges, our Group is confident that we can adapt to the changing landscape through our prudent management. We are 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

Analabs Resources Berhad (“Analabs” or “the Company”) and its subsidiaries (“the Group”) are pleased to present our Sustainability Statement (“Statement”) for the financial year ended 30 April 2023 (“FY 2023”). This Statement has been approved by the Board of Directors (“Board”) on 10 August 2023.

This Statement aims to communicate the Analabs Group’s commitment to sustainability and progress to our Stakeholders.

ABOUT THIS STATEMENT

This Statement encompasses the material sustainability matters and sustainability performance of Analabs and its subsidiaries for FY 2023. Three (3) years of comparative historical data have been provided whenever available to provide a meaningful comparison of the Group’s sustainability performance and how it has changed over time.

The scope of this Statement includes all of our subsidiaries operating in Malaysia and Singapore, unless otherwise stated. The information and data disclosed in this Statement were sourced from our reporting processes, systems, and records. All of which have been verified by our respective heads of departments within the Group. Currently, we do not obtain external assurance for this Statement.

This Statement is prepared in accordance with the Sustainability Reporting Guide 3rd Edition and Toolkits 3rd Edition from Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

LIMITATION

It is important to note that any forward-looking information included in this Statement is founded on rational assumptions derived from present business conditions. However, due to the Group’s need to adjust business strategies and operational choices in response to evolving risks, opportunities, and changing conditions, actual outcomes and measures undertaken might differ.

FEEDBACK

We are committed to continually enhancing our sustainability reporting to offer insightful insights into our Economic, Environmental, Social, and Governance (“EESG”) initiatives and achievements. Your feedback on this Statement and its content is invaluable to us, as are your suggestions for ongoing improvements in our sustainability reporting. We invite all our valued stakeholders to share their thoughts and ideas with us. Feel free to reach out via email at info@corporatpartners.com.my. Your input drives our progress towards a more sustainable future.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE STRUCTURE

At Analabs Group, our efforts have been guided by a robust standard and an improved framework that promotes integrity, ethical behavior, accountability, and transparency. Our sustainability governance has been spearheaded by the Board of Directors (“the Board”) in collaboration with the Sustainability Committee and the Sustainability Working Group. The Sustainability Committee comprises the subsidiaries’ executive directors and members of the Senior Management, while the Sustainability Working Group consists of various department heads within the Group.



Among the responsibilities are:

Board of Directors:

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

Sustainability Committee:

- identifying the material sustainability matters relevant to business operations;
- recommending targets, initiatives, and standard procedures to manage material sustainability matters identified;
- evaluating the implementation of the approved recommendations;
- considering the views of stakeholders in managing material sustainability matters; and
- assessing the company’s sustainability risks and opportunities.

Sustainability Working Group:








- monitoring and reporting the progress of all sustainability initiatives and strategies to the Sustainability Committee; and
- ensuring the strategies planned by the Sustainability Committee are implemented.

CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY PILLARS

Analabs Group is committed to integrating sustainability into its business practices, with a primary focus on managing ESG risks and opportunities to generate long-term benefits and ensure business continuity. Analabs Group supports the United Nations' Sustainable Development Goals ("UN SDGs") and works alongside our stakeholders to bring more value to our business and society.

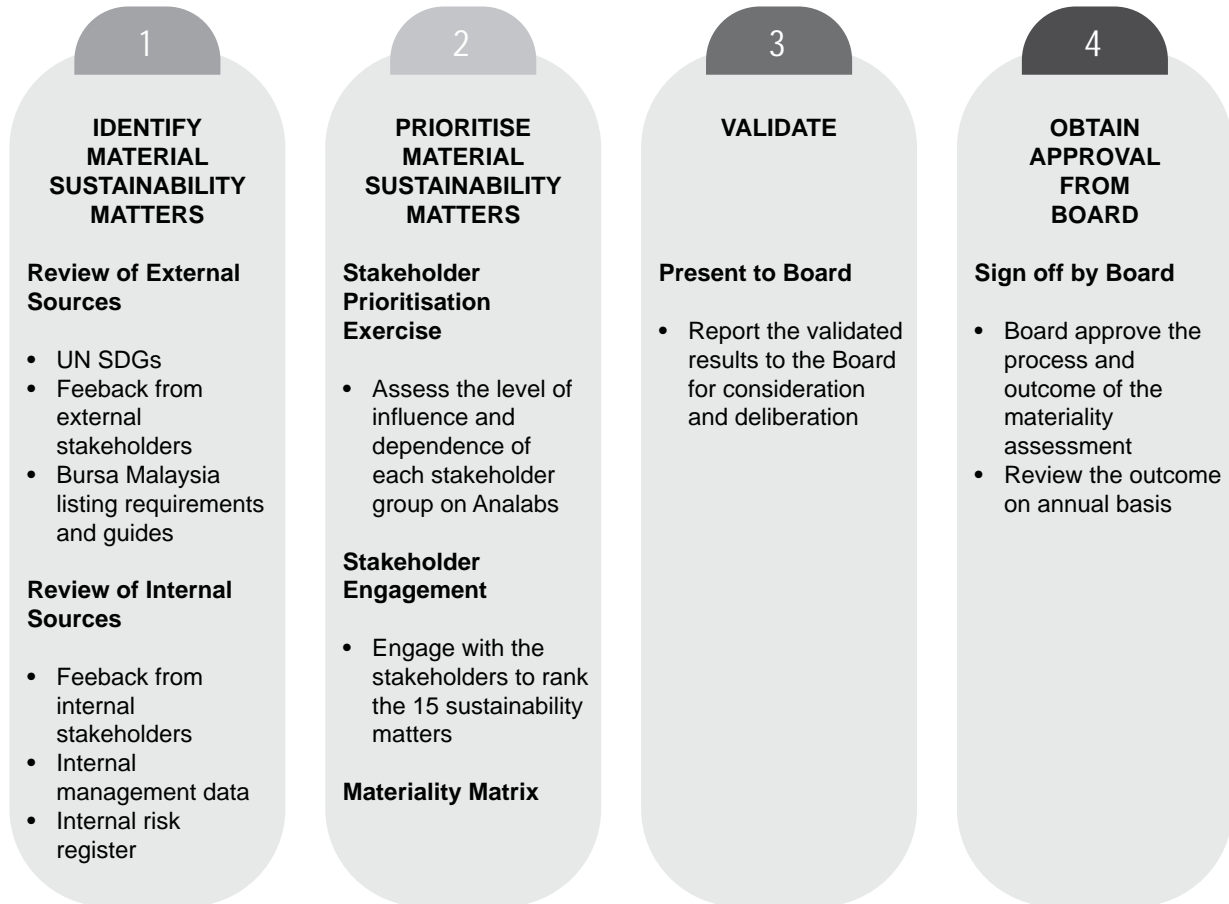
SUSTAINABILITY

Core Pillars	Economic Prosperity	Environmental Stewardship	Social Responsibility	Ethical Governance
Focus Areas	<p>Thriving communities begin with strong economies.</p> <p>Our dedication to financial performance, addressing indirect economic impacts, and responsible supply chain management all contribute to sustainable economic growth that benefits society at large.</p>	<p>Minimising ecological footprint.</p> <p>By ensuring responsible production and delivery of products and services, focusing on energy efficiency, reducing air emissions, optimising water consumption, and implementing robust waste management practices, we aim to protect biodiversity and contribute to a healthier planet.</p>	<p>Empowering workforce and supporting the community are at the heart of our social responsibilities.</p> <p>We uphold high standards in occupational safety and health, embrace diversity, follow ethical labor practices and standards, and actively engage with our local communities to create positive social impact.</p>	<p>Ethical governance.</p> <p>We foster good governance practices, ensuring transparency, accountability, and responsibility. We uphold strict privacy policies, abhor corruption, and stand firm against any unethical behavior. Our commitment to ethical conduct shapes our interactions with stakeholders and strengthens our reputation.</p>
Material Sustainability Matters	<p>Financial Performance</p> <p>Indirect Economic Impact</p> <p>Supply Chain Management</p>	<p>Product and Services</p> <p>Responsibility</p> <p>Energy Efficiency</p> <p>Air Emissions</p> <p>Water Consumption</p> <p>Waste Management</p> <p>Biodiversity</p>	<p>Occupational Safety and Health</p> <p>Diversity</p> <p>Labour Practices and Standards</p> <p>Community / Society</p>	<p>Good Governance</p> <p>Cybersecurity and Data Privacy</p>
UN SDGs		  	 	

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS

Our materiality assessment process is as follows:



In identifying sustainability matters, we have gathered information from both external and internal sources, with a particular emphasis on listening to feedback from our internal and external stakeholders. We engage with our stakeholder groups through various communication channels, including web-based media platforms, meetings, seminars, and in-person interactions.

The following table outlines our key stakeholders, along with the methods of engagement, frequency of engagement, and the topics we discuss with them.

Stakeholder Group	Engagement Method	Frequency	Matters Discussed
Customers	<ul style="list-style-type: none"> • Customer complaint management • Customer feedback management • Daily management • Events and engagement sessions • Market research and products innovation • Site visit 	<ul style="list-style-type: none"> • Regularly • Regularly • Daily • Regularly • Regularly • Regularly 	<ul style="list-style-type: none"> • Product and service quality • Competitive pricing • Customer experience • Safety and security
Vendors/ Subcontractors	<ul style="list-style-type: none"> • Independent evaluation • Regular visit • Vendor briefing programmes • Vendor development programme (VDP) • Vendor relationship management 	<ul style="list-style-type: none"> • Annually • Regularly • Regularly • Ad hoc • Regularly 	<ul style="list-style-type: none"> • Compliance with industry best practices, rules and regulations • Safety and health • Fair treatment of suppliers

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

The following table outlines our key stakeholders, along with the methods of engagement, frequency of engagement, and the topics we discuss with them.

Stakeholder Group	Engagement Method	Frequency	Matters Discussed
Government and regulators	<ul style="list-style-type: none"> Formal meetings or visits Licensing, audits and inspections Performance and monitoring reports 	<ul style="list-style-type: none"> Ad hoc Annually Periodically 	<ul style="list-style-type: none"> Compliance with legislation, rules and regulations
Employees	<ul style="list-style-type: none"> Meeting Performance appraisal Training and development 	<ul style="list-style-type: none"> Daily, weekly and monthly Annually Regularly 	<ul style="list-style-type: none"> Corporate priorities, vision, core values, ethical conduct Business strategy and direction Rewards, recognition, leadership, talent development Human rights, diversity, and inclusion Workplace health and safety
Investors	<ul style="list-style-type: none"> Annual general meetings Extraordinary general meetings Corporate announcements Media releases 	<ul style="list-style-type: none"> Annually Ad hoc Periodically Ad hoc 	<ul style="list-style-type: none"> Financial performance Compliance and governance Business strategies and directions
Local communities	<ul style="list-style-type: none"> Corporate social responsibilities activities Donations 	<ul style="list-style-type: none"> Ad hoc Ad hoc 	<ul style="list-style-type: none"> Minimising environmental and social impact Community investments

Material sustainability matters are identified through reviews and assessments of the context and strategy of each subsidiary by the Sustainability Committee, considering relevant stakeholders' requirements and expectations. These are critical internal and external risks and opportunities that are pertinent to the long-term growth and continuous improvement of Analabs.

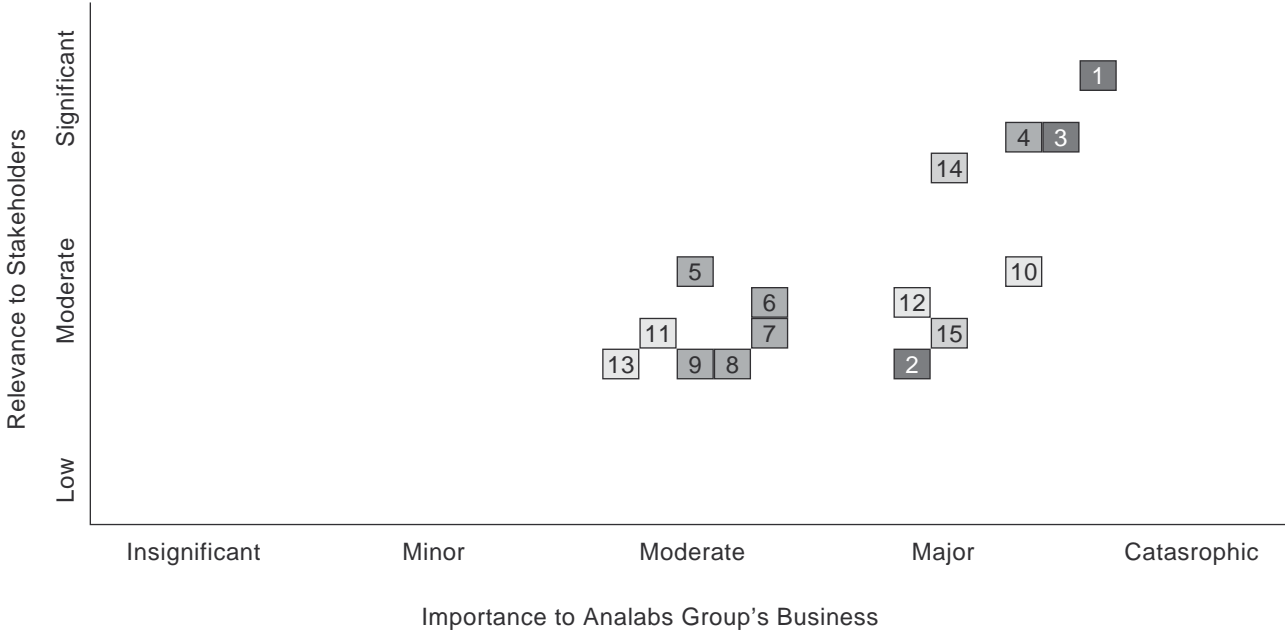
A total of fifteen (15) material sustainability matters were identified and prioritised in a materiality matrix. The materiality matrix clearly illustrates the relative importance of each material sustainability matter based on its significance to Analabs Group's business and its relevance to stakeholders. In FY 2023, no significant changes were made to the materiality of sustainability matters and the materiality matrix, as shown below, except for the inclusion of the common sustainability matters outlined in Annexure PN9-A under Practice Note 9 of the Main Market Listing Requirements.

The materiality assessment is prepared by the Sustainability Committee and subsequently reviewed and approved by the Board, along with any relevant targets and performance.

CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)


MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS (Cont'd)

Materiality Matrix




ECONOMIC

1. Financial Performance
2. Indirect Economic Impact
3. Supply Chain Management




ENVIRONMENTAL

4. Product and Services Responsibility
5. Energy Efficiency
6. Air Emissions
7. Water Consumption
8. Waste Management
9. Biodiversity



SOCIAL

10. Occupational Safety and Health
11. Diversity
12. Labour Practices and Standards
13. Community / Society



GOVERNANCE

14. Good Governance
15. CyberSecurity and Data Privacy



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY

ECONOMIC

1. Financial Performance

Financial performance is intricately connected to a business's sustainability as it forms the backbone of enduring success. Positive financial performance enables an organisation to cover operational costs, fulfill financial commitments, invest in growth opportunities, and create long-term value for all stakeholders. Since its listing on the Main Market of Bursa Securities, Analabs Group has consistently reported sound and healthy financial performance. This consistent financial strength allows Analabs Group to remain resilient even amid uncertainties in the changing global socioeconomic landscape.

Financial success goes hand in hand with sustainable business management approaches. At Analabs Group, we encourage a mindset of continuous learning and adaptation, while also emphasising a collaborative decision-making process that involves stakeholders at all levels of the organisation. This inclusivity fosters a sense of ownership and commitment to our shared goals.

Our management team takes a hands-on approach to day-to-day operations. By being directly engaged, we are better positioned to identify areas for improvement and promptly address challenges that may arise. Regularly, we also engage in active discussions with senior management and the Board regarding business strategies that encompass not only financial goals but also ethical, environmental, and social aspects.

Analabs Group's financial performance highlights for the financial year ended 30 April 2023 and its comparatives for the previous financial years are as follows:

Financial Year Ended	2023	2022	2021
Revenue (RM'000)	133,359	116,246*	117,834*
Profit After Taxation (RM'000)	26,157	36,697	17,305
Net Assets (RM'000)	340,920	328,808	281,992
Net Assets Per Share (RM)	3.05	2.96	2.58

* restated to conform with the presentation of current financial year.

For detailed information regarding the financial results, kindly refer to the Management Discussion and Analysis and the Audited Financial Statements in the Annual Report.

2. Indirect Economic Impact

Since 1980, Analabs Group has been actively engaged in the business of recycling scheduled waste, demonstrating our dedication to environmental responsibility. A significant turning point occurred in 1987 with the signing of the Montreal Protocol, an international treaty designed to safeguard the Earth's ozone layer. In response to this critical milestone, Analabs took proactive measures to address environmental concerns.

Specifically, Analabs Group embraced the challenge of recycling Chlorofluorocarbons (CFCs), recognising their harmful impact on the ozone layer. Through innovative approaches, we transitioned from utilising CFCs to adopting alternative solvents that are more environmentally friendly. This transition allows Analabs Group to significantly reduce its ecological footprint.

Additionally, by facilitating the recycling and reusing of solvent products, Analabs Group indirectly empowers its clients to maintain their competitiveness by offering relatively cheaper replacements for use, which can help lower their production costs in the long run.

Recovery and sale of recycled products segment forms an integral part of Analabs Group's sustainability journey. Our subsidiaries within the segment comply with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 integrated management systems and are committed to upholding the highest standards of quality, environmental stewardship, and occupational health and safety. Aligned with the Group's motto of "Reducing Waste for A Better Environment", Analabs Group remains steadfast in its commitment to fostering sustainability through recycling services.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ECONOMIC (Cont'd)

2. Indirect Economic Impact (Cont'd)



3. Supply Chain Management

Supply chain management is essential for sustainability as it governs the responsible sourcing, production, distribution, and disposal of goods or services. Ethical supply chain practices reduce environmental impact, support social responsibility, and conserve resources.

Analabs Group is dedicated to maintaining an ethical supply chain through robust governance and strong cooperation with our suppliers. At Analabs Group, all suppliers are treated fairly, and employees are trained to act in the best interest of the organisation. Our employees are also required to adhere to the procurement policy, which ensures the preservation of confidentiality and the avoidance of conflicts of interest.

As part of the procurement procedures, we also conduct an annual evaluation of our existing suppliers to assess their performance based on aspects such as quality, timeliness of delivery, after-sales services, and responsiveness to complaints.

The Group actively supports local procurement and engages with local suppliers whenever possible to bolster the domestic economy, promote local community development, and minimise environmental impacts stemming from our business activities with suppliers by sourcing materials locally. In FY 2023, our expenditure on local suppliers was RM37.4 million (42.3%), compared to the non-local supplier expenditure of RM51.1 million (57.7%).

ENVIRONMENTAL

4. Product and Services Responsibility

Product and service responsibility is crucial for Analabs Group because it directly impacts the Group's reputation, consumer trust, and its long-term viability. The following highlights our responsible practices in addressing environmental impacts while aligning with societal values and safeguarding our brand:

- Forest Stewardship Council - Chain of Custody ("FSC CoC") approach
- Sustainable Aquaculture with Recirculating Aquaculture System (RAS)

Forest Stewardship Council - Chain of Custody ("FSC CoC") approach

Coveright Surfaces Malaysia Sdn Bhd ("Coveright"), a significant subsidiary of Analabs, operates within the wood panel industry, specialising in the production of impregnated decorative surfacing films for global customers. In light of mounting public concerns about the world's forests and timber resources, Coveright joined FSC and integrated the FSC-certified chain of custody into its SHEQ (Safety, Health, Environment, and Quality) management system.

Attaining FSC certification entails Coveright sourcing materials from FSC-certified forests, engaging in recycling and utilising controlled sources, and adhering to FSC-defined best practices throughout the supply chain. In FY 2023, around 74.7% of its paper supplies were procured from FSC-certified suppliers (FY 2022 - 89.5%).

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

4. Product and Services Responsibility (Cont'd)

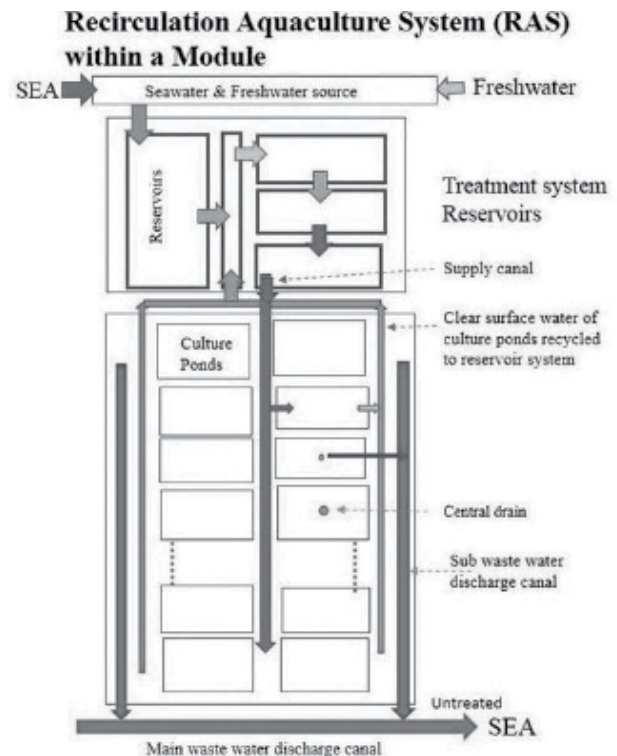
Sustainable Aquaculture with Recirculating Aquaculture System (RAS)

Striketech Sdn Bhd ("Striketech"), another subsidiary of Analabs, engages in prawn cultivation. In today's society, concerns about the negative environmental impacts of aquacultural activities have grown. The raised issues include, among others, excretions from aquatic life, accumulation of excess feed in the water, and increased toxicity that degrades water quality. In most conventional aquacultural practices, contaminated water is discharged into the ocean without treatment.

As part of our sustainable approach to reducing water pollution, Striketech employs a recirculating aquaculture system (RAS). This system recycles water by passing it through filters to remove prawn waste and food, and then recirculates it back into the tanks.

Apart from that, Striketech also sources the fries and feeds from the reliable supplier, Charoen Pokphand group in Malaysia.

Through initiatives like RAS and responsible sourcing, Striketech exemplifies Analabs Group's dedication to sustainable practices and environmental preservation.



5. Energy Efficiency

In response to the climate change issues faced worldwide, Analabs Group recognises the need to deepen our commitment to sustainability by reducing our carbon footprint. We have identified "energy efficiency" as a key sustainability opportunity. Increased efficiency can lower greenhouse gas emissions and other pollutants, as well as reduce energy consumption costs, especially given our operations involving the use of heavy machinery and a high reliance on natural gas.

Renewable Energy - Solar Power

Towards the end of FY 2022, Coveright made a shift to solar energy by installing a 613.36kW solar system in our factory located in Klang, Selangor. Energy produced from the solar project is supplied to Tenaga Nasional Berhad under the Net Energy Metering (NEM) scheme. In FY 2023, the solar power system generated about 669,597 kWh of energy (FY 2022 - 146,000 kWh). It resulted in RM23,518 (FY 2022 - RM11,178) worth of electricity sold to Tenaga Nasional Berhad.



MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

5. Energy Efficiency (Cont'd)

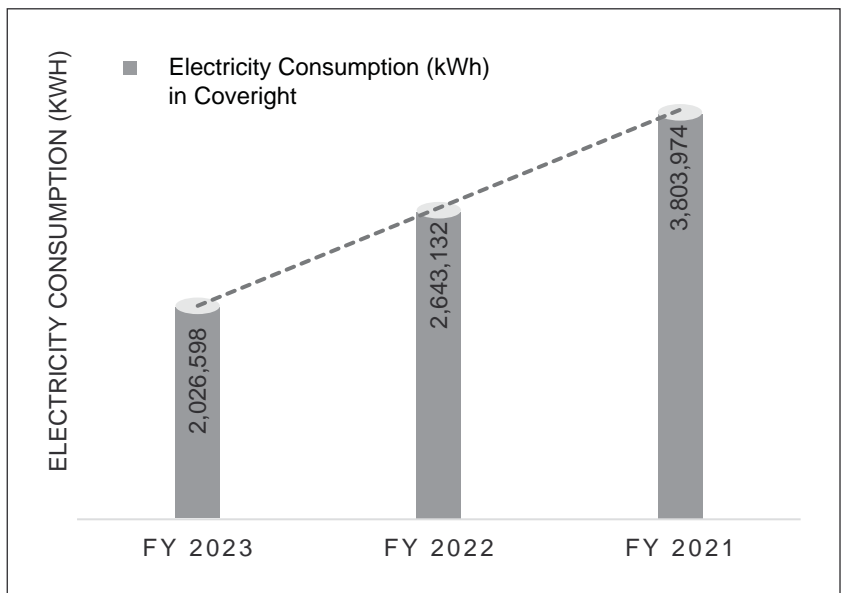
Electricity Consumption

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

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

Moving forward, Coveright aims to switch its factory street lighting from fluorescent lights to LED lights as part of its sustainable energy initiatives. In FY 2023, Coveright installed 52 solar lights in its factory.

In FY 2023, Coveright's electricity consumption was 2,026,598 kWh, as shown below:



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

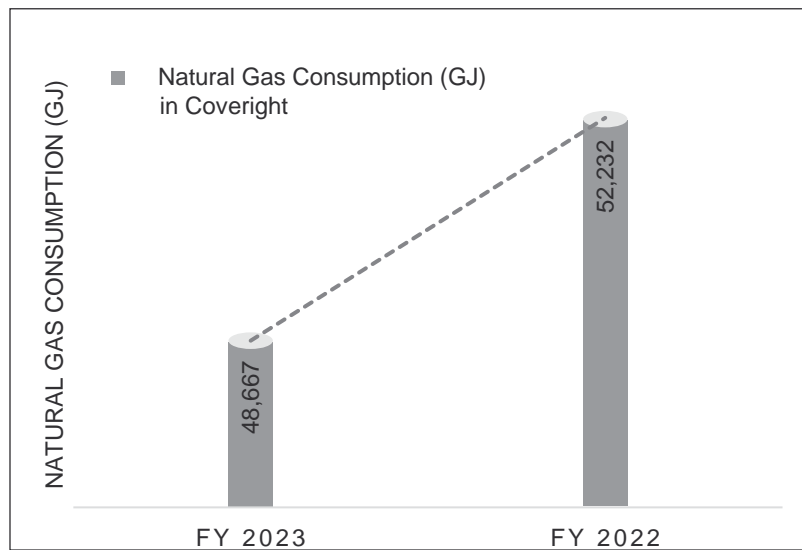
ENVIRONMENTAL (Cont'd)

5. Energy Efficiency (Cont'd)

Natural Gas Consumption

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

In FY 2023, Coveright's natural gas consumption was 48,667 GJ, as shown below:



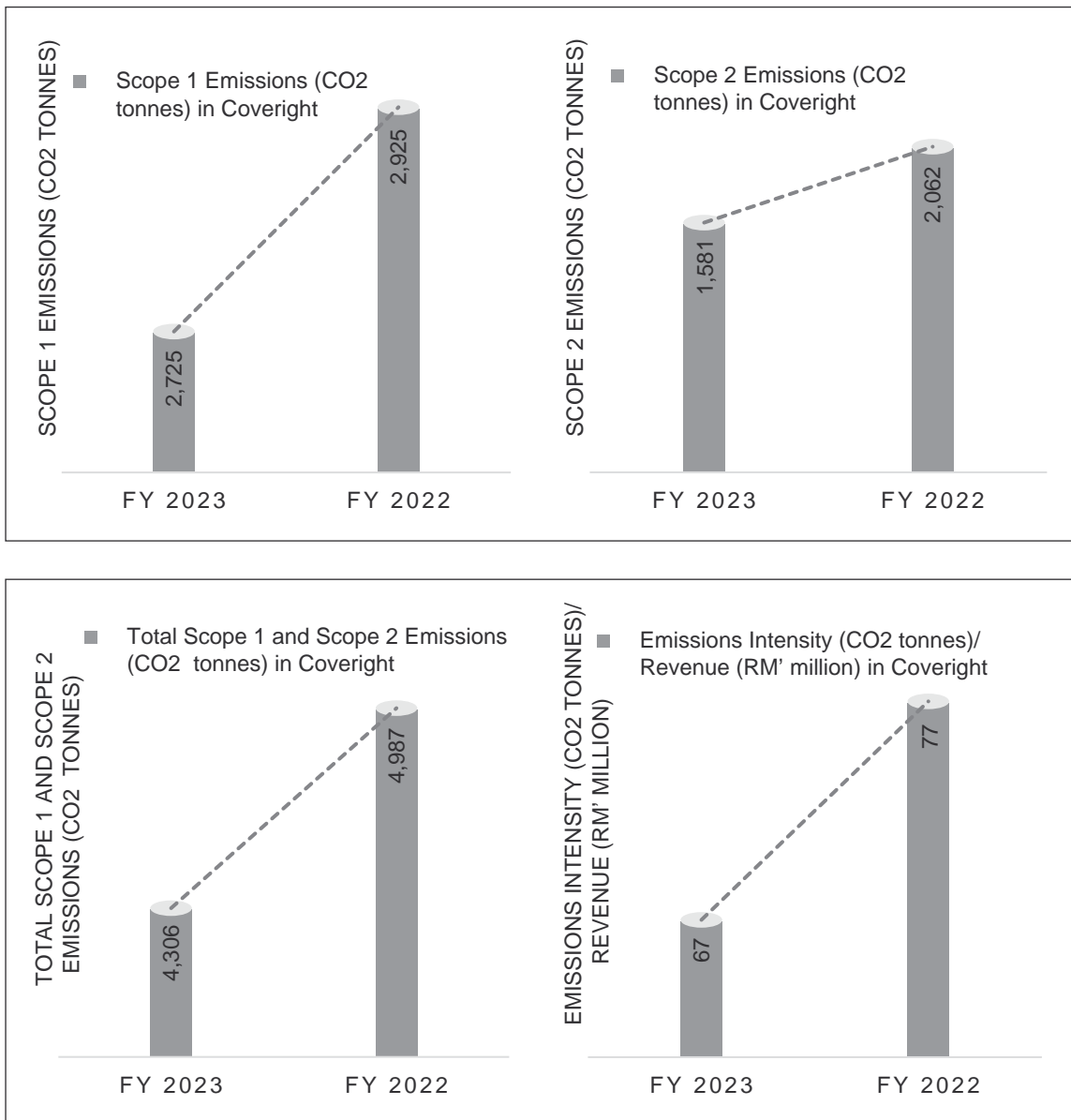
CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

6. Air Emissions

The main sources of emissions for Analabs Group are the direct combustion of fossil fuel sources such as natural gas (Scope 1) and the purchased electricity (Scope 2). Based on the natural gas consumption and purchased electricity data collected by Coveright, the corresponding Scope 1 and Scope 2 emissions of Coveright for FY 2023 are as follows:



The emission intensity shows that carbon dioxide emissions per million of revenue have decreased by 13% to 67 CO2 tonnes per RM million in FY 2023.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

6. Air Emissions (Cont'd)

Besides greenhouse gas emissions, there were also other physical and chemical emissions from our manufacturing plant operated by Coveright. The subsidiary engaged an external party to conduct yearly monitoring of dust, heavy metals, and air emissions. Based on the air emission test results for the years 2022 and 2021, the discharge of hazardous substances was within the limits of the Malaysian Environment Quality (Clean Air) Regulation 2014, as shown in the table below.

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
Hydrofluoric acid	HF	mg/m3	< 5	< 5	100
Hydrogen chloride	HC1	mg/m3	< 1	< 1	400
Chlorine gas	Cl2	mg/m3	< 1	< 1	200
Copper	Cu	mg/m3	< 0.1	< 0.1	100
Zinc	Zn	mg/m3	< 0.1	< 0.1	100
Arsenic	As	mg/m3	< 0.1	< 0.1	25
Antimony	Sb	mg/m3	< 0.1	< 0.1	25
Lead	Pb	mg/m3	< 0.1	< 0.1	25
Cadmium	Cd	mg/m3	< 0.1	< 0.1	15
Mercury	Hg	mg/m3	< 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.

Coveright has scheduled the next testing for its local exhaust ventilation systems and employees' exposure to chemicals in September 2023.

As part of the commitment to reduce emissions, including dust, dark smoke, and metallic compounds, Coveright is looking forward to exploring new applications of green technology in the manufacturing process.

Aligned with the IMS, Coveright is required to carry out its annual environmental analysis to:

- identify the environmental aspects of their activities and products;
- determine those that can/have significant impacts on the environment; and
- establish an environmental management program that caters to those aspects.

Analabs Group continues to monitor the effectiveness of its environmental management program via Integrated Management System (IMS) audit, observations and feedback by management.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

7. Water Consumption

Managing water consumption is vital for sustainable business operations. At Analabs Group, we adopt strategies like promptly fixing leaks and optimising processes to minimise usage. We regularly monitor and maintain our water infrastructure, along with training employees to practice responsible water habits, such as turning off taps when not in use.

At Coveright, we also recycle and treat wastewater for reuse in the production process or factory cleaning, which further reduces our water demand.

In FY 2023, the water consumption of Coveright was 15,849m³ (FY 2022 - 16,743m³).

8. Waste Management

Analabs traces its origins back to a scheduled waste recycling business before diversifying its operations and being listed on the Main Market of Bursa Securities. Analabs provides scheduled waste management services primarily through two of its subsidiaries, Resources Conservation Sdn Bhd (“RCSB”) and Syntax System Solutions Sdn Bhd (“SSS”). Analabs and its subsidiaries strive to prevent pollution by implementing environmental controls and minimising waste generation.

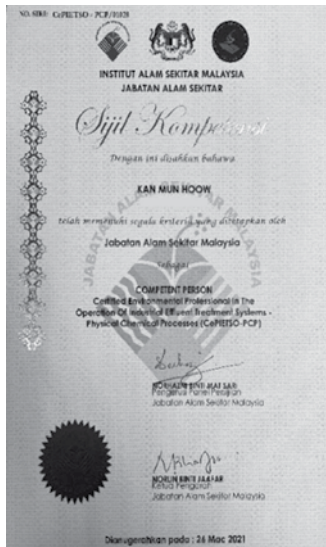
We offer comprehensive waste management solutions, bundling environmentally friendly approaches for waste reduction, energy conservation, and resource management. Our focus aligns with the 3R Concept: reducing, recycling, and reusing waste. In our day-to-day operations, we adhere to Standard Operating Procedures compliant with the Environmental Quality (Scheduled Wastes) Regulations 2005 in providing scheduled waste management services covering both liquid and solid waste.



At RCSB and SSS, collected scheduled waste is transported and processed at designated premises in accordance with Department of Environment (“DOE”) regulations. Waste that cannot be recycled is disposed of through appropriate legal channels.

Our key employees, who are directly involved in waste recycling, have successfully completed courses in the Certified Environmental Professional in Scheduled Waste Management (“CePSWaM”). They are also certified as Competent Persons for Certified Environmental Professionals in the Operation of Industrial Effluent Treatment Systems (“CePIETSO”).

To provide effective waste management services to our customers, Analabs Group maintains a commitment to ensuring our employees’ competence in handling their roles, all while exploring waste processing methods that can effectively reduce our carbon footprint.



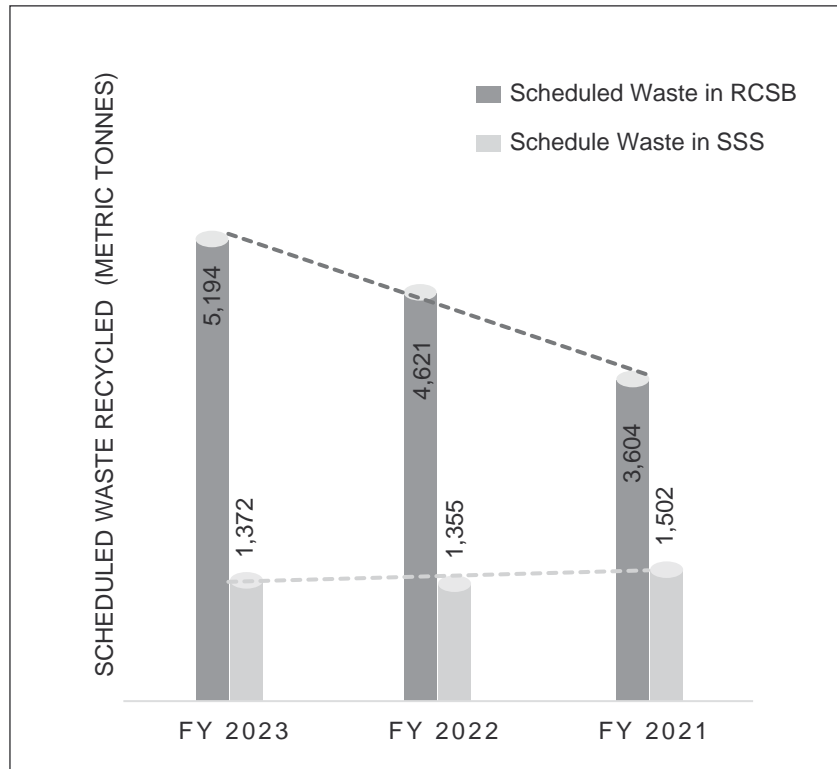
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

8. Waste Management (Cont'd)

In FY 2023, the total scheduled waste recycled by RCSB and SSS increased by 12.4% and 1.3% respectively compared to FY 2022, aligned with the increase in market demand. The table below showcases the total scheduled waste recycled by RCSB and SSS for three consecutive FYs from FY 2021 to FY 2023.



For scheduled waste generated internally, Coveright aims to reduce the scheduled solid waste generated to 0.80 tonnes per 1 million square meters (sqm) of impregnated decorative surfacing films. Throughout the year, Coveright undertook the following initiatives to achieve the desired target:

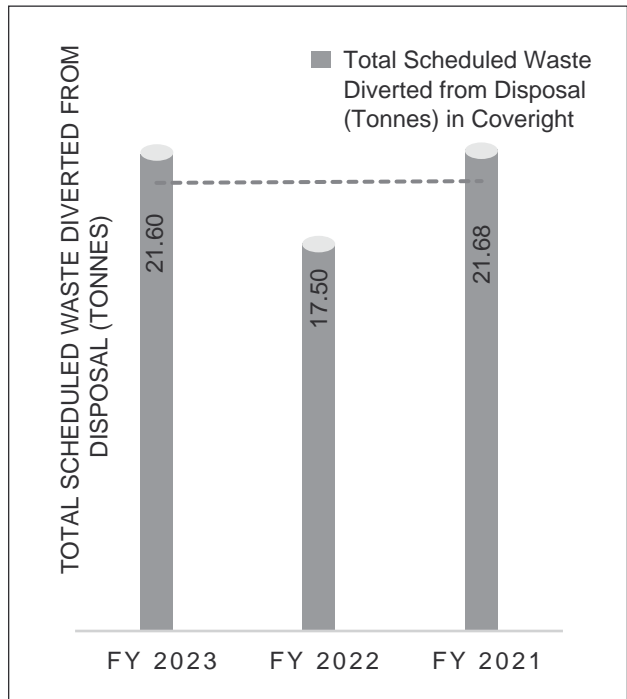
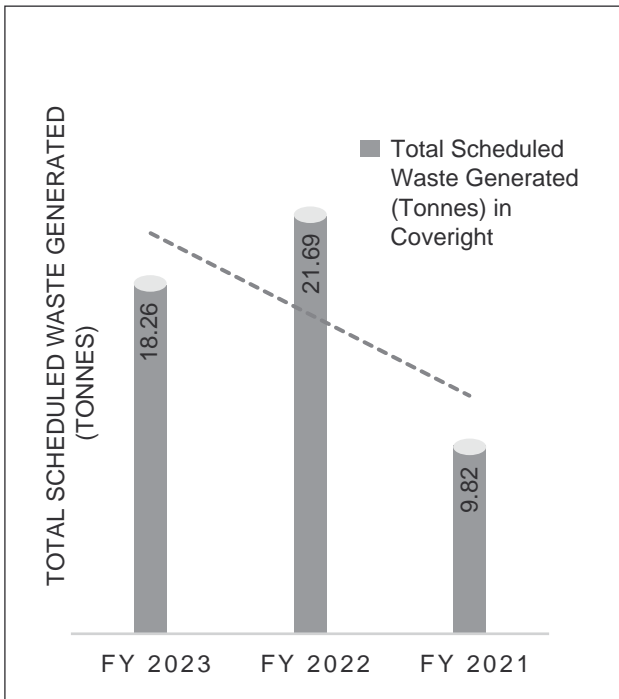
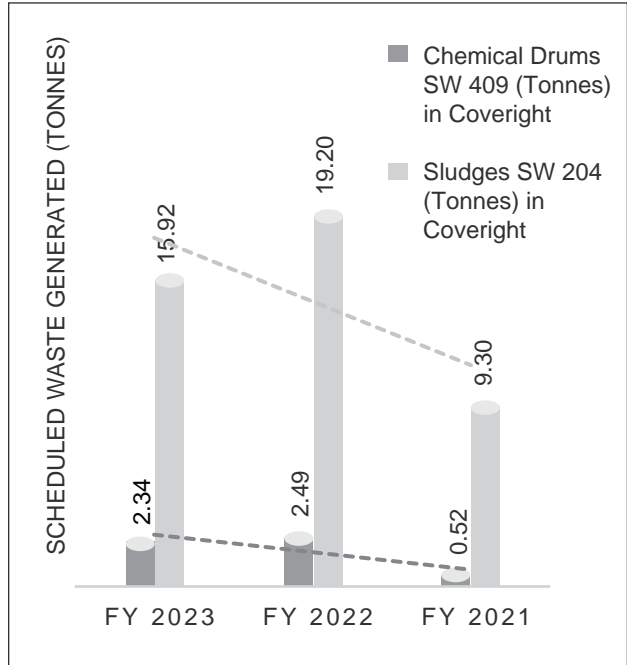
- optimising the filter press efficiency;
- optimising the separation of supernatant from sludge;
- optimising water evaporation before packaging to pressed cake; and
- using recycled water in cooking melamine formaldehyde resin.

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

8. Waste Management (Cont'd)

In FY 2023, scheduled waste generated by Coveright decreased marginally by 3.43 tonnes to 18.26 tonnes. On average, Coveright generated about 0.54 (FY 2022 - 0.70; FY 2021 - 0.22) tonnes of scheduled waste for every 1 million sqm of surfacing films produced. Improvement is evident in Coveright's reduction of waste tonnage. We will continue to strive persistently to achieve our environmental targets.



CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

8. Waste Management (Cont'd)

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

Appended below are the analysis results for the last 3 months of FY 2023, FY 2022, and FY 2021:

Reporting month	Methods	FY 2023			Standard B
		Apr-23	Mar-23	Feb-23	
Test parameter		Results	Results	Results	
pH (Lab)	APHA 4500 H+B	6.89 at 26.9°C	7.01 at 27.4°C	6.73 at 26.0°C	5.5 - 9.0
COD, mg/l	APHA 5220 C	13	16	10	200
BOD*5 days @ 20°C, mg/l	APHA 5210 B	ND (<5)	5	ND (<5)	50
Total suspended solids, mg/l	APHA 2540 D	9	9	9	100
Fluoride, mg/l	APHA 4500 F - D	0.66	0.13	0.6	5
Copper (Cu), mg/l	APHA 3120 B	0.04	0.08	0.03	1
Nickel (Ni), mg/l	APHA 3120 B	0.02	0.01	0.08	1
Iron (Fe), mg/l	APHA 3120 B	0.08	0.02	ND (<0.001)	5
Manganese (Mn), mg/l	APHA 3120 B	0.03	0.04	0.02	1
Zinc (Zn), mg/l	APHA 3120 B	0.49	0.88	0.48	2
Color, ADMI (original pH)	APHA 2120 F	ND (<10)	ND (<10)	ND (<10)	200
Color, ADMI (pH adjusted @ 7)	APHA 2120 F	ND (<10)	ND (<10)	ND (<10)	200
# Free Chlorine (Cl ₂), mg/l	APHA 4500 Cl F	ND (<0.1)	ND (<0.1)	ND (<0.1)	2

Reporting month	Methods	FY 2022			Standard B
		Apr-22	Mar-22	Feb-22	
Test parameter		Results	Results	Results	
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)

MANAGING SUSTAINABILITY (Cont'd)

ENVIRONMENTAL (Cont'd)

8. Waste Management (Cont'd)

Appended below are the analysis results for the last 3 months of FY 2023, FY 2022, and FY 2021: (Cont'd)

Reporting month	Methods	FY 2021			Standard B
		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.

9. Biodiversity

Mangroves play a crucial role in the fight against climate change due to their estimated effectiveness, which can be up to four times greater than most other forests, in absorbing and storing greenhouse gases. As part of our efforts to combat the climate crisis, we planted 100 mangrove trees along the riverbanks adjacent to our prawn farms in FY 2023. This initiative reflects our commitment to addressing the climate crisis through proactive actions.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

SOCIAL

10. Occupational Safety and Health

Creating a safe environment is undoubtedly a legal requirement. However, it is also crucial for the long-term success of Analabs Group. Sound safety and health practices enable us to retain our employees, reduce injuries and illnesses, improve operational efficiency, and ultimately preserve our reputation and enhance profitability.

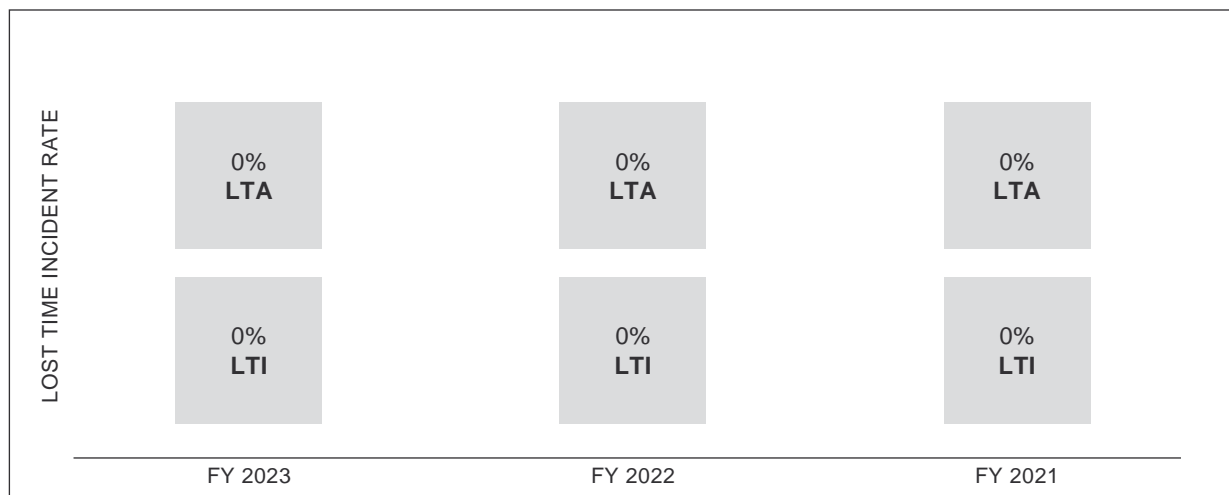
At Analabs Group, we prioritise safety and health in the workplace. We are committed to continuously enhancing our safety and health practices to achieve zero work-related fatalities and to maintain a secure working environment for our employees.

Coveright has established its own in-house Occupational Health, Safety, and Environment (“OHSE”) committee, which convenes monthly to oversee OHSE-related initiatives. Each meeting includes the representatives from employers and employees, covering topics such as safety and health-related issues, safety improvement initiatives, and the latest accident statistics.

Among the initiatives and measures in place to minimise safety and health risks and hazards are:

- policies and procedures;
- supervision by production shift leaders; and
- competent personnel for handling machinery and equipment.

Coveright has also formed an Emergency Response Team (ERT) to manage emergencies and ensure employee safety during events like fires, floods, and chemical spillages. During the reviewed financial year, both Lost-Time Accidents (“LTA”) and Lost-Time Injuries (“LTI”) were reported as zero. There were no reported work-related fatalities either.



Annual safety trainings are conducted internally by Coveright’s OHSE Committee, covering topics such as emergency response plans and proper use of personal protective equipment. External parties are also engaged to provide extensive briefings on hazardous chemical management, health and safety requirements, and fire prevention to enhance safety awareness among Coveright employees. All 78 employees of Coveright participate in these training programs.

CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

SOCIAL (Cont'd)

10. Occupational Safety and Health (Cont'd)

Noise Monitoring

Furthermore, Coveright ensures that its manufacturing activities do not subject employees to noise levels exceeding the Malaysian Recommended Limit (70.0 dB (A) for daytime and 65.0 dB (A) for nighttime).

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

Location	Daytime (from 15.04.2022 to 17.04.2022)						Recommended
	LAeq	LA10	LA50	LA90	LAmx	LAmin	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LAeq [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
	LAeq	LA10	LA50	LA90	LAmx	LAmin	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LAeq [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
	LAeq	LA10	LA50	LA90	LAmx	LAmin	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LAeq [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
	LAeq	LA10	LA50	LA90	LAmx	LAmin	Limit
	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	dB (A)	LAeq [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:

LAeq - Equivalent Continuous Sound Level

Coveright has scheduled its noise monitoring test in September 2023. The subsidiary aims to conduct a noise monitoring and audiometric testing program to highlight the effects of noise on hearing and general health among its employees, and to ensure that noise exposure control measures are in place.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

SOCIAL (Cont'd)

10. Occupational Safety and Health (Cont'd)

COVID-19 Pandemic

Analabs has established a Covid-19 response team to address significant risks posed by the pandemic, including business closures, regulatory fines, and health threats to society. The company ensures that appropriate Standard Operating Procedures (SOPs) directed by the Kementerian Kesihatan Malaysia are implemented and observed. Active measures such as Covid-19 testing for employees reporting symptoms are in place. Alongside the rapid Covid-19 vaccination rollout, all Analabs employees have completed their two doses of vaccines and received one booster shot.

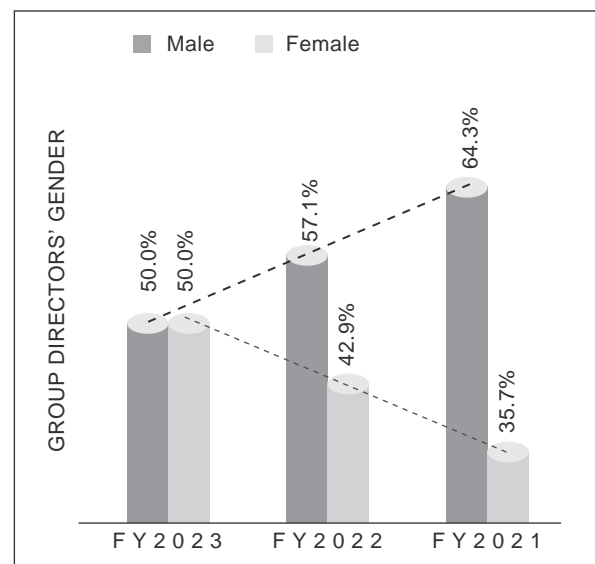
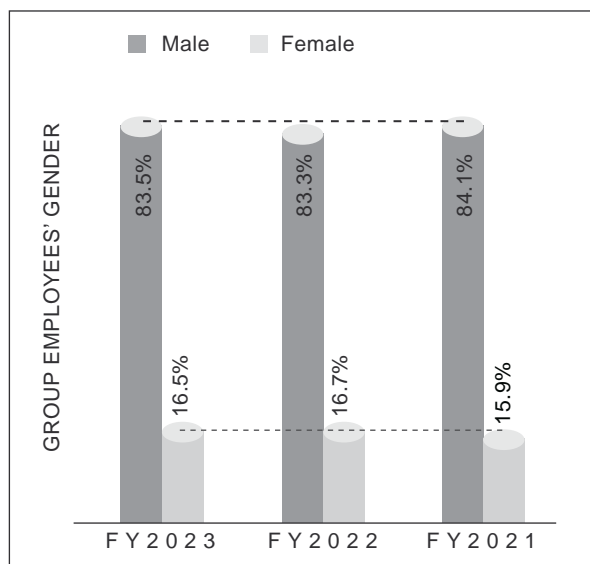
11. Diversity

Diversity in the workplace contributes to increased creativity and productivity. Analabs and its subsidiaries embrace a diverse workforce and promote a collaborative and respectful working environment among employees. We believe that fair employment practices, equal treatment for all employees, and equal access to opportunities are essential in motivating employees to drive their performance. We value our employees and ensures they feel a sense of belonging to create a stable and sustainable workforce.

Gender Diversity

At Analabs Group, the manufacturing, construction, and prawn cultivation segments have been predominantly occupied by males, from leadership roles to operational positions. The male-to-female ratio increased slightly from 5 (male) : 1 (female) to 5.1 (male) : 1 (female) in FY 2023.

We will continue to encourage more women to be involved in operations and decision-making to foster a productive working environment. Below is the Group's employees' gender distribution in percentage, encompassing both directors and staff. Additionally, we provide a detailed breakdown of the Group's directors categorised by gender.



CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

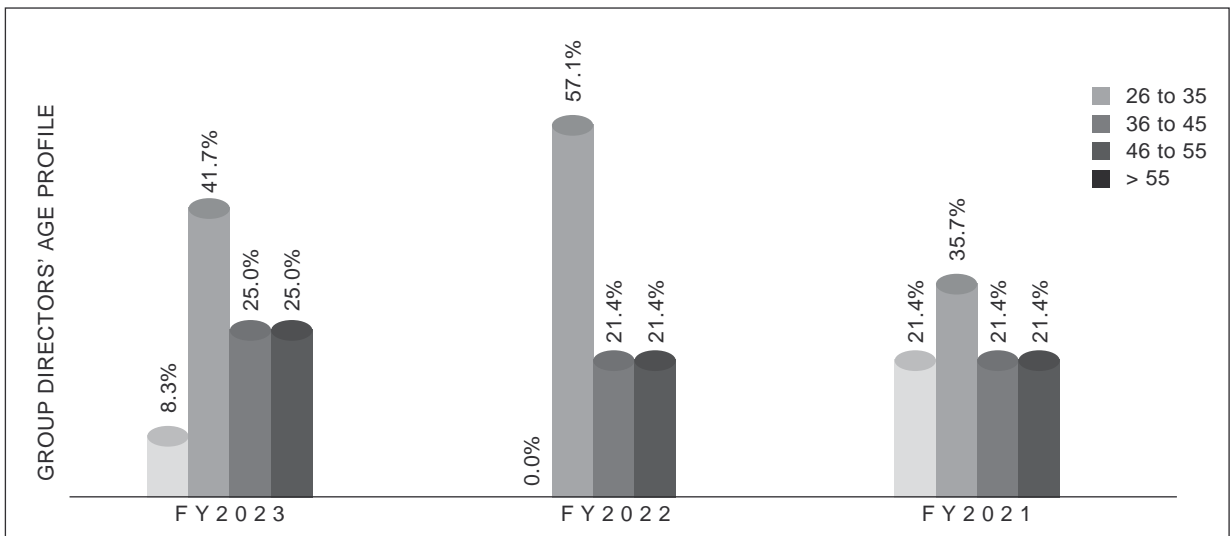
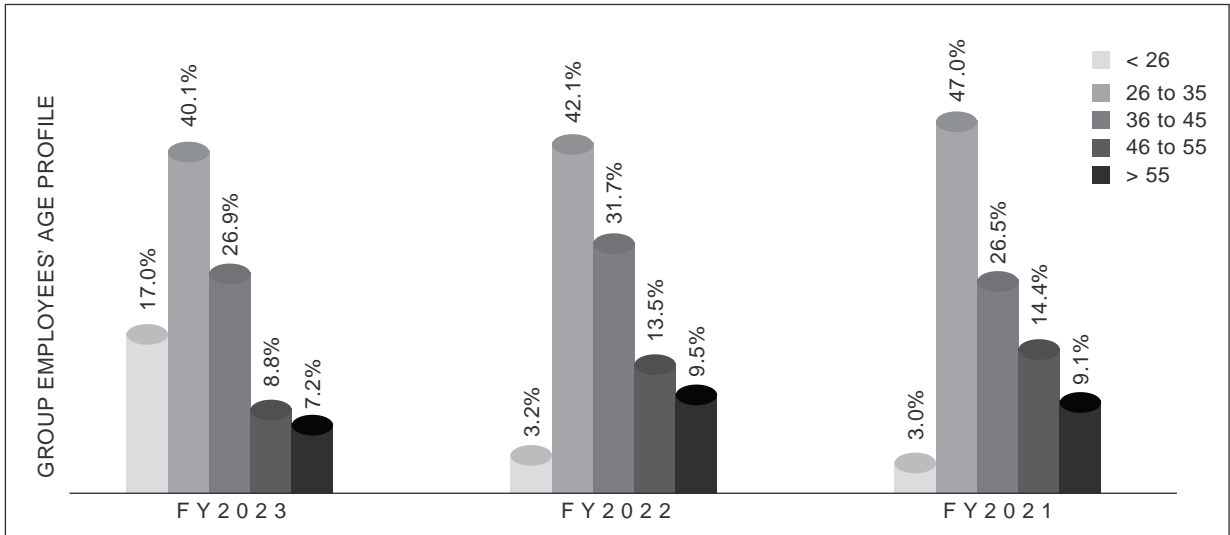
SOCIAL (Cont'd)

11. Diversity (Cont'd)

Age Diversity

Age diversity in the workplace enables employees to bring varying experiences, skills, and viewpoints to the table, fostering creative problem-solving. In FY 2023, 17% were young people below the age of 26, 40.1% were aged between 26 to 35, 26.9% were aged between 36 to 45, and 8.8% were aged between 46 to 55. The remaining 7.2% consisted of experienced employees aged above 55, who contribute to knowledge management at Analabs Group. They strengthen employee loyalty and the Group's culture.

Below illustrates the distribution of Group's employees by age category in percentage, including both directors and staff. Similarly, we provide a detailed breakdown of the Group's directors categorised by age.



Analabs Group strives to foster a working environment in which all employees treat each other with courtesy and respect, sharing experiences and knowledge to achieve sustainable growth for the Group.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

SOCIAL (Cont'd)

12. Labour Practices and Standards

As a learning organisation, Analabs Group cultivates a culture of continuous learning at every level, facilitating the development of all its employees while undergoing its own transformation. At Analabs Group, we are committed to offering our employees career development opportunities and promoting competency management.

The Group has a comprehensive policy of providing training for staff at all levels, based on competency assessments and relevant position succession planning. We offer both internal and external training to empower employees to enhance their skill sets and broaden their capabilities.

During FY 2023, Analabs Group provided a total of 150 hours of training (FY 2022 - 90 hours; FY 2021 - 131 hours), covering various 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; and
- license manufacturing warehouse.

Fire Drill and Training (August 2022)



MANAGING SUSTAINABILITY (Cont'd)

SOCIAL (Cont'd)

12. Labour Practices and Standards (Cont'd)

License Manufacturing Warehouse Training Workshop (December 2022)



The workforce serves as the lifeblood of Analabs Group and stands as a fundamental pillar of the Group's success and long-term viability. Analabs Group dedicates significant attention to human capital management, ensuring the well-being and rights of its employees and leadership personnel.

The Group adheres to all laws and regulations governed by the Employment (Amendment) Act 2022 and other relevant labour laws in Malaysia, including the Minimum Wages Order 2022.

In alignment with FSC core labor requirements, the Group maintains a zero-tolerance stance against child labor, forced labor, and discrimination. The Group also acknowledges and respects basic human rights such as freedom of expression, political freedom, and freedom of religion. Throughout the reviewed financial year, no complaints were lodged against any incidents involving violations of human rights.

Bonds Beyond Workspace: Team Building Spring Clean (August 2022)



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

SOCIAL (Cont'd)

13. Community / Society

Knowledge Sharing and Internship as Part of the Community Outreach

Analabs Group provides internship programs for undergraduate students from both local and private colleges and universities in Malaysia. These interns are offered the opportunity to undergo practical training across various departments. Furthermore, there exists the potential for these interns to secure permanent positions within the Group upon completion of their internships. These programs are implemented across our diverse business operations, serving as an integral part of our community outreach efforts.

GOVERNANCE

14. Good Governance

Analabs has published several policies and codes on its website, including but not limited to 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 effect. Analabs established an anti-bribery and anti-corruption policy to ensure strict adherence and the effectiveness of the Group's anti-bribery and anti-corruption programs/initiatives against all forms of bribery and corruption. These policies are applicable to directors, employees, and third parties engaged by Analabs.

During FY 2023, internal online training and assessments were conducted for all employees to refresh their awareness of anti-bribery and anti-corruption measures, promoting integrity and ethics. Special attention was given to the procurement department due to its nature, where procurement staff could potentially collude with suppliers for personal gain. However, no incidents of corruption were reported in all departments within the Group.

Analabs consistently engages with government agencies and regulatory bodies to remain aligned with policies governing the Group's business. This approach ensures conformity with requirements for the sustainable planning and growth of the Group.

Coveright, engaged in manufacturing impregnated decorative surfacing films, complies with the Department of Occupational Safety and Health ("DOSH") and the Department of Environment ("DOE") for waste, air, noise, and chemical emissions. It holds ISO 9001:2015, ISO 45001:2018, and ISO 14001:2015 certifications.



Coveright has been Forest Stewardship Council (FSC) certified since 2015. It maintains a system in line with Chain of Custody Standards and undergoes annual evaluations by the FSC certification body. Surveillance evaluations include desk audits, site visits, interviews, and stakeholder consultations for corrective actions.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY (Cont'd)

GOVERNANCE (Cont'd)

15. Cybersecurity and Data Privacy

With the rapid acceleration of digital transformation, it has become imperative to fortify our cybersecurity efforts and adeptly manage the associated risks. Despite lacking an in-house Information Technology team, we have enlisted the services of an external IT company to bolster security measures. This includes implementing advanced security tools such as antivirus software and conducting periodic security assessments.

Analabs Group places significant emphasis on respecting the privacy of its customers and has taken appropriate steps to ensure the continuous safeguarding of customer information. In adherence to the Personal Data Protection Act 2010, a privacy policy has been made available on Analabs's websites. During the reviewed financial year, there have been no reported incidents of customer privacy breaches or substantiated complaints from customers regarding data loss.

MOVING FORWARD

Analabs remains steadfast in its commitment to sustainability. We are mindful to further integrating sustainability principles into every facet of our operations. Embracing the United Nations Sustainable Development Goals (UN SDGs), we will continue to collaborate with stakeholders to drive meaningful impacts across our business and society.

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 2023.

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.

Selection of Board candidates is based on several perspectives, including but not limited to expertise, and experience that can strengthen the Board composition to achieve the objectives and strategic goals of the Group.

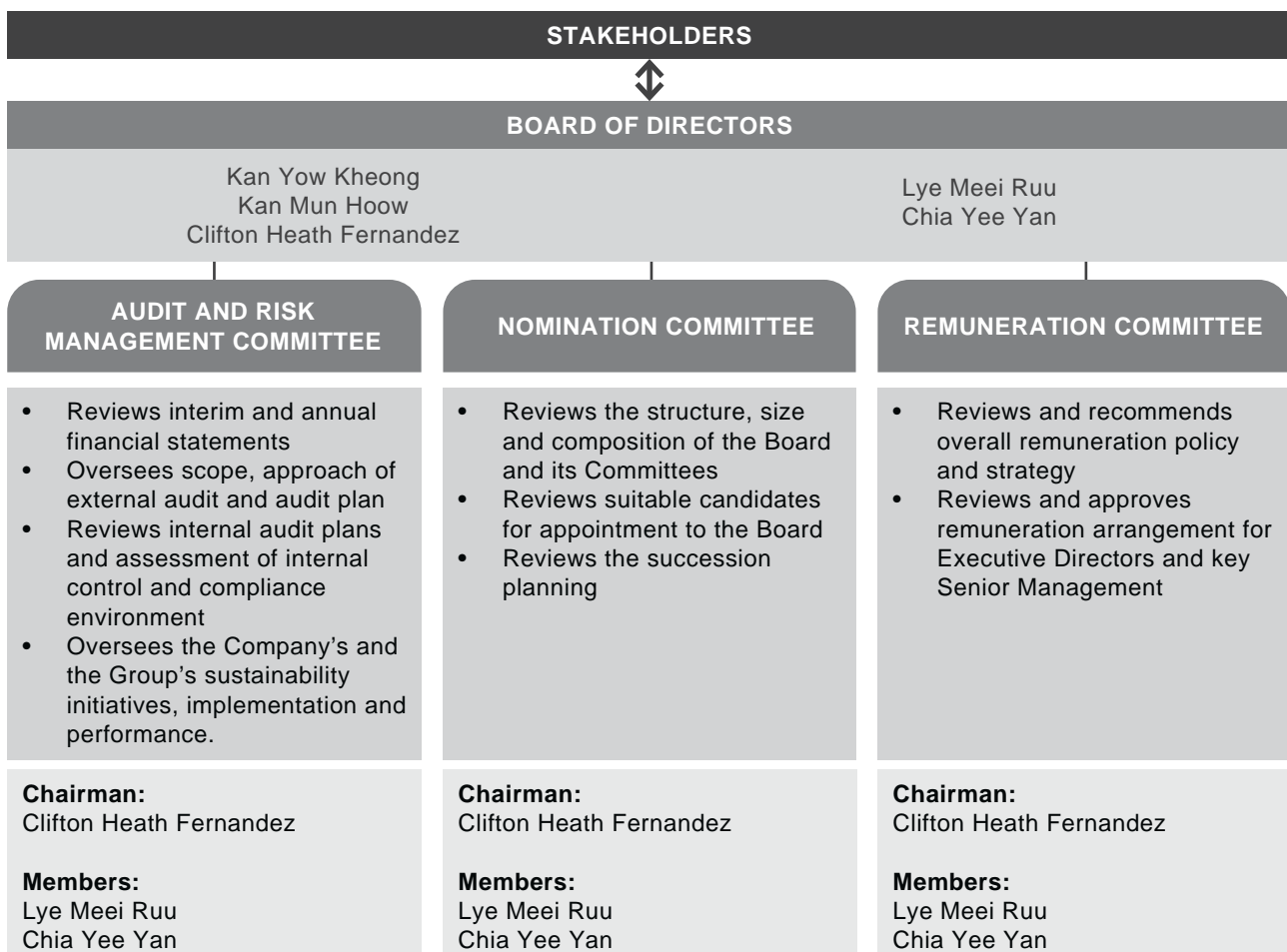
- Practice 7.2 - The Board discloses on a named basis the top five (5) Senior Management's remuneration in bands of RM50,000.

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 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 on 29 June 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 year under review, the Company undertook the following:

- **Environmental Awareness**

Few of the Analabs' 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 provides an important opportunity for shareholders to engage with the Board and management on the progress of the Company and 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 Chief Executive Officer (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 Act, Main Market Listing Requirements 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 Board reports or upon specific request to enable them to discharge their duties and responsibilities. All Directors are notified of the corporate announcements released to BMSB, amendment to BMSB Listing Requirements and any pertinent regulatory changes. All Directors have access to Management and Auditors for independent views and advice.

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

Sustainability

The Board together with Management undertake to promote sustainable and responsible business practices to deliver a positive impact to the economy and environment and to create values to the communities in which Analabs Group operates in. An update is presented in our Sustainability Statement section of this Annual Report.

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 2023. 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 2023 and the details of the attendance of the Directors' and Committees Meetings are as follows:

Directors	Board of Directors	ARMC	NC	RC	AGM
Kan Yow Kheong	5/5	-	-	-	1/1
Kan Mun Hoow	5/5	5/5*	-	-	1/1
Clifton Heath Fernandez	5/5	5/5	1/1	1/1	1/1
Lye Meei Ruu (Appointed as a member of ARMC, NC and RC on 1 August 2022)	5/5	3/3	-	-	1/1
Chia Yee Yan (Appointed as a Director on 9 May 2022 and a member of ARMC, NC and RC on 1 August 2022)	5/5	3/3	-	-	1/1
Low Chin Ann @ Han Chin Ann (Retired at the AGM held on 5 October 2022)	2/2	2/2	1/1	1/1	1/1
Lai Yew Choong (Retired at the AGM held on 5 October 2022)	2/2	2/2	1/1	1/1	1/1

* *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>

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. BOARD RESPONSIBILITIES (Cont'd)

Continuous Professional Development

Directors	Seminar/Forum/Conference/ Training
Kan Yow Kheong	<ul style="list-style-type: none"> Sustainability for PLC Directors Strategic Risk for PLC Directors
Kan Mun Hoow	<ul style="list-style-type: none"> Sustainability for PLC Directors Strategic Risk for PLC Directors
Clifton Heath Fernandez	<ul style="list-style-type: none"> The Cooler Earth Sustainability Summit 2022 Construction Waste Management and the Best Practices AOB Conversation with Audit Committees Fin Crime Global Pitfalls & Opportunities in ESG Investing 2022 IAS World Accreditation Day ESG Global Supply Chain Sustainability: Advancing ESG Adoption Amongst Malaysia SMEs Solar Advancements Sustainability for PLC Directors Strategic Risk for PLC Directors
Lye Meei Ruu	<ul style="list-style-type: none"> Personal Data Protection & COVID-19 ESG - Perspective of a PLC and Regulator Topical Tax Issues for Legal Practitioners Company Law and Practice – Perspectives Insolvency Law - Restructuring Investment Fraud in Malaysia Environmental, Social and Governance (ESG) - Emergent Themes Around ESG Financial Fraud and Enforcement Trends Updates on Merger Control and the Coming Sea Change A Conversation with Bank Negara Wills, Probate, LA and SEDA Sustainability for PLC Directors Strategic Risk for PLC Directors
Chia Yee Yan	<ul style="list-style-type: none"> PowerTalk Series: Advancing Cyber Resilience: Board's Top 3 Must-Knows" Programme PowerTalk Series: Navigating ESG Data into Decision" Programme Sustainable, Socially Responsible and Ethical PLCs: Guidebook Sustainable, Socially Responsible and Strengthening Stakeholder Management & Investor Relations: Guidebook 3 Sustainability for PLC Directors Strategic Risk for PLC Directors

* Excluding the Directors who retired at the 24th AGM held on 5 October 2022.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

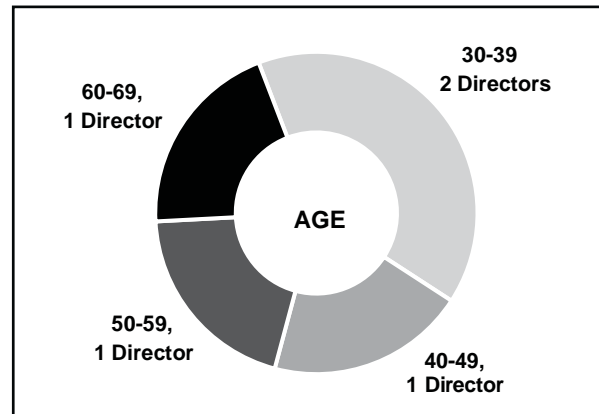
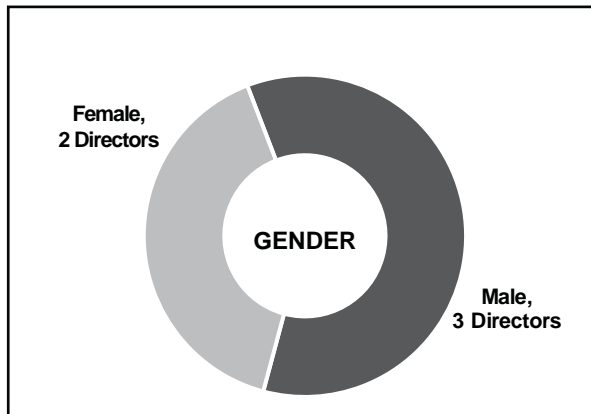
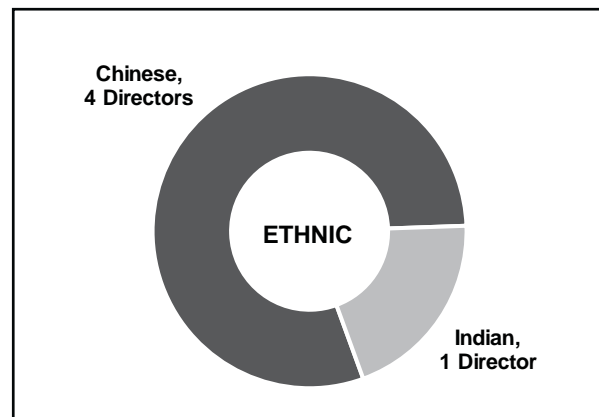
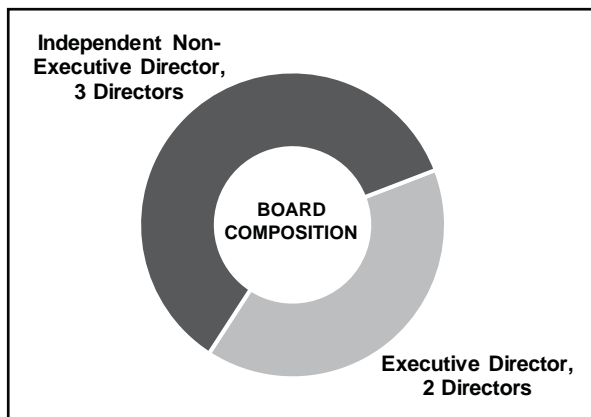
PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. BOARD COMPOSITION

The Board consists of five (5) members comprising the Executive Chairman, three (3) Independent Non-Executive Directors and one (1) Executive Director, cum 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.

The Board's composition, ethnicity, gender and age are disclosed as follows:



CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (Cont'd)

The Board's experience matrix are as follows:

	Industry / Background Experience								
	Applied chemical	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		√	√			√	√		√
Clifton Heath Fernandez		√	√	√		√		√	√
Lye Meei Ruu					√				
Chia Yee Yan (Appointed on 9 May 2022)		√				√			

* Excluding the Directors who retired at the 24th AGM held on 5 October 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (Cont'd)

Appointment of New Directors (Cont'd)

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 Board has established the Directors' Fit and Proper Policy to ensure that any person to be appointed or elected/re-elected as a Director of the Company shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Directors' Fit and Proper Policy is available at the Company's website at www.analabs.com.my.

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.

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

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, external and internal audits and financial reporting. The criteria for assessing the independence of an Independent Director include among others, the relationship between the Independent Director and the Group and his or her involvement in any significant transaction with the Group. The results and recommendations from the evaluation were reported to the Board for further consideration and action, if required.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (Cont'd)

NC Activities

NC activities carried out during the year and up to the date of this Statement:

- 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 was satisfied with the performance and effectiveness of the ARMC and its members;
- assessed and recommended to the Board the appointment of Ms. Chia Yee Yan as the Independent Non-Executive Director; and
- reviewed and recommended to the Board the reconstitution of the ARMC, NC and Remuneration Committee (RC).

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.

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 2024 and recommended the same to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (Cont'd)

Disclosure of Remuneration of Directors and Senior Management

The details of the remuneration of the Directors of the Company and of the Group for the financial year ended 30 April 2023 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	18,000	36,096	1,464	-	55,560
Kan Mun Hoow	18,000	169,000	21,600	-	208,600
Independent Non-Executive Directors					
Clifton Heath Fernandez	18,000	-	-	-	18,000
Lye Meei Ruu	12,000	-	-	-	12,000
Chia Yee Yan	12,000	-	-	-	12,000
Low Chin Ann @ Han Chin Ann (Retired at the AGM held on 5 October 2022)	-	-	-	-	-
Lai Yew Choong (Retired at the AGM held on 5 October 2022)	-	-	-	-	-
Total	78,000	205,096	23,064	-	306,160

Company	Fee (RM)	Salaries, Bonuses and Incentives (RM)	Other Emoluments (RM)	Benefits-in- kind (RM)	Total (RM)
Executive Directors					
Kan Yow Kheong	18,000	18,048	732	-	36,780
Kan Mun Hoow	18,000	-	-	-	18,000
Independent Non-Executive Directors					
Clifton Heath Fernandez	18,000	-	-	-	18,000
Lye Meei Ruu	12,000	-	-	-	12,000
Chia Yee Yan	12,000	-	-	-	12,000
Low Chin Ann @ Han Chin Ann (Retired at the AGM held on 5 October 2022)	-	-	-	-	-
Lai Yew Choong (Retired at the AGM held on 5 October 2022)	-	-	-	-	-
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:

- 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 2023, at the 24th AGM. The Company will be seeking the approval of the shareholders for the Proposed Director's fee of up to RM108,000.00 for the financial year ending 30 April 2024 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 remuneration falls within the band of RM50,000, for the financial year ended 30 April 2023 are as follows:

Senior Management	Fee	Salaries, Bonuses and Incentives	Other Emoluments	Benefits-in-kind
RM1 to RM50,000	-	-	4	-
RM50,001 to RM100,000	-	-	1	-
RM100,001 to RM150,000	-	3	-	-
RM200,001 to RM250,000	-	1	-	-
RM400,001 to RM450,000	-	1	-	-

- Directors & Officers (D&O) Insurance**
 During the financial year, there was indemnity coverage and insurance premium paid for the directors of the Group and the Company amounting to RM500,000 and RM5,000 respectively.

There was no indemnity given to or insurance effected for the officers of the Group and 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 which requires the ARMC to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority of them being Independent Directors.

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

Details of the activities carried out by the ARMC in FYE 2023 are set out on pages 60 to 62.

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

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

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

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

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 Board, through the ARMC had conducted assessment on the External Auditors' performance and competency and took into consideration the audit quality, resource capacity, independence and the 2022 Annual Transparency Report.

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 57 to 59 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 internal audit function are set out in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report.

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

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; and
- 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 Clifton Heath Fernandez as the Senior Independent Non-Executive Director to whom concerns from the public may be conveyed. Mr Clifton can be contacted via the following address:

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

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

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

All Directors would attend the Meetings of Members unless in 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 10 August 2023.

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 FEE

The audit fee paid or payable by the Company and the Group for the financial year ended 30 April 2023 were RM48,000 and RM225,000 respectively (both exclusive of service tax).

There were RM32,000 and RM32,000 non-audit fees payable by the Company and the Group, respectively, to the External Auditors or affiliates of auditors' firm for the financial year ended 30 April 2023.

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 2023 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.

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 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.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONTROL AND MONITORING PROCESS (Cont'd)

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 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 2023, 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 10 August 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

Members : Lye Meei Ruu (*Independent Non-Executive Director*)
Chia Yee Yan (*Independent Non-Executive Director*)

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

ATTENDANCE

The ARMC met five (5) times during the financial year. The record of attendance of each ARMC member in the ARMC meetings held during the financial year ended 30 April 2023 are as follows:-

	Meetings Attended by the Members/ Total Number of Meetings Held During the Financial Year Ended 30 April 2023	% of Attendance
Mr. Clifton Heath Fernandez	5/5	100
Ms. Lye Meei Ruu	5/5	100
Ms. Chia Yee Yan	5/5	100

The Executive Chairman, Executive Director cum 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 on 29 June 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 2023 included the following:

(a) 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, accounting principles and the reasonableness of significant judgments.
- 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.

(b) 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. Salient areas of key audit matters, audit emphasis and audit approach, 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 ARMC Report and Statement of Risk Management and Internal Control were reviewed by the External Auditors before before the same were included 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 a written assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.
- 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 The Committee reviewed the audit fee proposed by the External Auditors and recommended the same to the Board for approval.
- o Without the presence of Executive Directors and Management, discussed with the External Auditors on 28 June 2023 on the business outlook and inventories position of the Group.
- o Having assessed the performance of the External Auditors, the Committee recommended their re-appointment as External Auditors for the ensuing year.

The review and assessment included the review of the Transparency Report for the year ended 31 December 2022 issued by the External Auditor. The Committee was satisfied with the External Auditor's governance, quality control and leadership structure.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS DURING THE YEAR (Cont'd)

The works carried out by the Committee during the financial year ended 30 April 2023 included the following: (Cont'd)

(c) Internal Control and Risk Management

- o Reviewed the internal auditors' report carried out on Coveright Surfaces Malaysia Sdn Bhd, covering marketing, logistics, purchasing, manufacturing - warehouse and stock management.
- o Reviewed the internal auditors' report on the follow-up audit conducted on disclosure by the staff and 3rd parties on The Malaysian Anti-Corruption Commission Act 2009 - Section 17A, considerations with regard to MCCG Practices, Data Protection, Succession Planning, Disaster Recovery Plan and data back-up processes.

The Management has taken the necessary actions to address/enhance the system of internal control.

INTERNAL AUDIT FUNCTION

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

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

The outsourced Internal Auditors carried out internal audits within the Group based on a risk-based audit plan approved by the Committee. Based on these audits, the outsourced Internal Auditors provided the Committee with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control.

The summary of works of the internal audit function which were tabled and reviewed by the ARMC are disclosed in section (c) above, "summary of works during the year" of this Report.

The costs incurred for the outsourced internal audit function in respect of the financial year ended 30 April 2023 amounted to RM9,000 (FY 2022 - RM9,000) (excluding service tax).

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 2023.

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

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

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



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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2023. 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	23,246	6,052
- Non-controlling interests	2,911	-
	26,157	6,052

DIVIDENDS

The Company paid an interim dividend of 2 sen per ordinary share amounting to RM2,178,678 for the financial year ended 30 April 2023 on 10 March 2023.

The directors do not recommend the payment of any further dividends for the 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 2023, the Company held as treasury shares a total of 11,114,100 of its 120,048,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM10,160,358. The details of the treasury shares are disclosed in Note 16 to the financial statements.

SHARE OPTIONS

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

DIRECTORS' REPORT (CONT'D)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (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 of the Company who served during the financial year and up to the date of this report are as follows:-

Kan Yow Kheong
 Kan Mun Hoow
 Clifton Heath Fernandez
 Lye Meei Ruu
 Chia Yee Yan (Appointed on 9.5.2022)
 Lai Yew Choong (Resigned on 5.10.2022)
 Low Chin Ann @ Han Chin Ann (Resigned on 5.10.2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Lai Nyuk Moi
 Lim Yoke Soo
 Muhamad Hanis Bin Baharuddin
 Tan Cher Heng
 Wan Mei Yi
 Woo Pek Chuan
 Mariyapuspam A/P Sebasti Udayar (Appointed on 10.4.2023)
 Kan Mun Foo (Resigned on 31.5.2022)
 Zuraimi Binti Mohamed (Resigned on 10.4.2023)

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	Number of ordinary shares			Balance at 30.4.2023
	Balance at 1.5.2022	Bought	Sold	
<u>Direct</u>				
Kan Yow Kheong	69,111,804	500,000	-	69,611,804
Kan Mun Hoow	5,039,000	-	-	5,039,000
<u>Indirect</u>				
Kan Yow Kheong ^(a)	18,000	-	-	18,000

^(a) Deemed interested through spouse's shareholding in the Company.

By virtue of their shareholdings in the Company, Kan Yow Kheong and Kan Mun Hoow are deemed to have interests in shares in their 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	36	36
- Others	207	18
	243	54
- Defined contribution plans	21	1
	264	55
Non-executive directors:		
- Short-term employee benefits:		
- Fee	42	42
	306	97

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM500,000 and RM5,000 respectively.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and effective ownership interest held by the Company in each subsidiary are disclosed in Note 8 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 37 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	161	48
Non-audit fees	20	20
	181	68

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 10 AUGUST 2023**

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 75 to 143 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 2023 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 10 AUGUST 2023**

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 Number: 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 75 to 143 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 Number: 681125-05-5096
at Klang in the State of Selangor Darul Ehsan
on this 10 August 2023

Lai Nyuk Moi
Finance Manager

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 2023 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 75 to 143.

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 2023, and of their financial performance and their 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.

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>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. • Performing stress tests and sensitivity analysis to assess the impacts of those key assumptions and inputs on the measurement of recoverable amount.

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 recognised for identified exposures.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

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

10 August 2023

Cheah Siong Hon
03538/11/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	53,110	74,047	-	-
Investment properties	5	61,152	41,295	-	-
Right-of-use assets	6	36,748	40,157	-	-
Goodwill on consolidation	7	7,917	7,821	-	-
Investments in subsidiaries	8	-	-	122,288	111,458
Receivables	9	4,863	6,245	4,792	6,178
Other investments	10	271,785	211,258	413	3,651
		435,575	380,823	127,493	121,287
CURRENT ASSETS					
Inventories	11	12,063	14,399	-	-
Biological assets	12	87	-	-	-
Receivables	9	27,820	20,086	1,749	3,570
Contract assets	13	7,754	6,087	-	-
Prepayments		143	133	-	-
Current tax assets		2,756	1,402	12	32
Cash and cash equivalents	14	16,953	22,037	2,070	5,616
		67,576	64,144	3,831	9,218
TOTAL ASSETS		503,151	444,967	131,324	130,505
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		276,032	266,050	74,929	71,501
Equity attributable to owners of the Company		332,144	322,162	131,041	127,613
Non-controlling interests	17	8,776	6,646	-	-
TOTAL EQUITY		340,920	328,808	131,041	127,613

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2023
(CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
NON-CURRENT LIABILITIES					
Loans and borrowings	18	10,836	11,528	-	-
Deferred tax liabilities	19	18,259	19,327	-	-
		29,095	30,855	-	-
CURRENT LIABILITIES					
Payables	20	11,264	9,914	283	2,892
Contract liabilities	13	1,489	1,075	-	-
Loans and borrowings	18	118,940	72,386	-	-
Lease liabilities	21	57	368	-	-
Current tax liabilities		1,386	1,561	-	-
		133,136	85,304	283	2,892
TOTAL LIABILITIES		162,231	116,159	283	2,892
TOTAL EQUITY AND LIABILITIES		503,151	444,967	131,324	130,505
NET ASSETS PER SHARE (RM)	35	3.05	2.96		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Revenue	22	133,359	116,246	6,236	3,182
Cost of sales		(100,555)	(86,520)	-	-
Gross profit		32,804	29,726	6,236	3,182
Other income	23	12,272	26,128	768	11,144
Administrative and other operating expenses		(11,827)	(14,260)	(857)	(1,135)
Net impairment (loss)/gain on financial assets		(611)	59	-	-
Finance costs		(4,419)	(2,679)	-	-
Profit before tax	24	28,219	38,974	6,147	13,191
Tax expense	26	(2,062)	(2,277)	(95)	(65)
Profit for the financial year		26,157	36,697	6,052	13,126
Other comprehensive (loss)/income:-					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
- Fair value changes of equity investments		(12,420)	18,729	(445)	(440)
- Remeasurement of deferred tax on revalued properties arising from change in tax rates		578	-	-	-
<i>Items that will be reclassified subsequently to profit or loss:</i>					
- Currency translation differences for foreign operations		1,197	324	-	-
- Reclassification of currency translation reserve to profit or loss upon disposal of a foreign subsidiary		-	(5,607)	-	-
		(10,645)	13,446	(445)	(440)
Total comprehensive income		15,512	50,143	5,607	12,686
Profit for the financial year attributable to:					
- Owners of the Company		23,246	29,463	6,052	13,126
- Non-controlling interests		2,911	7,234	-	-
		26,157	36,697	6,052	13,126
Total comprehensive income attributable to:					
- Owners of the Company		12,161	42,795	5,607	12,686
- Non-controlling interests		3,351	7,348	-	-
		15,512	50,143	5,607	12,686
Earnings per share:	27				
- Basic (sen)		21.34	27.05		
- Diluted (sen)		21.34	27.05		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

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 28)	-	-	-	-	-	-	(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 upon disposal of a foreign subsidiary	-	-	-	(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	-	-	(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 2023
(CONT'D)

Group	Non-Distributable				Distributable				Equity	
	Share capital RM'000	Treasury shares RM'000	Revaluation surplus RM'000	translation reserve 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	Total equity RM'000
Balance at 1 May 2022	66,272	(10,160)	66,390	(325)	491	9,127	190,367	322,162	6,646	328,808
Dividends to owners of the Company (Note 28)	-	-	-	-	-	-	(2,179)	(2,179)	-	(2,179)
Dividends by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	(1,221)	(1,221)
Total transactions with owners	-	-	-	-	-	-	(2,179)	(2,179)	(1,221)	(3,400)
Fair value changes of equity investments	-	-	-	-	-	(12,420)	-	(12,420)	-	(12,420)
Currency translation differences for foreign operations	-	-	-	757	-	-	-	757	440	1,197
Remeasurement of deferred tax (Note 26(b))	-	-	578	-	-	-	-	578	-	578
Total other comprehensive income/(loss) for the financial year	-	-	578	757	-	(12,420)	-	(11,085)	440	(10,645)
Profit for the financial year	-	-	-	-	-	-	23,246	23,246	2,911	26,157
Total comprehensive income/(loss) for the financial year	-	-	578	757	-	(12,420)	23,246	12,161	3,351	15,512
Disposal of equity investments	-	-	-	-	-	200	(200)	-	-	-
Amortisation of revaluation reserve	-	-	(3,635)	-	-	-	3,635	-	-	-
Balance at 30 April 2023	66,272	(10,160)	63,333	432	491	(3,093)	214,869	332,144	8,776	340,920

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(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 2021	66,272	(10,160)	713	60,281	117,106
Dividends to owners of the Company (Note 28)	-	-	-	(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 the financial year	-	-	(440)	13,126	12,686
Balance at 30 April 2022/1 May 2022	66,272	(10,160)	273	71,228	127,613
Dividends to owners of the Company (Note 28)	-	-	-	(2,179)	(2,179)
Fair value changes of equity investments (representing other comprehensive loss for the financial year)	-	-	(445)	-	(445)
Profit for the financial year	-	-	-	6,052	6,052
Total comprehensive (loss)/income for the financial year	-	-	(445)	6,052	5,607
Disposal of equity investments	-	-	200	(200)	-
Balance at 30 April 2023	66,272	(10,160)	28	74,901	131,041

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
CASH FLOWS FROM/(FOR)				
OPERATING ACTIVITIES				
Profit before tax	28,219	38,974	6,147	13,191
Adjustments for:-				
Bad debts written off	12	-	-	-
Deposit forfeited	13	-	-	-
Depreciation of investment properties	527	493	-	-
Depreciation of property, plant and equipment	1,955	4,017	-	-
Depreciation of right-of-use assets	1,176	1,392	-	-
Dividend income from:				
- investments in unit trusts	(55)	(79)	(55)	(79)
- quoted investments	(6,843)	(9,436)	-	-
Equipment written off	3	1	-	-
Fair value gain in biological assets	(87)	-	-	-
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 right-of-use assets	(636)	-	-	-
Impairment loss on investment property	-	400	-	-
Impairment losses on trade receivables	188	5	-	-
Impairment loss on other receivable	37	-	-	-
Impairment losses on contract assets	397	-	-	-
Interest expense for other financial liabilities measured at amortised cost	4,442	2,626	-	-
Interest expense for lease liabilities	11	84	-	-
Interest income for financial assets measured at amortised cost	(318)	(196)	(245)	(115)
Inventories written down	512	3,788	-	-
Inventories written off	-	12	-	-
Net gain on disposal of property, plant and equipment	(383)	(20)	-	-
Net unrealised (gain)/loss on foreign exchange	(901)	1,073	(468)	(274)
Reversal of impairment losses on trade receivables	(11)	(64)	-	-
Reversal of inventories written down	(3,592)	(434)	-	-
Waiver of debts	-	(4,436)	-	-
Operating profit before working capital changes and balance carried forward	24,666	28,513	5,379	2,047

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
Operating profit before working capital changes and balance brought forward		24,666	28,513	5,379	2,047
Changes in:-					
Contract assets and contract liabilities		(1,336)	(727)	-	-
Inventories		5,463	(5,343)	-	-
Receivables and prepayments		(5,202)	6,646	1,803	276
Payables		1,043	(6,186)	8	12
Cash from operations		24,634	22,903	7,190	2,335
Interest paid		(4,159)	(2,559)	-	-
Tax paid		(4,168)	(3,079)	(75)	(69)
Net cash from operating activities		16,307	17,265	7,115	2,266
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investments in existing subsidiaries		-	-	(10,830)	(5,275)
Dividends received		6,898	9,515	55	79
Increase in bank balances under lien with licensed banks		-	(130)	-	-
(Increase)/Decrease in fixed deposits under lien with licensed banks		(39)	140	-	-
Interest received		73	83	-	2
Repayment from/(Advance to) subsidiaries		-	-	1,973	(643)
Disposal of a foreign subsidiary, net of cash and cash equivalents disposed of		-	6,408	-	9,511
Proceeds from disposal of assets classified as held for sale		-	2,000	-	-
Proceeds from disposal of property, plant and equipment		1,660	31	-	-
Proceeds from disposal of rights-of-use assets		3,000	-	-	-
Proceeds from disposal of quoted investments		-	1,144	-	-
Proceeds from disposal of unit trusts		3,045	111	2,848	-
Purchase of investment property		-	(1,919)	-	-
Purchase of plant and equipment	29	(2,176)	(2,327)	-	-
Purchase of quoted investments		(75,918)	(31,735)	-	-
Purchase of units trusts		(75)	(79)	(55)	(79)
Net cash (for)/from investing activities		(63,532)	(16,758)	(6,009)	3,595
Balance carried forward		(47,225)	507	1,106	5,861

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000 (Restated)
Balance brought forward		(47,225)	507	1,106	5,861
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid:					
- owners of the Company		(2,179)	(2,179)	(2,179)	(2,179)
- non-controlling interests		(1,221)	(1,148)	-	-
Drawdown of term loans	29	-	3,000	-	-
Net increase in short-term loans and borrowings	29	46,321	9,025	-	-
Repayment of lease liabilities	29	(444)	(604)	-	-
Repayment of term loans (Repayment to)/Advance from subsidiaries	29	(1,147)	(921)	-	-
		-	-	(2,618)	1,713
Net cash from/(for) financing activities		41,330	7,173	(4,797)	(466)
Net (decrease)/increase in cash and cash equivalents		(5,895)	7,680	(3,691)	5,395
Cash and cash equivalents brought forward		21,208	14,007	5,616	111
Currency translation differences		773	(479)	145	110
Cash and cash equivalents carried forward	14	16,086	21,208	2,070	5,616

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

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") unless otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 August 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

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

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

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

Amendments to MFRS 3: *Reference to the Conceptual Framework*
 Amendments to MFRS 116: *Property, Plant and Equipment - Proceeds before Intended Use*
 Amendments to MFRS 137: *Onerous Contracts - Cost of Fulfilling a Contract*
 Annual Improvements to MFRS Standards 2018 - 2020

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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 2023 (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 are 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 2023
(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
Furniture and fittings	5 - 10 years
Laboratory equipment	5 - 10 years
Motor vehicles	4 - 10 years
Office equipment	5 years
Plant and machinery	5 - 10 years
Renovation	5 - 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 which are owned or right-to-use asset held 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 2023 (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 biological assets stated at fair value less costs of disposal, 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 Biological Assets

Biological assets harvested therefrom are measured at fair value less costs of disposal. Any gain or loss arising from initial recognition at or a change in the fair value less costs of disposal is recognised in profit or loss.

2.8 Contract Costs

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

2.9 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 2.11. 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.

2.10 Inventories

Inventories 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial Assets

Financial assets of the Group consist of other 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 2.16). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

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

(a) Debt Instruments

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

Amortised Cost

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

(b) Equity Instruments

All equity instruments are subsequently measured at 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial Assets (Cont'd)

Impairment (Cont'd)

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

Derecognition

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

2.12 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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases (Cont'd)

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.

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
Hostels	2 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.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Foreign Currency Transactions and Translation

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

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

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

2.16 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Fair Value Measurement (Cont'd)

Non-financial Assets

The fair value measurement of the live prawns is determined by using the market approach, which takes into consideration the market prices of live prawns adjusted for the estimated survival rates and other costs to sell and is categorised within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in a material impact to the financial statements.

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 quoted investments are directly measured using their unadjusted closing price in active markets (i.e. Level 1).

2.17 Revenue from Contracts with Customers

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

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

Sale of Goods

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

Rendering of Services

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 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.

2.18 Revenue from Other Sources and Other Income

(a) Dividend Income

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

(b) Interest Income

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

(c) Operating Lease Income

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

(d) Government Grants

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

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

2.19 Employee Benefits

(a) Short-term Employee Benefits

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

(b) Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Borrowing Costs

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

2.21 Income Taxes

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

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

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

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.

2.22 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits, if any.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

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

Sources of Estimation Uncertainty

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

Impairment of Goodwill

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

Valuation of Inventories

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

Impairment of Contract Assets and Receivables

The Group recognises loss allowance for expected credit losses on contract assets and 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 contract assets (Note 13) and receivables (Note 9).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	At	Transfer to investment properties (Note 5)	Disposal	Write-off	Depreciation	Currency translation differences	At	
	1.5.2022 (Restated)						30.4.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>Carrying amount</u>								
Freehold land	45,600	(16,500)	-	-	-	-	29,100	
Buildings	24,509	(3,884)	(1,277)	-	(1,076)	360	18,632	
Plant and machinery	2,794	-	-	(2)	(411)	52	2,433	
Office equipment	71	-	-	(1)	(36)	2	80	
Furniture and fittings	1	-	-	-	-	-	1	
Laboratory equipment	4	-	-	-	(3)	-	1	
Motor vehicles	1,068	2,132	-	-	(429)	92	2,863	
	74,047	2,176	(1,277)	(3)	(1,955)	506	53,110	
Group	At 1.5.2021 RM'000	Transfer from right-of-use assets (Note 6) RM'000	Disposals RM'000	Write-off RM'000	Depreciation RM'000	Disposal of a foreign subsidiary RM'000	Currency translation differences RM'000	At 30.4.2022 RM'000
<u>Carrying amount (Restated)</u>								
Freehold land	45,600	-	-	-	-	-	-	45,600
Buildings	36,096	-	-	-	(1,714)	(10,000)	127	24,509
Plant and machinery	1,840	-	(8)	-	(1,583)	-	16	2,794
Office equipment	85	-	(1)	(1)	(34)	-	1	71
Furniture and fittings	2	-	-	-	(1)	-	-	1
Laboratory equipment	112	-	-	-	(29)	(84)	-	4
Motor vehicles	1,877	540	(2)	-	(656)	(1,237)	17	1,068
	85,612	3,084	540	(1)	(4,017)	(11,321)	161	74,047

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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 30.4.2023				
Freehold land	-	29,100	-	29,100
Buildings	-	22,039	(3,407)	18,632
Plant and machinery	107,358	-	(104,925)	2,433
Renovation	1,196	-	(1,196)	-
Office equipment	5,443	-	(5,363)	80
Furniture and fittings	952	-	(951)	1
Laboratory equipment	660	-	(659)	1
Motor vehicles	11,897	-	(9,034)	2,863
	127,506	51,139	(125,535)	53,110

At 30.4.2022 (Restated)

Freehold land	-	45,600	-	45,600
Buildings	-	27,644	(3,135)	24,509
Plant and machinery	123,372	-	(120,578)	2,794
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	11,457	-	(10,389)	1,068
	143,543	73,244	(142,740)	74,047

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 30.4.2023				
Freehold land	-	29,100	-	29,100
Buildings	-	8,367	10,265	18,632
	-	37,467	10,265	47,732
At 30.4.2022				
Freehold land	-	45,600	-	45,600
Buildings	-	8,362	16,147	24,509
	-	53,962	16,147	70,109

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(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	
	2023 RM'000	2022 RM'000
Freehold land	4,192	8,135
Buildings	3,634	6,584
	7,826	14,719

The carrying amounts of property, plant and equipment pledged to a licensed bank as security for credit facilities granted to the Group as disclosed in Note 18 to the financial statements are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Buildings	6,405	6,233

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 (2022 - 1) year and subsequent renewal period of 2 (2022 - 2) years. The lease does not include residual value guarantee and variable lease payments.

5. INVESTMENT PROPERTIES

Group	Transfer from property, plant and equipment		Depreciation RM'000	At 30.4.2023 RM'000
	At 1.5.2022 RM'000	(Note 4) RM'000		
<u>Carrying amount</u>				
Freehold land	24,640	16,500	-	41,140
Leasehold land	5,851	-	(101)	5,750
Buildings	10,804	3,884	(426)	14,262
	41,295	20,384	(527)	61,152

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

	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

Group	At cost RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
At 30.4.2023				
Freehold land	42,040	-	(900)	41,140
Leasehold land	6,152	(402)	-	5,750
Buildings	15,743	(1,481)	-	14,262
	63,935	(1,883)	(900)	61,152
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

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 (2022 - 1 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 (2022 - 2 to 6 years).

The Group does not require a financial guarantee from the customers. Instead, the Group requires 1 to 3 months (2022 - 1 to 3 months) of rental deposits from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

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

	Group	
	2023 RM'000	2022 RM'000
Within 1 year	3,139	722
Between 1 and 2 years	2,838	667
Between 2 and 3 years	1,200	99
	7,177	1,488

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**5. INVESTMENT PROPERTIES (CONT'D)**

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30.4.2023				
Freehold land	-	52,400	-	52,400
Leasehold land	-	9,240	-	9,240
Buildings	-	14,660	-	14,660
	-	76,300	-	76,300
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

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 to licensed banks as security for credit facilities granted to the Group as disclosed in Note 18 to the financial statements are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Freehold land	8,140	8,140
Leasehold land	4,901	4,959
Buildings	6,678	6,819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

6. RIGHT-OF-USE ASSETS

Group	At 1.5.2022 (Restated) RM'000	Addition (Note 29) RM'000	Disposal RM'000	Depreciation RM'000	Currency translation differences RM'000	At 30.4.2023 RM'000
<u>Carrying amount</u>						
Leasehold land	40,157	-	(2,364)	(1,112)	12	36,693
Hostels	-	119	-	(64)	-	55
	40,157	119	(2,364)	(1,176)	12	36,748

	At 1.5.2021 RM'000	Depreciation RM'000	Transfer to property, plant and equipment (Note 4) RM'000	Disposal of a foreign subsidiary RM'000	Currency translation differences RM'000	At 30.4.2022 RM'000
<u>Carrying amount (Restated)</u>						
Leasehold land	44,399	(1,350)	-	(2,900)	8	40,157
Office equipment	10	(4)	-	(6)	-	-
Motor vehicles	578	(38)	(540)	-	-	-
	44,987	(1,392)	(540)	(2,906)	8	40,157

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**6. RIGHT-OF-USE ASSETS (CONT'D)**

Group	At cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
At 30.4.2023			
Leasehold land	40,937	(4,244)	36,693
Hostels	119	(64)	55
	41,056	(4,308)	36,748
At 30.4.2022			
Leasehold land	43,363	(3,206)	40,157

The Group leases certain pieces of leasehold land and premises of which the leasing activities are summarised below:

- (a) Leasehold land: The Group has entered into 1 (2022 - 1) non-cancellable operating lease agreement for the use of land (site space). The lease is for a period of 4 years (2022 - 4 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) Hostels: The Group has leased a number of hostels that run between 1 and 2 years, with an option to renew the lease after that date. The leases do not contain any variable lease payments.

7. GOODWILL ON CONSOLIDATION

	Group	
	2023 RM'000	2022 RM'000
<u>At cost</u>		
Balance at 1 May 2022/2021	10,043	10,009
Currency translation differences	96	34
	10,139	10,043
Accumulated impairment losses	(2,222)	(2,222)
Balance at 30 April	7,917	7,821

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

7. GOODWILL ON CONSOLIDATION (CONT'D)

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

	Group	
	2023 RM'000	2022 RM'000
Manufacturing, formulation and sale of resin, chemicals and building materials	5,752	5,752
Contract work, pipe laying and rehabilitation	1,742	1,646
Others	423	423
	7,917	7,821

- (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	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Manufacturing, formulation and sale of resin, chemicals and building materials	15 - 17	12 - 17	1	1	8	7
Contract work, pipe laying and rehabilitation	33	33	-	-	8	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.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares - at cost	130,250	119,420
Accumulated impairment losses	(7,962)	(7,962)
	122,288	111,458

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**8. INVESTMENTS IN SUBSIDIARIES (CONT'D)**

The details of the subsidiaries are as follows:-

Name of subsidiary	Principal place of business/ Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
AL Resources Pte. Ltd. ^(a)	Singapore	99.99	99.99	Trading in paints and related products.
Singapore Analabs Pte. Ltd. ("SAPL") ^(a)	Singapore	63	63	Investment holding.
<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	Investment holding.
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.
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.
QSP Chemie (M) Sdn. Bhd.	Malaysia	100	100	Investment holding.
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Malaysia	100	100	Investment holding.
Global Pacific Petroleum Sdn. Bhd. ("GPP")	Malaysia	100	100	Manufacturing and trading in lubricant related products.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (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
		2023 %	2022 %	
<u>Subsidiary of GPP</u>				
- Hysper Manufacturing (M) Sdn. Bhd.	Malaysia	100	100	Dormant.

^(a) Not audited by Crowe Malaysia PLT.

9. RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Non-current assets</u>				
Other receivables:				
- Unrelated parties	4,863	6,245	4,792	6,178
<u>Current assets</u>				
Trade receivables:				
- Unrelated parties	24,524	16,455	-	-
- Accumulated impairment losses	(376)	(195)	-	-
	24,148	16,260	-	-
Other receivables:				
- Subsidiaries	-	-	-	1,973
- Unrelated parties	3,709	3,826	1,749	1,597
	3,709	3,826	1,749	3,570
- Accumulated impairment losses	(37)	-	-	-
	3,672	3,826	1,749	3,570
	27,820	20,086	1,749	3,570
Total receivables	32,683	26,331	6,541	9,748

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**9. RECEIVABLES (CONT'D)****Trade Receivables**

The Group determines credit risk concentrations in terms of counterparties and geographical areas. As at 30 April 2023, there were 3 (2022 - 2) 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 RM16,623,000 (2022 - RM6,573,000). The credit risk concentration profile by geographical areas of trade receivables (stated at gross) is as follows:-

	Group	
	2023 RM'000	2022 RM'000
Asia	7,029	5,150
Australia	10,179	5,011
Malaysia	6,443	4,842
Others	873	1,452
	24,524	16,455

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

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

	Group	
	2023 RM'000	2022 RM'000
Not past due	17,188	7,537
1 to 30 days past due	5,851	6,632
31 to 60 days past due	831	1,828
61 to 90 days past due	7	60
More than 90 days past due	647	398
	24,524	16,455

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

9. RECEIVABLES (CONT'D)

Trade Receivables (Cont'd)

Group	Not past due RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	More than 90 days past due RM'000	Credit impaired RM'000	Total RM'000
As at 30 April 2023							
Gross carrying amount	17,188	5,851	831	7	295	352	24,524
Average credit loss rate	0.02%	0.07%	0.00%	28.57%	4.75%	100.00%	1.53%
Accumulated impairment loss	4	4	-	2	14	352	376
As at 1 May 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

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 losses are as follows:-

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	195	504
Increase during the financial year	188	5
Reversal during the financial year	(11)	(64)
Write off during the financial year	-	(251)
Currency translation differences	4	1
Balance at 30 April	376	195

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**9. RECEIVABLES (CONT'D)****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 lifetime expected credit losses.

The changes in the accumulated impairment loss are as follows:

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	-	-
Increase during the financial year	37	-
Balance at 30 April	37	-

10. OTHER INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at fair value through other comprehensive income:				
- Investments in unit trusts	-	6,751	-	2,925
- Quoted shares in Malaysia	268,908	201,923	413	726
- Quoted shares outside Malaysia	2,697	2,404	-	-
	271,605	211,078	413	3,651
Financial assets at fair value through profit or loss:				
- Club memberships	180	180	-	-
Total other investments	271,785	211,258	413	3,651
Disclosed as:				
- Non-current assets	271,785	211,258	413	3,651

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

10. OTHER INVESTMENTS (CONT'D)

The carrying amounts of equity investments pledged to licensed banks as security for credit facility granted to the Group as disclosed in Note 18 to the financial statements are as follows:-

	2023 RM'000	Group 2022 RM'000
Financial assets at fair value through other comprehensive income		
- Quoted shares in Malaysia	195,920	145,806

11. INVENTORIES

	2023 RM'000	Group 2022 RM'000
At cost:		
- Livestock of prawns	-	30
- Raw materials	9,216	8,464
- Packing materials	-	14
- Finished goods	2,343	1,171
- Goods-in-transit	242	759
	11,801	10,438
At net realisable value:		
- Raw materials	237	3,944
- Finished goods	25	17
	262	3,961
	12,063	14,399
Recognised in profit or loss:		
- Inventories recognised as cost of sales	81,338	71,118
- Amount written down to net realisable value	512	3,788
- Reversal of inventories previously written down	(3,592)	(434)

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

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**12. BIOLOGICAL ASSETS**

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	-	-
Additions	123	-
Changes in fair value	124	-
Sales of biological assets	(160)	-
Balance at 30 April	87	-

The fair value measurement of the live prawns is determined by using the market approach, which takes into consideration the market prices of live prawns, adjusted for the estimated survival rates and other costs to sell and is categorised within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in a material impact to the financial statements.

13. CONTRACT ASSETS/LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	5,012	4,185
Revenue recognised during the financial year (Note 22)	36,557	26,385
Progress billings during the financial year	(35,617)	(25,658)
Currency translation differences	313	100
Balance at 30 April	6,265	5,012
Disclosed as:		
- Contract assets	8,151	6,087
- Accumulated impairment losses	(397)	-
	7,754	6,087
- Contract liabilities	(1,489)	(1,075)
	6,265	5,012

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. 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 contract assets based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

13. CONTRACT ASSETS/LIABILITIES (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
Gross carrying amount - not past due	8,151	6,087
Average credit loss rate	4.87%	0.00%
Accumulated impairment losses	397	-

The changes in the accumulated impairment losses are as follows:

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	-	-
Increase during the financial year	397	-
Balance at 30 April	397	-

Remaining Performance Obligations

As at 30 April 2023, the aggregate transaction price allocated to the remaining performance obligations amounted to approximately RM28,302,000 (2022 - RM25,856,000) and the Group expects to recognise these remaining performance obligations when the projects are completed within the next 2 (2022 - 2) years.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Term deposits (fixed rate)	991	953	96	96
Cash and bank balances	15,962	21,084	1,974	5,520
	16,953	22,037	2,070	5,616

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 RM736,909 (2022 - RM698,236) have been pledged as security for credit facilities granted to the Group. In addition, certain cash and bank balances of the Group amounting to RM130,000 (2022 - RM130,140) 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 2023 ranged from 0.05% to 2.25% (2022 - 0.05% to 1.60%) per annum.

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**14. CASH AND CASH EQUIVALENTS (CONT'D)**

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and cash equivalents	16,953	22,037	2,070	5,616
Term deposits pledged as security	(737)	(699)	-	-
Bank balances held in escrow	(130)	(130)	-	-
	16,086	21,208	2,070	5,616

15. SHARE CAPITAL

	Group/Company	
	No. of ordinary shares	RM'000
<u>Issued and Fully Paid-up</u>		
Balance at 30 April 2022/2023	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
		2023	2022
Balance at 1 May 2022/2021	11,114,100	10,160	11,094,000
Purchased during the financial year	-	-	20,100
Balance at 30 April	11,114,100	10,160	11,114,100

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 2023 (CONT'D)

17. NON-CONTROLLING INTERESTS ("NCI")

	Group				Other comprehensive income allocated	
	Accumulated NCI		Profit allocated to NCI		to NCI	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Singapore Analabs Pte. Ltd. ("SAPL")	8,776	6,646	2,911	7,234	440	114

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
		2023 %	2022 %	
Singapore Analabs Pte. Ltd. ("SAPL") ^(a)	Singapore	37	37	Investment holding.

^(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:

	2023 RM'000	2022 RM'000
Non-current assets	11,761	10,136
Current assets	24,880	18,064
Non-current liabilities	(2,919)	(2,611)
Current liabilities	(10,004)	(7,629)
Net assets	23,718	17,960
Dividends paid to non-controlling interests	(1,221)	(1,148)
Revenue for the financial year	36,557	26,599
Profit for the financial year	7,867	19,551
Total comprehensive income for the financial year	9,058	19,860
Net cash from operating activities	7,294	5,579
Net cash for investing activities	(1,935)	(610)
Net cash for financing activities	(3,487)	(4,091)
Net increase in cash and cash equivalents	1,872	878

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**18. LOANS AND BORROWINGS**

	2023 RM'000	Group 2022 RM'000 (Restated)
Secured		
Term loans (floating rate)	11,051	12,073
Hire purchase payables (fixed rate)	1,303	822
Bankers' acceptance (fixed rate)	5,830	5,818
Margin trading (floating rate)	100,811	49,007
Onshore foreign currency loan (fixed rate)	10,781	15,194
Revolving credits (fixed rate)	-	1,000
	129,776	83,914
Disclosed as:		
- Non-current liabilities	10,836	11,528
- Current liabilities	118,940	72,386
	129,776	83,914

The above loans and borrowings are secured against certain properties (Note 4 and Note 5), equity investments (Note 10) and term deposits (Note 14) of the Group.

The effective interest rates of loans and borrowings as at 30 April 2023 ranged from 0.76% to 7.38% (2022 - 0.76% to 6.32%) per annum.

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

Term Loans

Term loans are repayable over 1 to 15 years. The repayment analysis is as follows:-

	2023 RM'000	Group 2022 RM'000
Gross loan instalments:		
- Within 1 year	1,553	1,541
- Later than 1 year and not later than 2 years	1,618	1,524
- Later than 2 years and not later than 5 years	4,172	4,298
- Later than 5 years	6,705	8,452
Total contractual undiscounted cash flows	14,048	15,815
Future finance charges	(2,997)	(3,742)
Present value of term loans:		
- Within 1 year	1,132	1,144
- Later than 1 year and not later than 2 years	1,146	1,200
- Later than 2 years and not later than 5 years	3,287	3,176
- Later than 5 years	5,486	6,553
	11,051	12,073

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 2023 (CONT'D)

19. DEFERRED TAX LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Balance at 1 May 2022/2021	19,327	22,143
Deferred tax expense/(income) recognised in:		
- Profit or loss (Note 26)	582	(611)
- Other comprehensive income (Note 26(b))	(578)	-
Deferred tax liabilities (over)/underprovided in prior years (Note 26)	(819)	36
Disposal of a foreign subsidiary	-	(1,830)
Realisation of deferred tax liability upon disposal of properties (Note 26(a))	(112)	(409)
Reversal of real property gains tax upon disposal of properties (Note 26)	(143)	-
Currency translation differences	2	(2)
Balance at 30 April	18,259	19,327
In respect of taxable temporary differences of:		
- Property, plant and equipment	1,288	1,254
- Revaluation of land and buildings	16,971	18,073
	18,259	19,327

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NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**19. 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 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	-	-	(367)	-	(1,463)	(1,830)
Currency translation differences	-	-	1	-	(3)	(2)
Balance at 30 April 2022/ 1 May 2022	-	-	1,254	-	18,073	19,327
Deferred tax expense/ (income) recognised in:						
- Profit or loss	-	-	846	-	(264)	582
- Other comprehensive income	-	-	-	-	(578)	(578)
Deferred tax liabilities overprovided in prior years	-	-	(819)	-	-	(819)
Realisation of deferred tax liability upon disposal of properties	-	-	-	-	(112)	(112)
Reversal of real property gains tax upon disposal of properties	-	-	-	-	(143)	(143)
Currency translation differences	-	-	7	-	(5)	2
Balance at 30 April 2023	-	-	1,288	-	16,971	18,259

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

20. PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables:				
- Unrelated parties	5,330	4,551	-	-
Other payables:				
- Related party ^(a)	286	289	-	-
- Subsidiaries	-	-	93	2,710
- Unrelated parties	5,626	5,052	168	160
	5,912	5,341	261	2,870
Dividend payables	22	22	22	22
	11,264	9,914	283	2,892

^(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.

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.

21. LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000 (Restated)
Gross lease liabilities within 1 year/Contractual undiscounted cash flows	58	374
Future finance charges	(1)	(6)
Present value of lease liabilities	57	368
Disclosed as:		
- Current liabilities	57	368

The incremental borrowing rates applied to lease liabilities as at 30 April 2023 is at 6.10% (2022 - 3.26% to 7.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**22. REVENUE**

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Revenue from contracts with customers:				
- Manufacturing, formulation and sale of resin, chemicals and building materials	78,239	70,228	-	-
- Recovery and sale of recycled products	7,584	8,586	-	-
- Culture and sale of prawns	160	867	-	-
- Contract work, pipe laying and rehabilitation (Note 13)	36,557	26,385	-	-
- Management fee from subsidiaries	-	-	444	336
	122,540	106,066	444	336
Revenue from other sources:				
- Dividend income from quoted investments (Note 24)	10,334	9,858	13	-
- Dividend income from subsidiaries	-	-	5,779	2,846
- Operating lease income	485	322	-	-
	10,819	10,180	5,792	2,846
	133,359	116,246	6,236	3,182

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

22. 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
2023						
Geographical areas:						
- Asia	5,733	-	-	-	36,557	42,290
- Australia	45,447	-	-	-	-	45,447
- Malaysia	20,993	7,584	160	-	-	28,737
- Others	6,066	-	-	-	-	6,066
	78,239	7,584	160	-	36,557	122,540
Timing of revenue recognition:						
- Over time	-	-	-	-	36,557	36,557
- At a point in time	78,239	7,584	160	-	-	85,983
	78,239	7,584	160	-	36,557	122,540
2022 (Restated)						
Geographical areas:						
- Asia	12,267	2,056	-	-	26,385	40,708
- Australia	39,569	-	-	-	-	39,569
- Malaysia	12,965	6,530	867	-	-	20,362
- Others	5,427	-	-	-	-	5,427
	70,228	8,586	867	-	26,385	106,066
Timing of revenue recognition:						
- Over time	-	-	-	-	26,385	26,385
- At a point in time	70,228	8,586	867	-	-	79,681
	70,228	8,586	867	-	26,385	106,066

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

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**23. OTHER INCOME**

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Dividend income from:				
- Investments in unit trusts (Note 24)	55	79	55	79
- Quoted investments (Note 24)	6,843	9,436	-	-
Fair value gain on biological assets	87	-	-	-
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 property, plant and equipment	383	27	-	-
Gain on disposal of right-of-use assets	636	-	-	-
Government grant income	279	678	-	-
Interest income for financial assets measured at amortised cost	318	196	245	115
Operating lease income	1,496	1,164	-	-
Proceed from insurance claim	1,176	-	-	-
Realised gain on foreign exchange	-	15	-	-
Unrealised gain on foreign exchange	901	280	468	274
Waiver of debts	-	4,436	-	-
Others	98	130	-	-
	12,272	26,128	768	11,144

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

24. PROFIT BEFORE TAX

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- Audit fees:				
- auditors of the Company				
- current financial year	161	147	48	48
- overprovision in the previous financial year	(2)	-	-	-
- other auditors	66	60	-	-
- Non-audit fees:				
- auditors of the Company				
- current financial year	20	10	20	10
- underprovision in the previous financial year	12	-	12	-
Bad debts written off	12	-	-	-
Deposit forfeited	13	-	-	-
Depreciation of investment properties	527	493	-	-
Depreciation of property, plant and equipment	1,955	4,017	-	-
Depreciation of right-of-use assets	1,176	1,392	-	-
Direct operating expenses on investment properties	207	135	-	-
Employee benefits expense (Note 25)	11,090	10,125	631	514
Equipment written off	3	1	-	-
Impairment loss on investment property	-	400	-	-
Interest expense for lease liabilities	11	84	-	-
Interest expense for financial liabilities measured at amortised cost:				
- bankers' acceptance	267	61	-	-
- foreign currency trust receipts	-	6	-	-
- hire purchase payables	42	29	-	-
- margin trading	3,334	1,909	-	-
- onshore foreign currency loan	348	215	-	-
- revolving credits	13	12	-	-
- term loans	438	394	-	-
Inventories written down	512	3,788	-	-
Inventories written off	-	12	-	-
Lease expenses relating to:				
- short-term leases	1,812	563	-	-
Net impairment loss/(gain) on financial assets:				
- impairment losses on trade receivables	188	5	-	-
- impairment loss on other receivable	37	-	-	-
- impairment losses on contract assets	397	-	-	-
- reversal of impairment losses on trade receivables	(11)	(64)	-	-
Net loss/(gain) on foreign exchange:				
- realised	781	588	-	2
- unrealised	(901)	1,073	(468)	(274)
Dividend income from:				
- investments in subsidiaries	-	-	(5,779)	(2,846)
- investments in unit trusts	(55)	(79)	(55)	(79)
- quoted investments in Malaysia ^(a)	(17,031)	(19,217)	(13)	-
- quoted investments outside Malaysia ^(b)	(146)	(77)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

(CONT'D)

24. PROFIT BEFORE TAX (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging/(crediting):- (Cont'd)				
Fair value gain on biological assets	(87)	-	-	-
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 right-of-use assets	(636)	-	-	-
Government grant income	(279)	(678)	-	-
Interest income for financial assets measured at amortised cost	(318)	(196)	(245)	(115)
Net gain on disposal of property, plant and equipment	(383)	(20)	-	-
Operating lease income	(1,981)	(1,486)	-	-
Proceed from insurance claim	(1,176)	-	-	-
Reversal of inventories previously written down	(3,592)	(434)	-	-
Waiver of debts	-	(4,436)	-	-

^(a) Included were approximately RM10,334,000 (2022 - RM9,858,000) in Group's Revenue (Note 22) and RM6,697,000 (2022 - RM9,359,000) in Group's Other Income (Note 23);

^(b) Included was approximately RM146,000 (2022 - RM77,000) in Group's Other Income (Note 23).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

25. EMPLOYEE BENEFITS EXPENSE (INCLUDING DIRECTORS' REMUNERATION)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Directors of the Company</u>				
Executive directors:				
- Short-term employee benefits:				
- Fee	36	24	36	24
- Others	207	197	18	18
	243	221	54	42
- Defined contribution plans	21	20	1	1
	264	241	55	43
Non-executive directors:				
- Short-term employee benefits:				
- Fee	42	54	42	54
	306	295	97	97
<u>Directors of the subsidiaries</u>				
Executive directors:				
- Short-term employee benefits:				
- Fee	-	28	-	-
- Others	730	710	254	254
	730	738	254	254
- Defined contribution plans	101	99	26	26
	831	837	280	280
<u>Other employees</u>				
Short-term employee benefits	9,621	8,631	228	123
Defined contribution plans	332	362	26	14
	9,953	8,993	254	137
Total employee benefits expense	11,090	10,125	631	514

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**26. TAX EXPENSE**

(a) Tax expense recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax based on results for the year:				
- Malaysian income tax	1,253	1,826	95	66
- Foreign income tax	1,355	1,489	-	-
- Deferred tax (Note 19)	582	(611)	-	-
	3,190	2,704	95	66
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(202)	(136)	-	(1)
- Foreign income tax	5	(43)	-	-
- Deferred tax (Note 19)	(819)	36	-	-
	(1,016)	(143)	-	(1)
Real property gains tax	143	125	-	-
Realisation of deferred tax liability upon disposal of properties	(112)	(409)	-	-
Reversal of real property gains tax upon disposal of properties (Note 19)	(143)	-	-	-
Tax expense	2,062	2,277	95	65

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

26. TAX EXPENSE (CONT'D)

(a) Tax expense recognised in profit or loss (Cont'd)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	28,219	38,974	6,147	13,191
Tax at the statutory tax rate of 24%	6,773	9,354	1,475	3,166
Non-deductible expenses	3,082	4,476	82	191
Tax-exempt income	(5,523)	(5,117)	(1,403)	(702)
Non-taxable income	(254)	(4,694)	(59)	(2,589)
Increase in unrecognised deferred tax assets	157	12	-	-
Crystallisation of deferred tax liabilities on amortisation of revalued properties	(264)	(286)	-	-
Effects of differential in tax rates of subsidiaries due to foreign jurisdictions	(656)	(943)	-	-
Tax rebate	(125)	(108)	-	-
Tax (over)/underprovided in prior years:				
- Malaysian income tax	(202)	(136)	-	(1)
- Foreign income tax	5	(43)	-	-
- Deferred tax	(819)	36	-	-
Real property gains tax	143	125	-	-
Realisation of deferred tax liability upon disposal of properties	(112)	(409)	-	-
Reversal of real property gains tax upon disposal of revalued properties	(143)	-	-	-
Others	-	10	-	-
Tax expense	2,062	2,277	95	65

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

26. TAX EXPENSE (CONT'D)

- (a) Tax expense recognised in profit or loss (Cont'd)

As at 30 April 2023, no deferred tax assets have been recognised for the following items:-

	Group	
	2023 RM'000	2022 RM'000
Deductible temporary differences of:		
- Property, plant and equipment	368	363
- Financial instruments	44	3
Unutilised tax losses expiring in year of assessment:		
- 2028	106	106
- 2029	26	26
- 2030	127	127
- 2031	41	41
- 2032	55	55
- 2033	610	-
	1,377	721

- (b) Tax expense recognised in other comprehensive income

	Group	
	2023 RM'000	2022 RM'000
Revaluation of land and buildings - remeasurement of deferred tax due to a change in the tax rates of real property gains tax (Note 19)	(578)	-

27. EARNINGS PER SHARE

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

	Group	
	2023	2022
Profit for the financial year attributable to owners of the Company (RM'000)	23,246	29,463
Weighted average number of ordinary shares in issue ('000)	108,934	108,934
Basic earnings per ordinary share (sen)	21.34	27.05

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

28. DIVIDENDS

	Group/Company	
	2023 RM'000	2022 RM'000
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2023	2,179	-
Interim dividend of 2 sen per ordinary share in respect of the financial year ended 30 April 2022	-	2,179

29. NOTES TO STATEMENTS OF CASH FLOWS

	Group	
	2023 RM'000	2022 RM'000 (Restated)
Purchase of plant and equipment		
Cost of plant and equipment purchased (Note 4)	2,176	3,084
Acquisition through hire purchase arrangement	-	(757)
Net cash disbursed	2,176	2,327
Acquisition of Right-of-use Assets		
Cost of right-of-use assets acquired (Note 6)	119	-
Acquisition by means of leases	(119)	-
Net cash disbursed	-	-
Short-term Loans and Borrowings		
Balance at 1 May 2022/2021	71,841	61,273
Drawdowns	-	757
Net cash flow changes	46,321	9,025
Currency translation differences	269	635
Other changes	294	151
Balance at 30 April	118,725	71,841
Represented by: (Note 18)		
- Bankers' acceptance	5,830	5,818
- Hire purchase payables	1,303	822
- Margin trading	100,811	49,007
- Onshore foreign currency loan	10,781	15,194
- Revolving credits	-	1,000
	118,725	71,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

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

	2023 RM'000	Group 2022 RM'000 (Restated)
Term Loans		
Balance at 1 May 2022/2021	12,073	9,947
Drawdowns	-	3,000
Repayments	(1,147)	(921)
Currency translation differences	125	47
Balance at 30 April (Note 18)	11,051	12,073
Lease Liabilities		
Balance at 1 May 2022/2021	368	3,990
Addition	119	-
Repayments	(444)	(604)
Disposal of a foreign subsidiary	-	(3,026)
Currency translation differences	14	8
Balance at 30 April (Note 21)	57	368
The total cash outflow for leases is as follows:-		
Operating Activities		
Lease expenses relating to short-term leases	1,812	563
Interest portion of lease liabilities	11	84
Financing Activities		
Principal portion of lease liabilities	444	604
	2,267	1,251

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

30. RELATED PARTY DISCLOSURES

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Advances from subsidiaries	-	-	(543)	(2,830)
Advances to subsidiaries	-	-	21,602	1,250
Consultancy fee paid or payable to a director of the Company	(120)	(120)	-	-
Consultancy fee paid to a director of the Group	(143)	(143)	-	-
Dividends from subsidiaries	-	-	5,779	2,846
Issuance of share capital by subsidiaries	-	-	(10,830)	(38,900)
Management fee charged to subsidiaries	-	-	444	336
Payment on behalf of a subsidiary	-	-	1	243
Payment received from subsidiaries	-	-	(17,411)	(4,032)
Payment to subsidiaries	-	-	1,601	5,634

31. 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.

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

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

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**31. OPERATING SEGMENTS (CONT'D)****31.1 Business Segments**

2023	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	78,239	7,584	160	10,819	36,557	133,359
Inter-segment revenue	169	779	143	9,760	3,014	13,865
Consolidation adjustments	78,408	8,363	303	20,579	39,571	147,224 (13,865)
Consolidated revenue						<u>133,359</u>
Results						
Segment profit/(loss) before interest and tax	10,675	3,395	(895)	19,025	9,491	41,691
Finance costs						(4,424)
Tax expense						(2,062)
Consolidation adjustments						(9,048)
Consolidated profit after tax						<u>26,157</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

(CONT'D)

31. OPERATING SEGMENTS (CONT'D)

31.1 Business Segments (Cont'd)

2023	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:-						
Bad debts written off	(12)	-	-	-	-	(12)
Deposit forfeited	(5)	-	-	(8)	-	(13)
Depreciation of investment properties	(106)	(134)	-	(596)	-	(836)
Depreciation of property, plant and equipment	(936)	(182)	(47)	(37)	(452)	(1,654)
Depreciation of right-of-use assets	(203)	(33)	(338)	(22)	(605)	(1,201)
Direct operating expenses on investment properties	(88)	(46)	-	(73)	-	(207)
Dividend income from:						
- investments in unit trusts	-	-	-	55	-	55
- quoted investments	6,843	-	-	10,334	-	17,177
Employee benefits expense (including directors' remuneration)	(1,822)	(256)	(138)	(631)	(8,243)	(11,090)
Equipment written off	(1)	-	-	(2)	-	(3)
Fair value gain on biological assets	-	-	87	-	-	87
Gain on disposal of plant and equipment	26	-	-	224	133	383
Gain on disposal of right-of-use assets	-	-	-	636	-	636
Government grant income	-	-	-	-	279	279
Impairment losses on contract assets	-	-	-	-	(397)	(397)
Impairment losses on trade receivables	(21)	(4)	-	-	(163)	(188)
Impairment loss on other receivable	(37)	-	-	-	-	(37)
Interest expense	(940)	(131)	-	(3,295)	(92)	(4,458)
Interest income	54	15	-	248	1	318
Inventories written down	(512)	-	-	-	-	(512)
Lease expenses relating to short-term leases	-	-	-	-	(1,812)	(1,812)
Net realised loss on foreign exchange	(781)	-	-	-	-	(781)
Net unrealised gain on foreign exchange	427	-	-	467	-	894
Operating leases income	624	890	-	521	-	2,035
Reversal of impairment losses on trade receivables	-	6	-	-	5	11
Reversal of inventories previously written down	3,592	-	-	-	-	3,592

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**31. OPERATING SEGMENTS (CONT'D)****31.1 Business Segments (Cont'd)**

2023	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	209,986	28,089	25,467	348,917	39,198	651,657
Unallocated assets:						
- Current tax assets						2,756
Consolidation adjustments						(151,262)
Consolidated total assets						<u>503,151</u>
Additions to non-current assets other than financial instruments are:						
- Property, plant and equipment	100	7	-	-	2,069	2,176
- Right-of-use assets	119	-	-	-	-	119
Liabilities						
Segment liabilities	30,974	3,481	33	98,051	15,025	147,564
Unallocated liabilities:						
- Current tax liabilities						1,386
- Deferred tax liabilities						14,413
Consolidation adjustments						(1,132)
Consolidated total liabilities						<u>162,231</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

31. OPERATING SEGMENTS (CONT'D)

31.1 Business Segments (Cont'd)

2022 (Restated)	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	70,228	8,586	867	10,180	26,385	116,246
Inter-segment revenue	444	180	207	6,316	2,569	9,716
	70,672	8,766	1,074	16,496	28,954	125,962 (9,716)
Consolidation adjustments						
Consolidated revenue						<u>116,246</u>
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						<u>36,697</u>

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NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**31. OPERATING SEGMENTS (CONT'D)****31.1 Business Segments (Cont'd)**

2022 (Restated)	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)	-	(645)	(3,960)
Depreciation of right-of-use assets	(139)	(309)	(338)	-	(389)	(1,175)
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
Impairment losses on trade receivables	(1)	-	-	-	(4)	(5)
Impairment loss on investment property	(400)	-	-	-	-	(400)
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)	-	-	-	(541)	(803)
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
Reversal of impairment losses on trade receivables	12	7	-	-	45	64
Reversal of inventories previously written down	434	-	-	-	-	434
Waiver of debts	-	11,989	-	-	-	11,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

31. OPERATING SEGMENTS (CONT'D)

31.1 Business Segments (Cont'd)

2022 (Restated)	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 othe than financial instruments are:						
- Investment properties	-	-	-	1,919	-	1,919
- Property, plant and equipment	1,427	287	-	-	1,370	3,084
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>

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NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**31. OPERATING SEGMENTS (CONT'D)****31.2 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	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Malaysia	96,802	87,804	147,166	153,184
Singapore	36,557	28,442	11,761	10,136
	133,359	116,246	158,927	163,320

31.3 Major Customer

For the financial year ended 30 April 2023, there was 1 (2022 - 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 RM43,975,000 (2022 - RM38,667,000).

32. 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 RM87,529,000 (2022 - RM85,677,000). The total utilisation of these credit facilities as at 30 April 2023 amounted to approximately RM24,822,000 (2022 - RM28,467,000). 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 2.12. 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	2023 RM'000	2022 RM'000
Carrying amount	-	-
Contractual undiscounted cash flows	24,822	28,467

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

33. 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 32.

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 Renminbi ("RMB"), 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 RMB		Denominated in EUR		Denominated in USD	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Receivables	-	-	9,918	6,429	795	1,346
Cash and cash equivalents	-	-	1,964	2,768	1,086	331
Payables	-	-	(195)	(311)	(686)	(535)
Loans and borrowings	(8,236)	-	(2,545)	-	-	(15,194)
	(8,236)	-	9,142	8,886	1,195	(14,052)

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**33. 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 2023 RM'000	Group Increase/ (Decrease) in profit 2022 RM'000
Appreciation of EUR against RM by 10%	695	675
Depreciation of EUR against RM by 10%	(695)	(675)
Appreciation of USD against RM by 10%	91	(1,068)
Depreciation of USD against RM by 10%	(91)	1,068
Appreciation of RMB against RM by 10%	(626)	-
Depreciation of RMB against RM by 10%	626	-

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial assets	991	953	96	96
Financial liabilities	(17,971)	(23,202)	-	-
Floating rate instruments				
Financial liabilities	(111,862)	(61,080)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

33. 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:-

	(Decrease)/ Increase in profit 2023 RM'000	Group (Decrease)/ Increase in profit 2022 RM'000
Increase in interest rates by 100 basis points	(850)	(464)
Decrease in interest rates by 100 basis points	850	464

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:-

	Increase/ (Decrease) in OCI* 2023 RM'000	Group Increase/ (Decrease) in OCI* 2022 RM'000
Increase in price by 5%	13,580	10,554
Decrease in price by 5%	(13,580)	(10,554)

	Increase/ (Decrease) in OCI* 2023 RM'000	Company Increase/ (Decrease) in OCI* 2022 RM'000
Increase in price by 5%	21	183
Decrease in price by 5%	(21)	(183)

* Other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

(CONT'D)

34. 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 (including non-controlling interests) 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:-

	2023 RM'000	Group 2022 RM'000 (Restated)
Loans and borrowings	129,776	83,914
Total equity	340,920	328,808
Total capital	470,696	412,722
Debt-to-equity ratio	0.38	0.26

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

35. 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 RM332,144,000 (2022 - RM322,162,000) 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 (2022 - 108,934,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)

36. FINANCIAL INSTRUMENTS

36.1 Classification of Financial Instruments

	Group		Company	
	2023 RM'000	2022 RM'000 (Restated)	2023 RM'000	2022 RM'000
Financial Assets				
Mandatorily at fair value through profit or loss:				
- Other investments	180	180	-	-
Designated at fair value through other comprehensive income upon initial recognition:				
- Other investments	271,605	211,078	413	3,651
Amortised cost:				
- Receivables	32,357	25,623	6,541	9,748
- Cash and cash equivalents	16,953	22,037	2,070	5,616
	49,310	47,660	8,611	15,364
Financial Liabilities				
Amortised cost:				
- Loans and borrowings	129,776	83,914	-	-
- Lease liabilities	57	368	-	-
- Payables	11,250	9,914	283	2,892
	141,083	94,196	283	2,892

36.2 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.

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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.

NOTES TO THE FINANCIAL STATEMENTSFOR THE FINANCIAL YEAR ENDED 30 APRIL 2023
(CONT'D)**38. COMPARATIVE FIGURES**

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

	As previously reported RM'000	As restated RM'000
Group		
<u>Statements of Financial Position (Extract):-</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	72,815	74,047
Right-of-use assets	41,389	40,157
NON-CURRENT LIABILITIES		
Loans and borrowings	10,929	11,528
Lease liabilities	599	-
CURRENT LIABILITIES		
Payables	8,863	9,914
Loans and borrowings	72,163	72,386
Lease liabilities	591	368
Provisions	1,051	-
<u>Statements of Comprehensive Income (Extract):-</u>		
Revenue	117,587	116,246
Other Income	26,605	26,128
Administrative and other operating expenses	(16,078)	(14,260)
<u>Statements of Cash Flows (Extract):-</u>		
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Depreciation of property, plant and equipment	3,868	4,017
Depreciation of right-of-use assets	1,541	1,392
Dividend income from quoted investments	(19,294)	(9,436)
Interest expense for lease liabilities	113	84
Interest expense for other financial liabilities measured at amortised cost	2,597	2,626
Provision for claims and damages	920	-
Reversal of provision for claims and damages	(477)	-
Operating profit before working capital changes	19,098	28,513
Payables	(6,629)	(6,186)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONT'D)

38. COMPARATIVE FIGURES (CONT'D)

The following figures have been reclassified to conform with the presentation of the current financial year (Cont'd):-

	As previously reported RM'000	As restated RM'000
Group		
<u>Statements of Cash Flows (Extract) (Cont'd):-</u>		
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Addition of right-of-use assets	(189)	-
Dividends received	19,373	9,515
Purchase of plant and equipment	(2,138)	(2,327)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net increase in short-term loans and borrowings	9,231	9,025
Repayment of lease liabilities	(810)	(604)
<hr/>		
Company		
<u>Statement of Cash Flows (Extract):-</u>		
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Dividend income from investments in subsidiaries	(2,846)	-
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Dividends received	2,925	79
<hr/>		

A third statement of financial position is not presented as the effect of the reclassification is not judged to be material to the Group and the Company.

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LIST OF PROPERTIES HELD BY THE GROUP

No.	Beneficial Proprietor	Location	Tenure	Description and Age of Building	Land Area (sq.m.)	Existing Use	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
1	Coveright Surfaces Malaysia Sdn Bhd	Lot No. 750, held under Title No. GM 1908, Mukim of Kapar, District of Klang, State of Selangor. Bearing Postal Address: Lot No. 750, Jalan Haji Sirat, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 26 years old	19,450	Owner-occupied 4 Storey Office Block, Factory & Warehouse	10,057	22,116,564	Revalued on 15/04/2019
2	Coveright Surfaces Malaysia Sdn Bhd	Lot No. 25742 held under Title No. PM 1763, Mukim of Pekan Batu 4, District of Klang, State of Selangor. Bearing Postal Address: No. 16, Lorong Sungai Puloh 8, Taman Cempaka Sari, 41400 Klang, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 16 May 2089	An Intermediate Single Storey Terrace House 33 years old	111	Owner-occupied Single Storey Terrace House	120	169,714	Revalued on 15/04/2019
3	Global Pacific Petroleum Sdn Bhd	Lot No. 3851, held under Title No. PN 652, Mukim of Port Dickson, District of Port Dickson, State of Negeri Sembilan. Bearing Postal Address: Lot 3851, Batu 2, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan.	Leasehold for 99 years Expiring on 1 April 2075	Leasehold Industrial Land & Building 35 years old	62,221	Owner-occupied 2 Storey Office Block, Factory & Warehouse	11,596	10,953,384	Revalued on 15/04/2019
4	Inagro Sdn Bhd	Lot No. 6493, held under Title No. GRN 44189, Mukim of Kapar, District of Klang, State of Selangor. Bearing Postal Address: Lot 6493, Jalan Haji Abdul Manan, 42100 Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Buildings 26 years old	20,716	Tenanted 2 Storey Office Block, Factory & Warehouse	6,600	20,357,143	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	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
5	Inagro Sdn Bhd	Lot No. 15825, held under Title No. GRN 36256, Mukim of Kapar, District of Klang, State of Selangor. Bearing Postal Address: Lot No. 15825, Lorong Padang Jawa 2, Kampung Padang Jawa, 40200 Klang, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land	8,144	Vacant Industrial Land	-	2,600,000	Revalued on 15/04/2019
6	Inagro Sdn Bhd	PT No 19569, held under Title No. HSD 35467, Mukim of Kapar, District of Klang, State of Selangor. Bearing Postal Address: No. 30, Lorong Hamzah Alang 77, Taman Jaya, 42200 Kapar, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 25 years old	121	Owner-occupied Single Storey Terrace House	74	142,308	Revalued on 15/04/2019
7	Lux Distributor Sdn Bhd	Lot No. 46922, held under Title No. GRN 41069, Town of Selayang, District of Gombak, State of Selangor. Bearing Postal Address: Lot 16435, Jalan 4, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 26 years old	3,006	Tenanted 3 Storey Office & Warehouse	1,641	8,785,714	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	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
8	Lux Distributor Sdn Bhd	Lot No. 182924, held under Title No. GRN 250528, Mukim of Plentong, District of Johor Bahru, State of Johor. Bearing Portal Address: No. 27, Jalan Sri Plentong 3, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Bahru.	Freehold	Freehold Land & Buildings 32 years old	1,951	Owner-occupied 1½ Storey Office & Warehouse	1,094	2,654,545	Revalued on 15/04/2019
9	Lux Distributor Sdn Bhd	Developer's Parcel No. 7-18-5, Unit No. Type E, Storey No. Level 18 within Menara Riverview together with Accessory Parcel Car Park No. 34 (8th Floor-Upper Level) held under Master Title No. GRN 62241, Lot 1522, Seksyen 9W, Town of George Town, District of Timur Laut, State of Pulau Pinang. Bearing Postal Address: Unit No. 7-18-5, Menara Riverview, Jalan Jelutong, 11600 Pulau Pinang.	Freehold	Freehold Apartment 29 years old	-	Vacant Apartment	78	294,000	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	Floor Area (sq.m.)	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
10	M-Field Sdn Bhd	Lot No. 55, Seksyen 92A held under Title No. PN 5288, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur. Bearing Postal Address: No. 18, Jalan 6/89B, Kawasan Perindustrian Triseqi, Off Jalan Sungai Besi, 57100 Kuala Lumpur.	Leasehold for 66 years Expiring on 21 March 2043	Leasehold Land & Building 40 years old	156	Tenanted End Lot 4 Storey Terrace Factory	624	776,190.00	Revalued on 15/04/2019	
11	M-Field Sdn Bhd	Lot No. 54, Seksyen 92A held under Title No. PN 5287, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur. Bearing Postal Address: No. 20, Jalan 6/89B, Kawasan Perindustrian Triseqi, Off Jalan Sungai Besi, 57100 Kuala Lumpur.	Leasehold for 66 years Expiring on 21 March 2043	Leasehold Land & Building 40 years old	156	Tenanted Intermediate 4 Storey Terrace Factory	624	759,524.00	Revalued on 15/04/2019	
12	M-Field Sdn Bhd	Lot No. 5782, held under Title No. PN 2806 Mukim of 12, District of Barat Daya, State of Pulau Pinang. Bearing Postal Address: Plot 13, Lebuhraya Kampung Jawa, Bayan Lepas Industrial Park, 11900 Bayan Lepas, Pulau Pinang.	Leasehold for 60 years Expiring on 4 June 2046	Leasehold Land & Building 33 years old	5,800	Owner-occupied 2 Storey Office Block, Factory & Warehouse	2,300	6,764,020	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	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
13	M-Field Sdn Bhd	Lot No. 33 & 34, Seksyen 48 held under Title No. GRN 23877 & 25233, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur. Bearing Portal Address: No. 302 & 304, Batu 2½, Jalan Sultan Azlan Shah (Jalan Ipoh), 51200 Kuala Lumpur.	Freehold	Freehold Land & Building 42 years old	336	Tenanted & Vacant Intermediate 2 Units of 4 Storey Terrace Shop/Offices	1,338	6,300,000	Revalued on 15/04/2019
14	M-Field Sdn Bhd	Lot PT No. 44002 held under Title No. HSD 222386, Mukim of Sungai Buloh, District of Petaling, State of Selangor. Bearing Postal Address: No. 18, Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 8 June 2104	Leasehold Land & Building 18 years old	153	Tenanted & Vacant Intermediate 3 Storey Shop/Office	460	2,642,060.00	(Note 1)
15	M-Field Sdn Bhd	Lot PT No. 44004 held under Title No. HSD 222388, Mukim of Sungai Buloh, District of Petaling, State of Selangor. Bearing Postal Address: No. 22, Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 8 June 2104	Leasehold Land & Building 18 years old	153	Tenanted Intermediate 3 Storey Shop/Office	460	2,600,070.00	(Note 1)

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	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
16	M-Field Sdn Bhd	Lot No. PT 77183 held under Title No. HSD 158573 Mukim of Kapar, District of Klang, State of Selangor. Bearing Portal Address: No. 7, Jalan 5/KU6, Kawasan Perindustrian Sungai Puloh, 42100 Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Building 3 years old	385	Tenanted End Lot 3 Storey Terrace Factory	728	1,867,828.00	(Note 2)
17	Resources Conservation Sdn Bhd	Lot No. 38227, held under Title No. GRN 177456, Mukim of Damansara, District of Petaling, State of Selangor. Bearing Postal Address: Lot No. 2-21, Jalan SU 6, Taman Perindustrian Subang Utama, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land & Building 24 years old	4,047	Owner-occupied 2 Storey Office Block, Factory & Warehouse	1,711	7,866,665	Revalued on 15/04/2019
18	Resources Conservation Sdn Bhd	Lot No. 87, held under Title No. GM 146, Mukim of Damansara, District of Petaling, State of Selangor. Bearing Postal Address: Lot No. 2-21, Jalan SU 6, Taman Perindustrian Subang Utama, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 23 years old	2,307	Owner-occupied Industrial Land	1,845	3,000,000	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	Gross Floor Area (sq.m.)	Carrying Amount as at 30/04/2023 (RM)	Date of Revaluation
19	Resources Conservation Sdn Bhd	Lot No. PT 43449, held under Title No. HSD 51801, Mukim of Klang, District of Klang, State of Selangor. Bearing Portal Address: No. 2, Jalan Gambus Satu 33/4A, Elite Industrial Park, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 25 years old	5,415	Tenanted 2 Storey Office Block, Factory & Warehouse	3,456	10,641,380.00	Revalued on 15/04/2019
20	Resources Conservation Sdn Bhd	Lot No. PT 317, held under Title No. HSD 264610, Town of Shah Alam, District of Petaling, State of Selangor. Bearing Postal Address: No. 12A, Jalan Ringgit 23/11, Seksyen 23, 40300 Shah Alam, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 28 July 2109	Leasehold Land & Building 13 years old	1,205	Tenanted 1½ Storey Semi-detached Factory	700	3,822,221.00	Revalued on 15/04/2019
21	Striketech Sdn Bhd	Lot No. PT 439, held under Title No. HSD 26575, Mukim of Jugra, District of Kuala Langat, State of Selangor. Bearing Postal Address: Lot No. PT 439, Jalan Pulau Carey, 42960 Pulau Carey, Selangor Darul Ehsan.	Leasehold for 99 years Expiring on 24 September 2094	Leasehold Land & Building 22 years old	1,035,187	Owner-occupied Aquaculture farm	3,881	24,970,158.00	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	Gross Floor Area (sq.m.)	Carrying Amount	
								as at 30/04/2023 (RM)	Date of Revaluation
22	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	Leasehold Terrace Factory 32 years old	643	Owner-occupied Intermediate 3 Storey Terrace Dormitory, Office & Warehouse	643	6,405,037 (Exchange rate: 3.3348)	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 financial year 2022.

ANALYSIS OF SHAREHOLDINGS AS AT 28 JULY 2023

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 28 July 2023)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	35	3.18	807	0.00
100 - 1,000	116	10.54	58,383	0.05
1,001 - 10,000	720	65.39	3,319,262	3.05
10,001 - 100,000	191	17.35	5,658,344	5.20
100,001 to less than 5% of issued shares	36	3.27	27,976,300	25.68
5% and above of issued shares	3	0.27	71,920,804	66.02
Total	1,101	100.00	108,933,900	100.00

Directors' Shareholdings

(As per the Register of Directors' Shareholdings as at 28 July 2023)

No.	Name of Directors	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	71,920,804	66.02	18,000*	0.02
2	Kan Mun Hoow	5,039,000	4.63	-	0.00
3	Clifton Heath Fernandez	-	0.00	-	0.00
4	Lye Meei Ruu	-	0.00	-	0.00
5	Chia Yee Yan	-	0.00	-	0.00

Substantial Shareholders

(As per the Register of Substantial Shareholders as at 28 July 2023)

No.	Name of Substantial Shareholder	No. of Shares		No. of Shares	
		Direct Interest	%	Indirect Interest	%
1	Kan Yow Kheong	71,920,804	66.02	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 28 JULY 2023
(CONT'D)

30 Largest Shareholders as at 28 July 2023

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	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KAN YOW KHEONG	6,066,900	5.57
4	KAN MUN HOOW	5,039,000	4.63
5	CHUA SIM NEO @ DIANA CHUA	4,739,600	4.35
6	PUI CHENG WUI	4,067,200	3.73
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	2,103,800	1.93
8	LAI NYUK MOI	1,442,400	1.32
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)	953,900	0.88
10	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR PUI CHENG WUI	904,000	0.83
11	TEO KWEE HOCK	773,200	0.71
12	PUI BOON HEAN	722,000	0.66
13	PUI BOON KENG	679,400	0.62
14	LAI SHWU YAN	653,000	0.60
15	TOHTONKU SDN BERHAD	590,000	0.54
16	GOH THONG BENG	587,600	0.54
17	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	502,400	0.46
18	SOW TIAP	408,000	0.37
19	LIM KHUAN ENG	308,300	0.28
20	LAI NYUK MOI	300,000	0.28
21	FOLLOW ME INDUSTRIES SDN BHD	246,000	0.23
22	LEYU CHONG HUA @ LEO CHONG HUA	229,000	0.21
23	LIM BAN JOO	224,000	0.21
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YOKE SOO (M09)	220,900	0.20
25	CHUAH SAW LEE	200,000	0.18
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI KONG YEW (E-BMM)	200,000	0.18
27	TAN YENG HWA	200,000	0.18
28	YAP CHOO JOO @ YAP TSE LOO	200,000	0.18
29	KENANGA NOMINEES (TEMPATAN) SDN BHD SAW WAH THENG (PCS)	179,700	0.16
30	ETAH SDN BHD	177,400	0.16
	TOTAL	98,771,604	90.64

NOTICE OF THE 25th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting (“25th AGM”) of the Company will be held at 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, 4 October 2023 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 2023. **(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)**
3. To approve the payment of Directors’ Fee of up to RM108,000 in respect of the financial year ending 30 April 2024. **(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.

AND THAT in connection with the above, pursuant to Section 85 of the Act read together with Clause 59 of the Constitution of the Company, approval be and is hereby given to the Company to waive the statutory pre-emptive rights conferred upon the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.”

NOTICE OF THE 25th 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:

- i) 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;
- ii) 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;
- iii) 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
- iv) 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
29 August 2023

NOTICE OF THE 25th 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. of 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 at 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 Annual General Meeting, the Company shall be requesting Bursa Depository, in accordance with Clause 70 of the Company's Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 21 September 2023. Only a depositor whose name appears on the General Meeting Record of Depositors as at 21 September 2023 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 Statements and the Auditors' Report for the Financial Year Ended 30 April 2023**

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.

In determining the eligibility of the Directors standing for re-election at the forthcoming 25th 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 2023 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.*

NOTICE OF THE 25th ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes: (Cont'd)

2. Re-election of Directors in accordance with Clause 119 of the Company's Constitution (Resolutions 1 to 5) (Cont'd)

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;
- iv) Ability to carry out their duties professionally and objectively in the best interest of the Company and shareholders; and
- v) All the Directors confirmed that as at the date of this Annual Report, they have no conflict of interest (COI) or potential COI that arise, or might arise, where they have interest, whether direct or indirect financial interest as well as non-financial interest or competing loyalties or interests which are in conflict with the Analabs Group.

3. Directors' Fee (Resolution 6)

Shareholders' approval of the Directors' Fee for the Board was obtained at the 24th AGM held on 5 October 2022 and there is no revision to the fee. Details of Directors' Fee are set-out on page 52 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 2024. The fee will not be paid until the approval of the shareholders has been obtained at the 25th 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 25th AGM.

The proposed Resolution 8, if passed, will give a renewed mandate to the Directors of the Company, from the date of the forthcoming 25th 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.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

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 29 August 2023 accompanying the 2023 Annual Report.

NOTICE OF THE 25th 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 25th 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 25th Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 25th 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	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-Fifth Annual General Meeting ("25th 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, 4 October 2023 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 2024.		
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.
- The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. of 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 at 03-7890 4670 not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

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AFFIX
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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.

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Fold this flap for sealing



ANALABS RESOURCES BERHAD

Registration No. 199801012843 (468971-A)

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