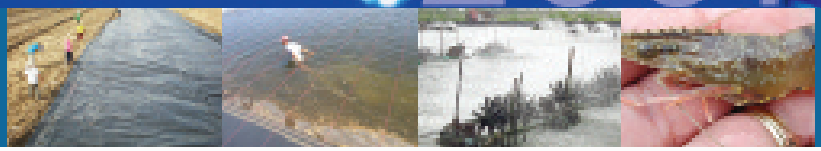
The People -

Learning Organisation

Aquaculture System using Biosecure & Zero - Exchange

annual report

2007



ANALABS

ANALABS RESOURCES BERHAD

(Company No: 468971-A)
(Incorporated in Malaysia)

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Corporate Information

BOARD OF DIRECTORS

Kan Yow Kheong
Executive Chairman

Heng Siew Ching
Executive Director

Ali Riza Bin A. Samad
Independent Non-Executive Director

Ganesan A/L Sundaraj
Independent Non-Executive Director

COMPANY SECRETARIES

Cynthia Gloria Louis (MAICSA 7008306)
Chew Mei Ling (MAICSA 7019175)

REGISTERED OFFICE

Unit 725, 7th Floor, Block A,
Kelana Centre Point,
No. 3 Jalan SS7/19, Kelana Jaya,
47301 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03-7880 9699
Fax : 03-7880 8699

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2531

AUDITORS

KPMG (AF 0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur

PRINCIPAL BANKERS

Hong Leong Bank Berhad
RHB Bank Berhad
Ambank Berhad

STOCK EXCHANGE

Main Board of Bursa Malaysia
Securities Berhad

Group Structure

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

- 99.99% → **AL RESOURCES PTE LTD** (200205380 M) (Incorporated in the Republic of Singapore)
- 100% → **ANALABS BIOTECH SDN BHD** (360781 K)
- 100% → **ATTRACTIVE FRONTIERS SDN BHD** (508356H)
- 100% → **CENTRALISED WASTE TREATMENT PLANT SDN BHD** (172639 P)
- 100% → **ELECTRONIC RESOURCE SDN BHD** (138697 A)
- 100% → **INAGRO SDN BHD** (69317 P)
- 100% → **K & L CHEMICALS SDN BHD** (82286 U)
- 100% → **MASMERU SDN BHD** (107827 T)
- 100% → **M-FIELD SDN BHD** (138369 U)
- 100% → **QSP CHEMIE (M) SDN BHD** (353996 A)
- 100% → **RESOURCES CONSERVATION SDN BHD** (146208 X)
- 100% → **STRIKETECH SDN BHD** (516680 A)
- 100% → **SYNTAX SYSTEM SOLUTIONS SDN BHD** (481606 D)
- 100% → **THE ANALYTICAL LABORATORIES (MALAYSIA) SDN BHD** (21450H)

Directors'Profile

KAN YOW KHEONG *(Executive Chairman)*

Mr. Kan Yow Kheong, a Malaysian, aged 54, was appointed to the Board of Analabs as the Executive Chairman on 19 November 1999. Mr. Kan, who is also the majority shareholder, joined The Analytical Laboratories (Malaysia) Sdn Bhd (TAL) as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

Having successfully completed the Top Management Program from the Manila-based Asian Institute of Management in 1988, he went on to obtain his Diploma in Marketing Management from the Chartered Institute of Management, United Kingdom and finally a Master's Degree with Honours in Business Management from Oklahoma City University, United States of America.

He is the Chairman of the Remuneration Committee and also serving as a member on the Audit Committee. He has attended all five (5) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no convictions of any offences within the past 10 years.

HENG SIEW CHING *(Executive Director)*

Ms Heng Siew Ching, a Malaysian, aged 53, was appointed to the Board of Analabs on 27 February 2004. Ms Heng began her career in the chemical formulation and repackaging industry as a fresh high school graduate when she joined Inagro Sdn Bhd in the mid 1970s. To date, Ms Heng holds more than 16 years of experience in various divisions of the industry, including Administration, Production, Purchasing and Marketing. Her extensive experience has resulted in Ms Heng's appointment as a Director of several private limited companies.

Ms Heng has attended all the five (5) Board Meetings held during the financial year. She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and no convictions of any offences within the past 10 years.

directors'profile

ALI RIZA BIN A. SAMAD *(Independent Non-Executive Director)*

En. Ali Riza Bin A. Samad, a Malaysian, aged 54, was appointed to the Board of Analabs on 19 November 1999. He graduated with a Bachelor Degree of Science, majoring in Forest Engineering in 1976 from Universiti Pertanian Malaysia. Upon graduation, he joined Amanah Saham Pahang Berhad and later moved to Malaysian Adhesive and Chemical Sdn Bhd in 1977 as a Technical Services Officer. His exposure to commerce was further enhanced in 1978 when he joined the Production and Marketing team at Sindora Berhad. He also sits on the board of several private limited companies.

He is the Chairman of the Audit Committee and also serving as a member of the Nomination Committee and the Remuneration Committee. He has attended all the five (5) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no convictions of any offences within the past 10 years.

GANESAN A/L SUNDARAJ *(Independent Non-Executive Director)*

Mr. Ganesan A/L Sundaraj, a Malaysian, aged 45, was appointed to the Board of Directors of the Company on 18 November 2005 as an Independent Non-Executive Director of Analabs Resources Berhad. He is a certified Chartered Accountant (CA) of the Malaysian Institute of Accountants and an Associate Member of the Chartered Institute of Management Accountants (CIMA). He is also a Chartered Audit Committee Director (CACD) with the Malaysian Institute of Internal Auditors. Mr Ganesan was first employed in Ernst & Young in Malaysia as Corporate & Restructuring Services Consultant. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr Ganesan is a member of the board for Pan Asia Pacific Bhd, Promto Berhad, CHG Industries Berhad and Bukit Katil Resources Berhad.

He is the Chairman of the Nomination Committee and also serving as a member of the Audit Committee and Remuneration Committee. He has attended all the five (5) Board Meetings held during the financial year. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no convictions of any offences within the past 10 years.

Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS I AM PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2007.

OPERATING ENVIRONMENT

The rising prices brought about by high fuel and commodity prices threaten to hinder economic activity and continue to exert pressure on bottom lines. The Ninth Malaysian plan entered its second year in 2007. Real GDP is expected to expand by 6% in 2007 supported by sustained global growth and resilient domestic demand which have been declining for three consecutive years.

FINANCIAL PERFORMANCE

The Group recorded a higher revenue of RM35.4 million, representing an increase of 3.8% compared to a revenue of RM34.1 million in the preceding financial year. The healthy level of turnover was sustained mainly from strong contributions from the recovery and sales of recycled products and formulation as well as repacking and trading of chemicals.

Pre-tax profit was RM8.8 million compared with RM4.4 million representing an increase of twofold over the preceding financial year whilst net profit increased by 207% from RM2.7 million for the financial year 2006 to RM8.3 million for the financial year 2007.

The Group's Net earnings per share was 14.0 sen compared with 4.5 sen a year ago.

In line with the Group's favourable performance, the Net Assets per share increased to RM1.59 as at 30 April 2007 as compared to RM1.48 as at 30 April 2006 .

DIVIDENDS

The Company declared and paid a total of 2% tax exempt dividend per share for the financial year ended 30 April 2007 compared to 1.25% in the preceding financial year.

FUTURE PROSPECTS

Although the waste recycling industry is expected to remain highly competitive and raw material prices are expected to increase, the Management is confident the Group's revenue would improve in the next financial year.

Research and development in our aquaculture sector and concentration on alternative materials with higher margins are expected to bring positive results in the future.

chairman's statement

CORPORATE GOVERNANCE

We are committed towards shareholders' expectations of transparency and accountability. The Board views the importance of corporate governance seriously and shall ensure that the Company is directed towards higher profitability while abiding with all the required rules and regulations.

ACKNOWLEDGEMENT

I personally like to extend my sincere appreciation to my fellow directors, Mr Ganesan, En Ali Riza bin A. Samad and Ms Heng Siew Ching for their dedication towards the improvement of Analabs year after year. Similarly I would like to extend my many thanks to the entire management team, all our employees (who are like my family) and the directors within the Group.

Y K Kan
Chairman

Corporate Governance Statement

The Board of Directors, in recognizing the importance of corporate governance, is committed to ensuring that the Company's business and operations are in line with the principles and best practices advocated in the Malaysian Code of Corporate Governance. The Board of Directors assumes responsibilities in corporate governance and has established various processes and committees to assist the Board in discharging of these responsibilities.

The Board strives to ensure that it practices the highest standard of principles and best practices of the Code in discharging its responsibility to safeguard and enhance long-term shareholder value and the financial performance of the Company.

This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("The Code") throughout the financial year under review.

SECTION 1: THE BOARD OF DIRECTORS

THE BOARD SIZE AND BALANCE

Analabs Resources Berhad is led and managed by an experienced and effective Board; comprising members with wide range of experience in relevant fields. The wide spectrum of skills, experience and knowledge of the Board provide the strength and anchor that is needed to successfully direct and supervise the Company's business activities in order to lead Analabs Resources Berhad to meet its objectives.

COMPOSITION

The Board of Directors consists of an Executive Chairman, one (1) Executive Director and two (2) Independent Non-Executive Directors. The Company complies with the criteria of Bursa Malaysia's Listing Requirements of having at least one third or two of the board members as Independent Non-Executive Directors. The profile of each of the Directors is presented on page 4 to page 5 of this Annual Report.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board retains full and effective control over the affairs of the Company and the Group. This includes responsibility for determining the Company's and the Group's development and overall strategies direction which are as follows:

a. Reviewing and providing guidance on the Company's and Group's corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long range business plans, reviewing major capital expenditures, acquisition and disposal.

b. Monitoring corporate performance and the conduct of the Group's business and to ensure compliances to best practices and principles of corporate governance.

c. Identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Audit Committee and the Steering Committee.

d. Ensuring and reviewing the adequacy and soundness of the Group's financial system, internal control systems and management information system that they are in compliance with the applicable standards, laws and regulations.

e. Ensuring a transparent Board nomination and remuneration process ensuring the skills and experiences of the Directors are adequate for the discharge of their responsibilities whilst the caliber of the Non-Executive Directors bring an independent judgment in the decision making process.

corporate governance statement

BOARD MEETINGS

The board met 5 times during the financial year ended 30 April 2007.

The number of Board meetings held during the financial year 2007 and the attendance of the board at the Board Meetings are detailed here below:-

Directors	Meeting Attendance by the Directors/Total Number of Meetings held	% of Attendance
Executive Directors		
Mr. Kan Yow Kheong	5/5	100
Ms. Heng Siew Ching	5/5	100
Non-Executive Directors		
Encik. Ali Riza Bin A. Samad	5/5	100
Mr. Ganesan a/l Sundaraj	5/5	100

* The Meetings were held on 28/6/2006, 29/8/2006, 26/9/2006, 13/12/2006 and 20/3/2007 respectively.

SUPPLY OF INFORMATION

All directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers by the Company Secretary. Board papers are circulated in sufficient time to enable directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting. Senior management staff are also invited to attend Board Meetings when necessary to present to the Board further explanation and clarification on matters being tabled.

At least four (4) Board Meetings are held annually, each meeting being scheduled to be held within two (2) months after each quarter to consider the quarterly financial results and review operational performance. Additional meetings are convened as and when necessary.

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

APPOINTMENT OF DIRECTORS

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

RE - ELECTION

In accordance with the Articles of Association, all Directors shall retire from office at each Annual General Meeting and may offer themselves for re-election.

NOMINATION COMMITTEE

The Nomination Committee was established on 25 June 2001. Presently, the committee is comprised of two (2) Independent Non-Executive Directors. The Committee shall be responsible for nominating the appropriate Board balance and size as well as ensuring that the Board possesses the required mix of responsibilities, skills and experience. The Nomination Committee shall conduct a review of the mix of skills, experience and other core competencies for the Board on annual basis.

REMUNERATION COMMITTEE

Similarly, the Board has formulated the terms of reference of the Remuneration Committee as well as identifying the composition of the Committee's members. The Board has set up the Committee comprising of three members, of whom two of the Non- Executive Directors and the Executive Chairman.

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

Group	Fee (RM)	Salaries & Other Emoluments (RM)	Bonuses (RM)	Benefit in-Kind (RM)	Total (RM)
Executive Directors					
Mr. Kan Yow Kheong	62,000	40,440	-	-	102,440
Ms. Heng Siew Ching	18,000	80,640	-	-	98,640
Non-Executive Directors					
Encik. Ali Riza Bin A. Samad	36,000	-	-	-	36,000
Mr. Ganesan a/l Sundaraj	36,000	-	-	-	36,000

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

Group	Salaries & Other Emoluments		Fees	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Below RM50,000	1	-	1	2
RM50,001 & RM100,000	1	-	1	-
RM100,001 & RM150,000	-	-	-	-
RM150,001 & RM200,000	-	-	-	-
RM200,001 & RM 250,000	-	-	-	-
RM250,001 & RM 300,000	-	-	-	-

DIRECTORS' TRAINING AND EDUCATION

Directors' Training

On joining, new Directors are given background information describing the Company and its activities. The Directors are also encouraged to attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates. All the Directors have completed the Mandatory Accreditation Programme and had also accumulated the requisite hours under the Continuing Education Programmes ("CEP") as specified by Bursa Malaysia.

During the financial year, the Directors have pursued relevant courses and seminars to keep abreast with industry, regulatory and compliance issues trends and best practices.

SECTION 2: COMMITTEES OF THE BOARD

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

Committee	Chairperson
Audit Committee	Encik. Ali Riza Bin A. Samad
Nomination Committee	Mr. Ganesan a/l Sundaraj
Remuneration Committee	Mr. Kan Yow Kheong

corporate governance statement

SECTION 3: SHAREHOLDERS

DIALOGUE WITH INVESTORS

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

(i) Annual Report
(ii) The various disclosures and announcements made to Bursa Malaysia including the Quarterly Results and Annual Results.
(iii) Shareholders may obtain the Company's latest announcements via the Bursa Malaysia website at www.bursamalaysia.com.my.

THE ANNUAL GENERAL MEETING ("AGM")

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

SECTION 4: ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provision of the Companies Act, 1965, and Applicable Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistencies applied and supported by reasonable judgments and estimates.

The quarterly results were reviewed by the Audit Committee and approved by the Board of Directors before being released to the Bursa Malaysia. By presenting the quarterly results and financial statements, the Company is mindful of the necessity to present a balanced assessment of the Group's financial position. The details of the Company and the Group's financial statements for the financial year ended 30 April 2007 can be found on pages 25 to 79 of the Annual Report.

INTERNAL CONTROL

Information on the Group's internal control is presented in the Statement on Internal Control on pages 13 to 14.

RELATIONSHIP WITH THE AUDITORS

The external auditors, Messrs KPMG has continued to report to members of the Company on their findings which are included as part of the Company's financial reports. The Company has thus established a transparent arrangement with the auditors to meet their professional requirements. From time to time, the auditors highlight to the Audit Committee and Board of Directors on matters that require Board's attention through the issuance of management letters and reports.

corporate governance statement

SECTION 5: DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements prepared for each financial year to give a true and accurate view of the state of the Group and the Company of the results and cash flows of the Group and the Company for the financial year then ended.

In ensuring the preparation of these financial statements, the Directors have:

- Overseeing the overall conduct of the Company's business and that of the Group;
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- Reviewing the adequacy and integrity of internal controls system and Management Information System in the Company and within the Group;
- Adopted suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Ensure compliance with application Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with Bursa Malaysia's Listing Requirements, the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

SECTION 6: CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company operates as a responsible and ethical corporate entity, ensuring its business practices comply with a general respect for its environment, community, employees, customers and suppliers.

Statement on Internal Control

INTRODUCTION

The Board of Directors ("Board") is responsible for the Group's system of internal controls and its effectiveness to safeguard shareholders' investment and the Group's assets. This is in accordance with the requirements set out by the Malaysian Code of Corporate Governance and the Bursa Malaysia Securities Berhad ("BMSB"). The Malaysian Code on Corporate Governance places the onus for Internal Control on the Board. It states: "The Board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets".

RESPONSIBILITY OF THE BOARD

The Board of Directors of Analabs Resources Berhad ("the Board") acknowledges its responsibility to maintain a sound system of internal control by ensuring its adequacy and integrity through the process of constant review and monitoring. The Board is committed to maintaining both a sound system of internal control and proper risk management throughout its operations. In view of the limitations that are inherent in any system of internal control, the system is designed to manage, rather than to eliminate the risk of failure to achieve the company's corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board to review the adequacy and integrity of the system of internal control in the Company.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group is committed to managing risk by identifying, analysing, evaluating and treating exposures that are likely to have an adverse impact on the operational performance and/or continued effectiveness of its operations. The Board views Enterprise Risk Management as the logical step in the pursuit of its corporate governance agenda and the fulfillment of its long-term corporate objectives towards protecting shareholders' investment and safeguarding organisational assets. Therefore, the Board has engaged a professional firm to conduct a risk assessment on the Group to establish and formalise the risk management framework across the group of companies.

The framework sets out the Group's underlying approach to manage the risks and clearly defines the reporting structure. The following is a summary of the enterprise risk management approach applied throughout the risk management exercise carried out by the Group :

1. Identify risk through business process mapping and understanding;
2. Assess the risks identified;
3. Quantify the impact of the potential risk;
4. Document strategies and policies to address the risk identified above;
5. Assign responsibility of managing specific risks to specific operating personnel; and
6. Regular review, update and management of risk profile i.e for any new risks as a result from changing business environment.

The principal risks identified are those relating to operational, finance, environment, technology, human resources, integrity and reputation.

statement on internal control

CONTROL ENVIRONMENT

The Board of Directors are responsible for managing the key business risks of the Company and implementing appropriate internal control system to manage those risks. The Board recognizes the need for an internal audit function and has engaged a professional firm to conduct the internal audit for the Group. The Executive Board members' direct involvement in operations, regular review of operational data including production, marketing and financial data contributes to high-level control in the Group.

INTERNAL AUDIT

Internal audit team has conducted audit reviews, to address the related internal control weaknesses. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal control were reported accordingly.

CONCLUSION

The Board believes that the development of the system of internal control is an ongoing process and continues to take steps to improve the internal control system. During the year under review, no material weaknesses have been identified which would result in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

Wong Chew Har

Kan Yow Kheong

Audit Committee

COMPOSITION OF THE AUDIT COMMITTEE

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

1. Encik Ali Riza Bin A. Samad (Independent Non-Executive Director; Chairman)
2. Mr. Ganesan a/l Sundaraj (Independent Non-Executive Director; Member)
3. Mr. Kan Yow Kheong (Executive Director; Member)

THE ROLE OF THE AUDIT COMMITTEE

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

TERMS OF REFERENCE OF AUDIT COMMITTEE

TERMS OF MEMBERSHIP

The Audit Committee is appointed by the Board of Directors amongst its members and consists of at least three members, of whom majority are Independent Non-Executive Directors.

The Committee shall include one member who is a member of the Malaysian Institute of Accountants ("MIA"); or if he is not a member of MIA, he must have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967 or a degree/masters/doctorate in finance and at least 3 years' post qualification experience in accounting or finance or at least 7 years' experience being a chief financial officer or a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

In the event of any vacancy in the Audit Committee resulting in the non-compliance with Paragraph 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Board shall appoint a new member within the three months.

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

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

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

MEETINGS AND QUORUM OF THE AUDIT COMMITTEE

The Audit Committee shall meet at least four (4) times a year and the quorum shall be at least two (2) persons with the majority being Independent Directors. The details of the attendance of the meeting and the summary of the Audit Committee activities are disclosed under the heading "Attendance of Audit Committee Meetings" on page 17.

The Audit Committee may require the attendance of any management staff from the Finance/Accounts Department or other departments deemed necessary together with a representative or representatives from the external auditors.

audit committee

MEETINGS AND QUORUM OF THE AUDIT COMMITTEE (Cont'd)

The Audit Committee shall meet with the external auditors without executive Board members present at least once a year upon the request of the external auditors. The Chairman of the Audit Committee shall convene a meeting of the committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

The Company Secretary shall act as a secretary of the Audit Committee.

FUNCTIONS OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee as stated in the Audit Committee Charter formalized by the Board on 8 July 2002 include the following:

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

(vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);
(vii) To review the external auditors' management letter and the management's response;
(viii) To do the following where the internal audit function is outsourced;
- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function and
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(ix) To consider any related party transactions that may arise within the Company or the Group;
(x) To consider the major findings of internal investigations and the management's response;
(xi) To verify and confirm the allocation of share options pursuant to the Analabs Resources Berhad's Employee Share Option Scheme ("Analabs ESOS") as being in compliance with the criteria set out in the Bye-Laws of the Analabs ESOS; and
(xii) To consider other topics as defined by the Board.

audit committee

RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee has ensured that, wherever necessary and reasonable for the performance of its duties, in accordance with a procedure determined by the Board:-

(i) it has authority to investigate any matter within its terms of reference;
(ii) it has the resources which are required to perform its duties;
(iii) it has full and unrestricted access to any information pertaining to the listed issuer;
(iv) it has direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(v) it is able to obtain independent professional or other advice; and
(vi) it is able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

PROCEDURE OF AUDIT COMMITTEE

The Audit Committee regulates its own procedures which include:

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

REVIEW OF THE AUDIT COMMITTEE

The Board of Directors has ensured that the term of office and performance of the Audit Committee and each of its members are being reviewed at least once in every three years to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

The details of attendance of each Audit Committee member in the Audit Committee meetings held during the financial year ended 30 April 2007 are as follows:

Directors	Meetings Attended by the Directors/ Total Number of Meetings held During the Financial Year Ended 30 April 2007	% of Attendance
Encik Ali Riza Bin A. Samad	5/5	100
Mr. Ganesan a/l Sundaraj	5/5	100
Mr. Kan Yow Kheong	5/5	100

The meetings were held on 28/6/2006, 29/8/2006, 26/9/2006, 13/12/2006 and 20/3/2007 respectively.

audit committee

ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The activities of the Audit Committee during the financial year ended 30 April 2007 include the following:

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

Nomination Committee

TERMS OF REFERENCE OF NOMINATION COMMITTEE

CONSTITUTION AND PURPOSE

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

COMPOSITION

The Nomination Committee comprises two (2) members who are exclusively Independent Non-Executive Directors.

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

(i) Mr Ganesan A/L Sundaraj (Chairman)
(ii) Encik Ali Riza Bin A. Samad (Member)

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

RIGHTS

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

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

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

FUNCTIONS

The functions of the Nomination Committee as stated in the Nomination Committee Charter formalized by the Board on 8 July 2002 include:

(i) Recommends to the Board, the suitable candidates for all directorships to be filled by the shareholders or the Board;
(ii) Considers, in making its recommendations, candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any other senior executive or director or shareholders;
(iii) Recommends to the Board, directors to fill the seats on the Board Committees;
(iv) Reviews annually the required mix of skills and experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board;

nomination committee

FUNCTIONS (cont'd)

(v) Assesses on an annual basis the following matters:
- The effectiveness of the Board as whole;
- The committees of the Board; and
- The contribution of each individual director.

The assessment process should be pre-determined by the Board.

(vi) Develops succession planning policy and ensure that the policy is kept under review;

(vii) Ensures that the policy on selection criteria and succession planning is well documented and approved by the full Board and any change thereto should be subjected to the endorsement of the full Board; and

(viii) Reviews the term of office and performance of each of the Committee members of its various standing committees at least once in every three years.

MEETINGS

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

There was one (1) meeting held during the year 2007 and both of the committee members attended the meeting.

Remuneration Committee

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

CONSTITUTION AND PURPOSE

The Remuneration Committee was established on 25 June 2001.

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

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

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

COMPOSITION

The Remuneration Committee comprises three (3) members, of whom two (2) are independent Non-Executive Directors and one (1) Executive Chairman.

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

(i) Mr. Kan Yow Kheong (Chairman)
(ii) Encik Ali Riza Bin Samad (Member)
(iii) Mr. Ganesan A/L Sundaraj (Member)

The Chairman of the Remuneration Committee is elected among Executive Directors. The chairman shall attend all meetings of the committee other than when matters concerning himself are under discussion.

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

RIGHTS

The Board must ensure that whenever necessary and reasonable for the performance of its function, the Remuneration Committee has the following rights:-

(i) to resources which are required to perform its duties;
(ii) full and unrestricted access to any information pertaining to the Executive Directors;
(iii) direct communication channels with key management staff such as personnel, accountants or independent consultants engaged by the Company; and
(iv) to obtain independent professional or other advices.

The Remuneration Committee has the right to propose a remuneration package for the Directors; however, the Board shall have the ultimate authority to approve the remuneration package of the director concerned.

remuneration committee

FUNCTIONS

The functions of the Remuneration Committee as stated in the Remuneration Committee Charter formalized by the board on 8 July 2002:

(i) to adopt a formal and transparent procedures for developing the policy on remuneration package; and
(ii) to ensure the remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The remuneration package should comprise a number of elements, which include basic salary, bonus arrangement and certain non-cash benefits. In the case of Executive Directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance. In the case of Non-Executive, the Board will take into consideration the level of remuneration based on their experience and level of responsibilities undertaken by particular Non-Executive Director concerned.

MEETINGS

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

There was one (1) meeting held during the year 2007 and all the committee members attended the meeting.

Other Compliance Information

(i) Utilisation of Proceeds

There were no proceeds raised from any proposal or any utilisation of such.

(ii) Share Buy-backs

The Company had at its 8th Annual General Meeting held on 31 October 2006 obtained the approval of the shareholders in relation to the Share Buy-back authority, whereby the Directors are authorised to purchase and/or hold at any point of time up to ten per centum (10%) of the issued and paid-up share capital of the Company for the time being quoted on the Bursa Securities.

As at 30 April 2007, the Company purchased a total of 410,000 of its issued shares, all of which are retained as treasury shares. None of the shares purchased has been sold or cancelled. Details of the shares purchased are set out below:-

Month	No. of Ordinary Shares	*Consideration (RM)	Min. price paid per share (RM)	Max price paid per share (RM)	Average price paid Per share
August 2006	140,000	100,800.00	0.720	0.720	0.720
October 2006	155,000	110,800.00	0.710	0.720	0.715
November 2006	10,000	7,500.00	0.750	0.750	0.750

* Excluding brokerage and stamping fees.

(iii) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised by the Company other than the granting of options under the Company's Employees' Share Option Scheme as discussed on pages 66 to 67.

(iv) American Deposit Receipt ('ADR") or Global Depository Receipt ('GDR") Program

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

(v) Imposition of Sanctions and/or Penalties

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

(vi) Non-Audit Fees

The non-audit fees payable to the external auditors by the Company and the Group for the financial year ended 30 April 2007 amounted to RM8,000.

(vii) Variation in Results

There was no variance of 10% or more between results for the financial year 30 April 2007 and the unaudited results previously announced.

(viii) Profit Guarantee

There was no profit guarantee given by the Company.

(ix) 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 2007 or enter into since the end of the previous financial year.

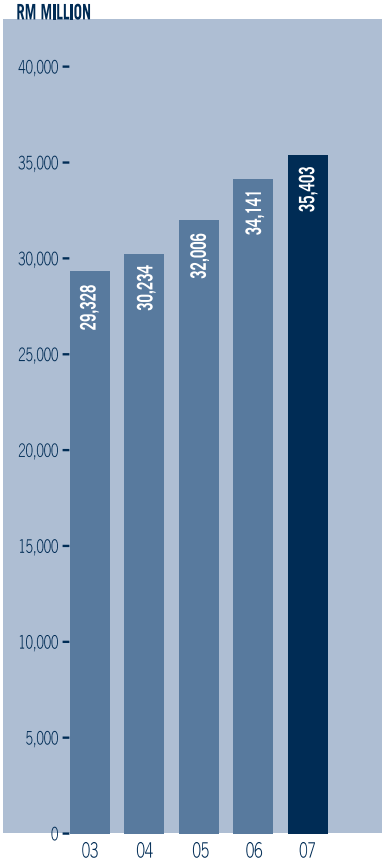
(x) Recurrent Related Party Transactions

There were no Recurrent Related Party Transactions ("RRPT") of a revenue or trading nature between the Company and its related parties other than that as disclosed on page 74.

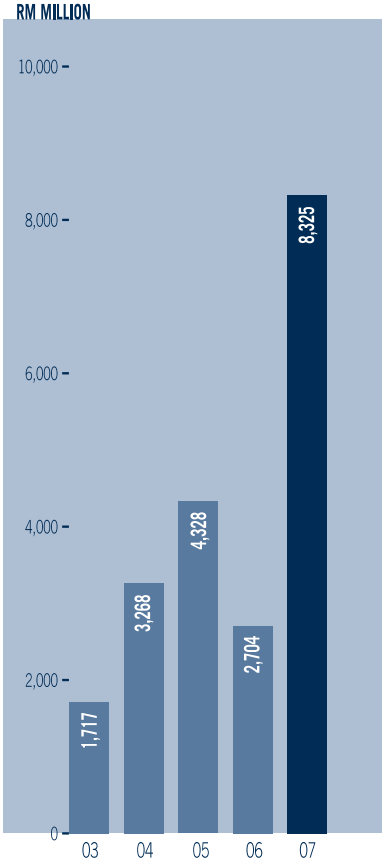
(xi) Revaluation Policy

The revaluation policy of the Company is disclosed in Note 3 to the Financial Statements.

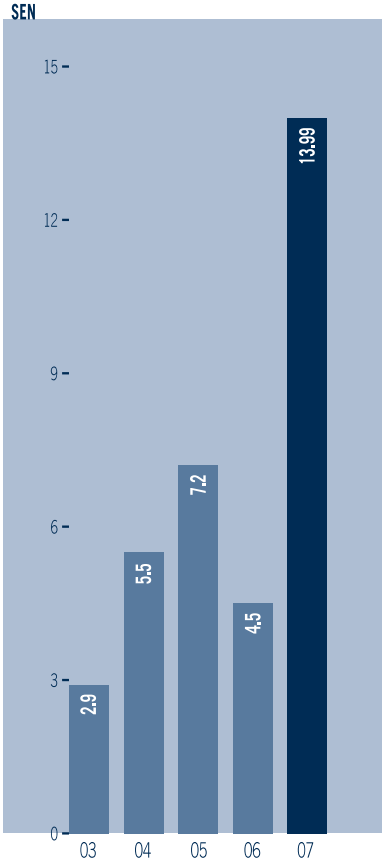
Five Year Financial Highlights



TURNOVER



PROFIT AFTER TAX



NET EARNING PER SHARE

Year Ended 30 April	2007	2006 (restated)***	2005	2004	2003 (restated)**
Turnover (RM '000)	35,403	34,141	32,006	30,234	29,328
Profit After Taxation (RM '000)	8,325	2,704	4,328	3,268	1,717
Profit Attributable to Shareholders (RM '000)	8,356	2,700	4,313	3,298	1,737
Net Earning Per Share (sen)	13.99	4.5	7.2	5.5	2.9
Net Tangible Assets (RM '000)	95,613	88,590	86,339	82,675	80,002
Net Tangible Assets Per Shares (sen)	1.60	1.48	1.44	1.38	1.33
Gross Dividend Rate Per Share (%)	2.00	1.25	1.00	NIL	1.00

** - The changes in Accounting Policies due to requirements of new MASB standards have been applied restrospectively and comparatives have been restated accordingly.

*** - The changes in Accounting Policies due to requirements of Financial Reporting Standards (FRS) have been applied restrospectively and comparatives have been restated accordingly.

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Directors' Report
for the year ended 30 April 2007

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 April 2007.

Principal activities

The Company is principally engaged in investment holding and provision of management services whilst the principal activities of the subsidiaries are stated in Note 4 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	8,324,826	1,403,605

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid an interim dividend of 2% tax exempt amounting to RM1,200,480 in respect of the financial year ended 30 April 2007 on 8 March 2007.

The Directors do not recommend any final dividend to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are:

Kan Yow Kheong
Ali Riza Bin A.Samad
Heng Siew Ching
Ganesan A/L Sundaraj

Directors' interest

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	Balance at 1.5.2006	Bought	Sold	Balance at 30.4.2007
Shareholdings in which Directors have direct interest in the company				
Kan Yow Kheong	26,780,852	603,200	-	27,384,052
Heng Siew Ching	11,000	-	-	11,000

By virtue of Kan Yow Kheong's interests in the shares of the Company, he is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

directors' report
for the year ended 30 April 2007

Directors' interest (Cont'd)

The options granted to the Directors of the Company in respect of acquisition of shares pursuant to the Employees' Share Option Scheme ("ESOS") are set out below:

	Number of options over ordinary shares of RM1.00 each			
	Balance at 1.5.2006	Granted	Exercised	Balance at 30.4.2007
Options over shares in the company				
Kan Yow Kheong	140,000	60,000	-	200,000
Heng Siew Ching	136,000	60,000	-	196,000

None of the other Directors holding office at 30 April 2007 had any interest in the ordinary shares or options of the Company and of its related corporations during the financial year.

According to the holding company's by-law on ESOS, share options granted to the employees in the Company will be lapsed on 9 May 2007. There is no new ESOS being allocated thereafter.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) 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.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the ESOS by the Company.

Issue of shares and debentures

There were no changes in the issued and paid-up share capital of the Company during the financial year. There were no debentures issued during the financial year.

Share repurchase

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 27 October 2005, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan would be applied in the best interests of the Company and its shareholders.

During the year, the Company purchased 305,000 of its issued shares from the open market. The average price paid for the shares purchased was RM0.73 per ordinary share. The repurchase transactions were financed by internal funds. The repurchased shares are held as treasury shares and carried at cost. The number of outstanding shares in issue after deducting treasury shares held is 59,614,000 ordinary shares of RM1.00 each. Treasury shares have no rights to voting, dividends and participation in other distribution.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

directors' report
for the year ended 30 April 2007

Employees' Share Option Scheme ("ESOS")

At an Extraordinary General Meeting held on 16 April 2002, the Company's shareholders approved the establishment of an ESOS for the eligible employees and Executive Directors of Analabs Group to subscribe for new ordinary shares up to a maximum of 10% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.

The options offered to take up unissued ordinary shares of RM1.00 each and the exercise price are as follows:

		Number of option over ordinary shares of RM1.00 each			
Date of offer	**Exercise price**	**Balance at 1.5.2006**	**Granted**	**Exercised**	**Balance at 30.4.2007**
6 April 2003	RM1.02	394,000	-	-	394,000
7 April 2006	RM1.02	908,000	-	-	908,000
5 April 2007	RM1.02	-	1,882,000	-	1,882,000

The salient features of the ESOS scheme are as follows:

i) Eligible persons are employees of the Company and its wholly owned subsidiary companies who have been confirmed in writing as employee including full-time executive directors. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee.

ii) The option is personal to the grantee and is non-assignable.

iii) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS, which shall be in force for a period of five years from the date of the receipt of the last requisite approvals.

iv) The option price for each share shall be the weighted average market price of the shares as shown in the daily official list issued by the Bursa Malaysia Securities Berhad for five market days preceding the date of offer, and in no event be less than the par value of the shares.

v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company. Any option which remained unexercised at the expiry of the option period shall automatically lapse and cease to be valid.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

In respect of the offer of ESOS on 7 April 2006, the Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the name of option holders who have been granted options of less than 200,000 shares.

There were no eligible employees or Executive Directors whom have been granted options of more than 200,000 shares.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

directors' report
for the year ended 30 April 2007

Other statutory information (Cont'd)

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

In the opinion of the Directors, except for the effects arising from the change in accounting policies as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 30 April 2007 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....
Kan Yow Kheong

.....
Heng Siew Ching

Kuala Lumpur,

27 August 2007

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 32 to 79 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 April 2007 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....

Kan Yow Kheong

.....

Heng Siew Ching

Kuala Lumpur,

27 August 2007

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Lim Chee Beng, 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 32 to 79 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 27 August 2007

.....

Lim Chee Beng

Before me:

Report of the Auditors

to the members of Analabs Resources Berhad

We have audited the financial statements set out on pages 32 to 79. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of:

   i) the state of affairs of the Group and of the Company at 30 April 2007 and the results of their operations and cash flows for the year ended on that date; and

   ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors is identified in Note 4 to the financial statements and we have considered their financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Lim Hun Soon @ David Lim
Partner
Approval Number: 1514/05/08(J)

Kuala Lumpur,
27 August 2007

Consolidated Balance Sheet
at 30 April 2007

	Note	2007 RM	2006 Restated RM
Assets			
Property, plant and equipment	3	57,213,773	61,804,896
Other investment	6	600,000	800,000
Goodwill	7	488,085	488,085
Deferred tax assets	8	-	4,419
Investment in quoted equity securities	13	5,096,001	5,280,252
Total non-current assets		63,397,859	68,377,652
Receivables, deposits and prepayments	10	7,388,130	7,347,634
Inventories	11	1,365,047	1,690,857
Tax recoverable		1,236,587	662,479
Deposits placed with licensed banks	14	24,750,741	21,600,449
Cash and cash equivalents		10,785,950	4,153,727
Total current assets		45,526,455	35,455,146
Total assets		108,924,314	103,832,798
Equity			
Share capital	15	60,024,000	60,024,000
Reserves	15	10,877,676	10,790,310
Treasury shares	15	(299,589)	(79,501)
Retained earnings	15	25,010,835	17,854,845
Total equity attributable to shareholders of the Company		95,612,922	88,589,654
Minority interest	17	42,474	74,118
Total equity		95,655,396	88,663,772
Liabilities			
Borrowings	18	6,993	62,654
Deferred tax liabilities	8	6,801,241	7,647,622
Total non-current liabilities		6,808,234	7,710,276
Payables and accruals	19	6,120,562	6,659,930
Borrowings	18	333,212	559,709
Taxation		6,910	239,111
Total current liabilities		6,460,684	7,458,750
Total liabilities		13,268,918	15,169,026
Total equity and liabilities		108,924,314	103,832,798

The notes on pages 42 to 79 are an integral part of these financial statements.

Consolidated Income Statement

for the year ended 30 April 2007

	Note	2007 RM	2006 RM
Revenue	20	35,403,375	34,141,042
Other operating income		2,062,769	210,745
Changes in inventories		(234,346)	89,581
Inventories purchased		(10,848,173)	(10,840,180)
Staff costs	21	(3,747,632)	(4,085,748)
Depreciation		(5,740,430)	(6,015,688)
Other operating expenses		(8,757,234)	(9,636,836)
Operating profit	22	8,138,329	3,862,916
Interest income		763,365	601,592
Financing costs	24	(38,728)	(48,341)
Profit before taxation		8,862,966	4,416,167
Tax expense	25	(538,140)	(1,712,641)
Profit for the year		8,324,826	2,703,526
Attributable to:			
Shareholders of the Company		8,356,470	2,699,585
Minority interest		(31,644)	3,941
Profit for the year		8,324,826	2,703,526
Basic earnings per ordinary share (sen)	26	13.99	4.50

The notes on pages 42 to 79 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 April 2007

Group	Note	Attributable to shareholders of the Company									
		Non-distributable						Distributable			
		Share capital RM	Treasury shares RM	Share premium RM	Revaluation reserve RM	Foreign exchange reserve RM	Consolidation reserve RM	Retained profits RM	Total RM	Minority interest RM	Total equity RM
At 1 May 2005		60,024,000	-	6,248,517	4,640,500	(103,321)	375,969	15,529,591	86,715,256	70,177	86,785,433
Currency translation difference in respect of foreign operations		-	-	-	-	4,614	-	-	4,614	-	4,614
Net gains recognised directly in equity		-	-	-	-	4,614	-	-	4,614	-	4,614
Profit for the year		-	-	-	-	-	-	2,699,585	2,699,585	3,941	2,703,526
Total recognised income and expense for the year		-	-	-	-	4,614	-	2,699,585	2,704,199	3,941	2,708,140
Treasury shares acquired		-	(79,501)	-	-	-	-	-	(79,501)	-	(79,501)
Dividends to shareholders	27	-	-	-	-	-	-	(750,300)	(750,300)	-	(750,300)
At 30 April 2006		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	375,969	17,478,876	88,589,654	74,118	88,663,772

consolidated statement of changes in equity

for the year ended 30 April 2007

Group	Note	Attributable to shareholders of the Company									
		Non-distributable						Distributable			
		Share capital RM	Treasury shares RM	Share premium RM	Revaluation reserve RM	Foreign exchange reserve RM	Consolidation reserve RM	Retained profits RM	Total RM	Minority interest RM	Total equity RM
At 30 April 2006, before opening balance adjustment		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	375,969	17,478,876	88,589,654	74,118	88,663,772
- Effect of adopting FRS 3	32	-	-	-	-	-	(375,969)	375,969	-	-	-
At 1 May 2006, restated		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	-	17,854,845	88,589,654	74,118	88,663,772
Currency translation difference in respect of foreign operations		-	-	-	-	15,875	-	-	15,875	-	15,875
Net gains recognised directly in equity		-	-	-	-	15,875	-	-	15,875	-	15,875
Profit for the year		-	-	-	-	-	-	8,356,470	8,356,470	(31,644)	8,324,826
Total recognised income and expense for the year			-	-	-	15,875	-	8,356,470	8,372,345	(31,644)	8,340,701
Reversal of deferred tax liabilities		-	-	-	71,491	-	-	-	71,491	-	71,491
Treasury shares acquired		-	(220,088)	-	-	-	-	-	(220,088)	-	(220,088)
Dividends to shareholders	27	-	-	-	-	-	-	(1,200,480)	(1,200,480)	-	(1,200,480)
At 30 April 2007		60,024,000	(299,589)	6,248,517	4,711,991	(82,832)	-	25,010,835	95,612,922	42,474	95,655,396

The notes on pages 42 to 79 are an integral part of these financial statements.

Consolidated Cash Flow Statements

for the year ended 30 April 2007

	2007 RM	2006 RM
Cash flows from operating activities		
Profit before taxation	8,862,966	4,416,167
Adjustments for:		
Amortisation of net goodwill arising on consolidation	-	86,802
Allowance for diminution in investment	200,000	1,200,000
Allowance for slow moving stocks	96,772	-
Bad debts written off	148,462	12,650
Depreciation	5,740,430	6,015,688
Dividend income	(461,850)	(201,059)
Gain on disposal of property, plant and equipment	(2,552)	(17,220)
Gain on disposal of quoted securities	(1,837,280)	(81,788)
Interest expense	38,728	48,341
Interest income	(763,365)	(601,592)
Property, plant and equipment written off	-	358
(Write back)/allowance for doubtful debts	(64,722)	98,930
Operating profit before changes in working capital	11,957,589	10,977,277
Change in inventories	229,038	(89,581)
Change in payables and accruals	(523,825)	994,759
Change in receivables, deposits and prepayments	(124,236)	1,123,127
Cash generated from operations	11,538,566	13,005,582
Income taxes paid	(1,988,509)	(2,481,461)
Interest paid	(38,728)	(28,884)
Net cash from operating activities	9,511,329	10,495,237
Cash flows from investing activities		
Acquisition of quoted securities	(6,012,102)	(12,648,431)
Acquisition of property, plant and equipment	(1,213,423)	(492,755)
Dividends received	335,440	145,641
Increase in deposits pledged to licensed banks	(191,716)	(1,438,130)
Interest received	763,365	601,592
Proceeds from disposal of property, plant and equipment	67,000	34,304
Proceeds from disposal of quoted securities	8,033,632	7,893,742
Net cash from / (used in) investing activities	1,782,196	(5,904,037)

consolidated cash flow statements

for the year ended 30 April 2007

	Note	2007 RM	2006 RM
Cash flows from financing activities			
Interest paid		-	(19,457)
Dividends paid		(1,200,480)	(750,300)
Shares repurchased		(220,088)	(79,501)
Repayment of hire purchase liability		(64,274)	(53,551)
Net cash used in financing activities		(1,484,842)	(902,809)
Net increase in cash and cash equivalents		9,808,683	3,688,391
Cash and cash equivalents at 1 May		22,555,390	18,866,999
Cash and cash equivalents at 30 April		32,364,073	22,555,390

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Deposits with licensed banks		24,750,741	21,600,449
Deposits pledged with licensed banks	14	(2,894,824)	(2,703,108)
Cash and bank balances		10,785,950	4,153,727
Bank overdrafts		(277,794)	(495,678)
		32,364,073	22,555,390

The notes on pages 42 to 79 are an integral part of these financial statements.

Balance Sheet
at 30 April 2007

	Note	2007 RM	2006 RM
Assets			
Investment in subsidiaries	4	44,877,149	44,877,149
Other investment	6	600,000	800,000
Amount due from a subsidiary	9	12,828,029	15,497,039
Investment in quoted equity securities	13	1,742,531	2,805,900
Total non-current assets		60,047,709	63,980,088
Receivables	10	1,600	1,640
Amount due from subsidiaries	9	34,061,806	28,131,206
Tax recoverable		5,276	179,364
Dividend receivable		500,000	500,000
Deposits placed with licensed banks	14	644,935	6,482,110
Cash and cash equivalents		9,320,447	616,375
Total current assets		44,534,064	35,910,695
Total assets		104,581,773	99,890,783
Equity			
Share capital	15	60,024,000	60,024,000
Reserves	15	6,248,517	6,248,517
Treasury shares	15	(299,589)	(79,501)
Retained earnings	15	1,634,518	1,431,393
Total equity		67,607,446	67,624,409
Liabilities			
Amount due to subsidiaries	9	17,819,651	17,824,995
Total non-current liabilities		17,819,651	17,824,995
Payables and accruals	19	205,812	285,958
Amount due to subsidiaries	9	18,948,864	14,155,421
Total current liabilities		19,154,676	14,441,379
Total liabilities		36,974,327	32,266,374
Total equity and liabilities		104,581,773	99,890,783

The notes on pages 42 to 79 are an integral part of these financial statements.

Income Statement
for the Year Ended 30 April 2007

	Note	2007 RM	2006 RM
Revenue	20	1,331,140	1,190,395
Other operating income		685,846	37,809
Staff costs	21	(242,047)	(338,660)
Other operating expenses		(446,386)	(1,486,998)
Operating profit / (loss)	22	1,328,553	(597,454)
Interest income		159,723	184,166
Financing costs	24	(1,322)	(862)
Profit / (loss) before taxation		1,486,954	(414,150)
Tax expense	25	(83,349)	(83,082)
Profit / (loss) for the year		1,403,605	(497,232)

The notes on pages 42 to 79 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 April 2007

		/——Attributable to shareholders of the Company——/				
		/——Non-distributable——/			Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Share premium RM**	**Retained profits RM**	**Total RM**
At 1 May 2005		60,024,000	-	6,248,517	2,678,925	68,951,442
Loss for the year		-	-	-	(497,232)	(497,232)
Treasury shares acquired		-	(79,501)	-	-	(79,501)
Dividends to shareholders	27	-	-	-	(750,300)	(750,300)
At 30 April 2006		60,024,000	(79,501)	6,248,517	1,431,393	67,624,409
Profit for the year		-	-	-	1,403,605	1,403,605
Treasury shares acquired		-	(220,088)	-	-	(220,088)
Dividends to shareholders	27	-	-	-	(1,200,480)	(1,200,480)
At 30 April 2007		60,024,000	(299,589)	6,248,517	1,634,518	67,607,446

The notes on pages 42 to 79 are an integral part of these financial statements.

Cash Flow Statements

for the year ended 30 April 2007

	2007 RM	2006 RM
Cash flows from operating activities		
Profit / (loss) before taxation	1,486,954	(414,150)
Adjustments for:		
Allowances for diminution in investments	200,000	1,200,000
Dividend income	(710,200)	(566,755)
Gain on disposal of quoted securities	(685,760)	(37,809)
Interest expenses	1,322	862
Interest income	(159,723)	(184,166)
Operating profit / (loss) before changes in working capital	132,593	(2,018)
Change in inter-company balances	1,526,509	3,296,706
Change in payables and accruals	(80,146)	118,888
Change in receivables	40	(40)
Cash generated from operations	1,578,996	3,413,536
Income taxes refunded / (paid)	146,917	(38,376)
Net cash from operating activities	1,725,913	3,375,160
Cash flows from investing activities		
Acquisition of quoted securities	(2,658,632)	(5,324,511)
Dividends received	654,022	1,048,944
Increase in pledged deposits placed with licensed banks	(1,939)	(9,332)
Interest paid	(1,322)	(862)
Interest received	159,723	184,166
Proceeds from disposal of quoted securities	4,407,761	2,785,195
Net cash from / (used in) investing activities	2,559,613	(1,316,400)
Cash flows from financing activities		
Shares repurchased	(220,088)	(79,501)
Dividends paid	(1,200,480)	(750,300)
Net cash used in financing activities	(1,420,568)	(829,801)
Net increase in cash and cash equivalents	2,864,958	1,228,959
Cash and cash equivalents at 1 May	7,039,153	5,810,194
Cash and cash equivalents at 30 April	9,904,111	7,039,153

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Note	2007 RM	2006 RM
Deposits with licensed banks		644,935	6,482,110
Deposits pledged with licensed banks	14	(61,271)	(59,332)
Cash and bank balances		9,320,447	616,375
		9,904,111	7,039,153

The notes on pages 42 to 79 are an integral part of these financial statements.

Notes to the financial Statements

Analabs Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Malaysia Securities Exchange Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office
Unit 72, 7th Floor, Block A
Kelana Centre Point
No. 3 Jalan SS7/19
Kelana Jaya
47301 Petaling Jaya
Selangor

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

The consolidated financial statements as at and for the year ended 30 April 2007 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The financial statements of the Company as at and for the year ended 30 April 2007 do not include other entities.

The Company is principally engaged in investment holding and provision of management services activities whilst the principal activities of the other Group entities are stated in Note 4 to the financial statements.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB) which became effective on 1 January 2006, accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The MASB has also issued the following Financial Reporting Standards (FRSs) and Interpretations that are effective for annual periods beginning after 1 January 2006, and that have not been applied in preparing these financial statements:

FRSs / Interpretations	Effective date
FRS 117, *Leases*	1 October 2006
FRS 124, *Related Party Disclosures*	1 October 2006
FRS 139, *Financial Instruments: Recognition and Measurement*	To be announced
Amendment to FRS 119, *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures*	1 January 2007
FRS 6, *Exploration for and Evaluation of Mineral Resources*	1 January 2007

notes to the financial statements

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

FRSs / Interpretations	Effective date
Amendment to FRS 121, *The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation*	1 July 2007
IC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 July 2007
IC Interpretation 2, *Members' Shares in Co-operative Entities and Similar Instruments*	1 July 2007
IC Interpretation 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 July 2007
IC Interpretation 6, *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*	1 July 2007
IC Interpretation 7, *Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies*	1 July 2007
IC Interpretation 8, *Scope of FRS 2*	1 July 2007
FRS 107, *Cash Flow Statements*	1 July 2007
FRS 111, *Construction Contracts*	1 July 2007
FRS 112, *Income Taxes*	1 July 2007
FRS 118, *Revenue*	1 July 2007
FRS 120, *Accounting for Government Grants and Disclosure of Government Assistance*	1 July 2007
FRS 134, *Interim Financial Reporting*	1 July 2007
FRS 137, *Provisions, Contingent Liabilities and Contingent assets*	1 July 2007

For this set of financial statements, the Group and the Company have chosen not to early adopt the following FRSs:

FRS 117, *Lease*, which is effective for financial periods beginning on or after 1 October 2006.
FRS 124, *Related Party Disclosure*, which is effective for financial periods beginning on or after 1 October 2006.
FRS 139, *Financial instruments: Recognition and Measurement*, for which its effective date yet to be announced.

The impact of applying FRS 117, FRS 124 and FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Error* is not disclosed by virtue of the exemption given in paragraph 67B of FRS 117 and 103AB of FRS 139 respectively.

notes to the financial statements

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

FRS 6 and FRS 134 are not applicable to the Group and the Company. Hence, no further disclosure is warranted.

FRS 112 addresses the accounting treatment for income taxes. However, while FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance. In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. The Group and the Company have not yet determined whether this accounting policy needs to be changed.

The effects of adopting the new / revised FRSs in 2007 are set out in note 31.

The financial statements were approved by the Board of Directors on 27 August 2007.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Group's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 - measurement of the recoverable amounts of cash-generating units
- Note 8 - recognition of unutilised tax losses and capital allowances

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation (see note 32). The comparative financial statements have been restated to take into account the effect of adopting FRS 3, Business Combinations (see note 31).

notes to the financial statements

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(ii) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Associates are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the income and expenses of the equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in associates are stated in the Company's balance sheet at cost less impairment losses.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Significant accounting policies (Cont'd)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Ringgit Malaysia at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Ringgit Malaysia at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

(ii) Net Investment in Foreign Operations

Exchange differences arising from monetary items that form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Deferred exchange differences are released to the income statement upon disposal of the net investment.

(iii) Consolidation of financial statements of Foreign Operations

The result and financial position of its subsidiary company incorporated in Singapore (whose functional currency is not the currency of a hyperinflationary economy) are translated into the presentation currency at average exchange rates for the year and at the closing exchange rate as at balance sheet date respectively. All resulting exchange differences are recognised in a separate component of equity as a foreign currency translation reserve and are subsequently recognised in the income statement upon disposal of the foreign operation.

The closing rates used in the translation of foreign currency monetary assets and liabilities of foreign operations are as follows:

	2007	2006
1SGD:	RM 2.28	RM 2.29

(c) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment under the revaluation model

Items of property, plant and equipment are stated at cost / valuation less accumulated depreciation and impairment losses.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

Property, plant and equipment under the revaluation model (Cont'd)

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	2007	2006
Leasehold land	42 - 95 years	42 - 95 years
Buildings	50 years	50 years
Plant and machinery	6 years	4 - 10 years
Renovation	10 years	10 years
Office equipment	5 years	5 - 10 years
Furniture and fittings	5 years	10 - 12 years
Laboratory equipment	4 years	10 - 13 years
Motor vehicles	4 years	4 - 6 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

2. Significant accounting policies (Cont'd)

(d) Intangible assets

(i) Goodwill

Goodwill / (negative goodwill) arises on the acquisition of subsidiaries and associates.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognised immediately in the income statement. With the adoption of FRS 3, the carrying amount of negative goodwill at 1 January 2006 is derecognised with a corresponding adjustment to the opening balance of retained earnings.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is tested for impairment when there is objective evidence of impairment.

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired.

(e) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries and associates, are stated at cost less allowance for diminution in value,

- All current investments are carried at the lower of cost and market value, determined on an individual investment basis by category of investments.

Where in the opinion of the Directors, there is a decline other than temporary in the value of non-current equity securities other than investment in subsidiaries and associate, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(e) Investments in equity securities (Cont'd)

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

a) the recognition of an asset on the day it is received by the entity, and

b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment of assets

The carrying amounts of assets except for inventories and deferred tax assets and financial assets (other than investment in subsidiaries and associates) are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset_s recoverable amount is estimated. For goodwill that have indefinite useful lives, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Significant accounting policies (Cont'd)

(i) Impairment of assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(j) Share capital

(i) Shares issue expenses

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

(k) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's contribution to the Employee's Provident Fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. In the previous year, share options granted to employees is not recognised as an employee cost. Following the adoption of FRS 2, *Share-based Payment*, the grant date fair value of share options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The change in accounting policy is applied retrospectively only for those shares options granted after 31 December 2004 and have not vested as of 1 January 2006 as provided in the transitional provision of FRS 2. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

notes to the financial statements

2. Significant accounting policies (Cont'd)

(k) Employee benefits (Cont'd)

(ii) Share-based payment transactions (Cont'd)

The fair value of employee stock options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(n) Revenue

(i) Revenue from services

Revenue from services rendered which includes recovery and recycling of industrial waste, formulation and repackaging of chemicals and environmental engineering and testing is recognised as and when the services are performed.

(ii) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(iii) Dividend income

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

(iv) Management fees and rental income

Management fees and rental income are recognised on an accrual basis.

2. Significant accounting policies (Cont'd)

(o) Interest income and borrowing costs

Interest income is recognised in the income statement as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred.

(p) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(q) Earnings per share

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

(r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

notes to the financial statements

3. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Renovations, office equipment, furniture and fittings, laboratory equipment and motor vehicles RM	Total RM
Cost/Valuation						
At 1 May 2005	11,415,859	24,804,608	16,857,392	45,802,732	6,203,782	105,084,373
Additions	-	-	-	279,425	213,330	492,755
Disposals	-	-	-	(67,800)	(27,538)	(95,338)
Write off	-	-	-	(361,026)	(660,180)	(1,021,206)
At 30 April 2006 / 1 May 2006	11,415,859	24,804,608	16,857,392	45,653,331	5,729,394	104,460,584
Additions	-	-	-	404,710	808,713	1,213,423
Disposals	-	-	-	(14,000)	(227,425)	(241,425)
Write off	-	-	-	-	(14,136)	(14,136)
Effect on movement in exchange rate	-	-	-	-	332	332
At 30 April 2007	11,415,859	24,804,608	16,857,392	46,044,041	6,296,878	105,418,778
Representing items at:						
Cost	116,359	-	-	46,044,041	6,296,878	52,457,278
Valuation	11,299,500	24,804,608	16,857,392	-	-	52,961,500
	11,415,859	24,804,608	16,857,392	46,044,041	6,296,878	105,418,778
Accumulated depreciation						
At 1 May 2005	-	607,075	695,428	31,990,601	4,445,998	37,739,102
Depreciation for the year	-	454,231	383,615	4,702,943	474,899	6,015,688
Disposals	-	-	-	(57,903)	(20,351)	(78,254)
Write off	-	-		(360,873)	(659,975)	(1,020,848)
At 30 April 2006 / 1 May 2006	-	1,061,306	1,079,043	36,274,768	4,240,571	42,655,688
Depreciation for the year	-	318,330	351,752	4,301,758	768,590	5,740,430
Disposals	-	-	-	-	(176,977)	(176,977)
Write off	-	-	-	-	(14,136)	(14,136)
At 30 April 2007	-	1,379,636	1,430,795	40,576,526	4,818,048	48,205,005
Carrying amounts						
At 1 May 2005	11,415,859	24,197,533	16,161,964	13,812,131	1,757,784	67,345,271
At 30 April 2006 / 1 May 2006	11,415,859	23,743,302	15,778,349	9,378,563	1,488,823	61,804,896
At 30 April 2007	11,415,859	23,424,972	15,426,597	5,467,515	1,478,830	57,213,773

3. Property, plant and equipment (Cont'd)

Property, plant and equipment under the revaluation model

Land and buildings of the Group were revalued during the financial year ended 30 April 2003 by Ahmad Latib and Elvin Fernandez, registered valuers from Khong & Jaafar Sdn. Bhd., and Radhakrishnan, a registered valuer from Jones Lang Wootton. Valuations were made on the basis of open market value.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the financial year would be as follows:

	2007 RM	2006 RM
Freehold land	5,398,610	5,398,610
Leasehold land	8,211,633	8,328,621
Buildings	13,440,404	13,734,710
	27,050,647	27,461,941

Securities

Certain land and building of the Group with a net book value amounting to RM3,457,095 (2006 - RM3,531,098) are pledged to banks for credit facilities granted to certain subsidiaries (see note 18).

Property, plant and equipment on installment purchase plans

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM83,120 (2006 - RM197,508) acquired under hire purchase agreements.

4. Investment in subsidiaries

	Company	
	2007 RM	2006 RM
Unquoted shares, at cost	45,224,106	45,224,106
Less: Impairment losses	(346,957)	(346,957)
	44,877,149	44,877,149

Details of the subsidiaries are as follows:

Name of Subsidiary	Principal activities	Country of incorporation	Effective ownership interest	
			2007 %	2006 %
The Analytical Laboratories (Malaysia) Sdn. Bhd.	Investment holding, industrial consultancy and analytical chemists.	Malaysia	100	100
Masmeru Sdn. Bhd.*	Property letting.#	Malaysia	100	100
Electronic Resource Sdn. Bhd.*	Property letting.#	Malaysia	100	100

notes to the financial statements

4. Investment in subsidiaries (Cont'd)

Name of Subsidiary	Principal activities	Country of incorporation	Effective ownership interest 2007 %	Effective ownership interest 2006 %
K & L Chemicals Sdn. Bhd.	Investment holding and trading of industrial chemicals.	Malaysia	100	100
Centralised Waste Treatment Plant Sdn. Bhd.	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.	Malaysia	100	100
M-Field Sdn. Bhd.	Property letting and investment holding.	Malaysia	100	100
Analabs Biotech Sdn. Bhd.*	Property investment and letting.#	Malaysia	100	100
Resources Conservation Sdn. Bhd.	Collection, treatment, recovery and recycling of industrial waste and sale of recycled products.	Malaysia	100	100
Inagro Sdn. Bhd.	Formulation and repackaging of agriculture chemical products and the provision of storage handling services for these products.	Malaysia	100	100
Attractive Frontiers Sdn. Bhd.*	Property letting.#	Malaysia	100	100
Syntax System Solutions Sdn. Bhd.	Collection, treatment, recovery of industrial waste and sale of recycled products.	Malaysia	100	100
Striketech Sdn. Bhd.	Culture and sale of prawns, and collection, treatment, recovery and recycling of organic waste.	Malaysia	100	100
QSP Chemie (M) Sdn. Bhd.	Trading in industrial chemical and its related products.	Malaysia	60	60
AL Resources Pte. Ltd.*	Manufacture and trading in paint and its related products.	Singapore	99.99	99.99

* Subsidiary audited by another firm of accountants

\# These companies ceased operations in the prior year and remained dormant thereafter.

5. Investment in an associate

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unquoted shares, at cost	40	40	40	40
Less: Impairment loss	-	-	(40)	(40)
	40	40	-	-
Share of post-acquisition reserves	(40)	(40)	-	-
	-	-	-	-
Represented by:				
Group's share of net assets other than goodwill	-	-		

The details of the associate, incorporated in Malaysia, is as follows:

Name of company	Principal Activities	Effective ownership interest 2007 %	Effective ownership interest 2006 %
Titan Crest Sdn. Bhd.	Dormant	40	40

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

As at 30 April 2005, the Group's share of the current period losses of RM1,395 and accumulated losses of the associate of RM36,418 have not been recognised in the Group's income statement as equity accounting ceased with effect from financial year ended 30 April 2004 when the Group's share of cumulative losses in the associate exceeded the carrying amount of its investment in the associate.

6. Other investment

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Unquoted shares, at cost	2,000,000	2,000,000	2,000,000	2,000,000
Less: Allowance for diminution in value	(1,400,0 00)	(1,200,000)	(1,400,000)	(1,200,000)
	600,000	800,000	600,000	800,000

notes to the financial statements

7. Goodwill

Group

	RM
Cost	
At 1 May 2005 / 30 April 2006	1,412,824
Effect of adopting FRS 3	(924,739)
At 30 April 2006 restated / 30 April 2007	488,085
Accumulated amortisation	
At 1 May 2005	
- Accumulated amortisation	762,323
Amortisation charge for the year	162,416
At 30 April 2006 / 1 May 2006	924,739
Effect of adopting FRS 3	(924,739)
At 1 May 2006, restated / 30 April 2007	-
Carrying amounts	
At 1 May 2005	650,501
At 30 April 2006 / 1 May 2006	488,085
At 30 April 2007	488,085

Impairment testing for cash-generating units containing goodwill

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

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

	Group 2007 RM
Formulation and repacking of chemical	65,324
Recovery and sales of recycle products	8,766
Culture and sales of prawns	2,091
Investment holdings	411,904
	488,085

For annual impairment testing purposes, the recoverable amount of the CGU, which are reportable business and geographical segments, are based on their value-in-use.

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

- Cash flow were projected based on actual operating results and the 15 years business plan,

7. Goodwill (Cont'd)

Impairment testing for cash-generating units containing goodwill (Cont'd)

- The anticipated annual revenue growth included in the cash flow projections was 3 to 5 percent for the first 5 years and remain constant thereafter. The cash flows are extrapolated in perpetuity due to long term perspective of these businesses within the Group.

- A pre-tax discount rate of six percent was applied in determining the recoverable amount of the unit. The discount rate was estimated based on an industry weighted average cost of capital.

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

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

8. Deferred tax assets and liabilities

The amounts, determined after appropriate offsetting, are as follows:

	Group	
	2007 RM	2006 RM
Deferred tax liabilities	6,801,241	7,647,622
Deferred tax assets	-	(4,419)
	6,801,241	7,643,203

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

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2007 RM	2006 RM	2007 RM	2006 RM	2007 RM	2006 RM
Property, plant and equipment	-	-	6,791,318	8,136,054	6,791,318	8,136,054
Provisions	(10,395)	-	-	-	(10,395)	-
Other items	-	(50,110)	75,665	-	75,665	(50,110)
Unabsorbed capital allowances	(27,525)	-	-	-	(27,525)	-
Tax loss carry-forwards	(27,822)	(442,741)	-	-	(27,822)	(442,741)
Tax (assets) / liabilities	(65,742)	(492,851)	6,866,983	8,136,054	6,801,241	7,643,203

notes to the financial statements

8. Deferred tax assets and liabilities (Cont'd)

Movement in temporary differences during the year

Group	At 1.5.2005 RM	Recognised in income statement (note 25) RM	At 30.4.2006 RM	Recognised in income statement (note 25) RM	Recognised in equity (note 15) RM	At 30.4.2007 RM
Property, plant and equipment	7,546,195	589,859	8,136,054	(1,273,245)	(71,491)	6,791,318
Provisions	-	-	-	(10,395)	-	(10,395)
Other items	-	(50,110)	(50,110)	125,775	-	75,665
Unabsorbed capital allowances	-	-	-	(27,525)	-	(27,525)
Tax loss carry-forwards	(50,862)	(391,879)	(442,741)	414,919	-	(27,822)
	7,495,333	147,870	7,643,203	(770,471)	(71,491)	6,801,241

Recognised deferred tax assets and liabilities

In recognising the deferred tax assets attributable to unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards (included in deductible temporary differences of property, plant and equipment) the Directors made an assumption that there will not be any substantial change (more than 50%) in the shareholders before these assets are utilised. If there is substantial change in the shareholders, unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to approximately RM103,000 and RM102,000 respectively will not be available to the Group, resulting in an increase in net deferred tax liabilities of RM55,300.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Tax losses carry-forwards	(177,925)	(798,842)	(114,925)	(502,660)
Other deductible temporary differences	(33,000)	31,000	-	-
	(210,925)	(767,842)	(114,925)	(502,660)

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits there from. Unutilised tax losses carry-forwards amounting to RM177,925 will not be available to the Group if there is substantial change in shareholders (more than 50%).

9. Amount due from/(to) subsidiaries

	Company	
	2007	2006
Current	RM	RM
Amount due from subsidiaries		
- Non-trade	34,061,806	28,131,206
Amount due to subsidiaries		
- Non-trade	(18,948,864)	(14,155,421)
Non current		
Amount due from subsidiaries		
- Non-trade	12,828,029	15,497,039
Amount due to subsidiaries		
- Non-trade	(17,819,651)	(17,824,995)

The current amount due from/(to) subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayments.

The non-current amount due from/(to) subsidiaries are non-trade in nature, unsecured, interest free and not repayable within the next twelve months.

10. Receivables, deposits and prepayments

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Trade				
Trade receivables	7,493,641	7,493,021	-	-
Less: Allowance for doubtful debts	(575,731)	(598,532)	-	-
	6,917,910	6,894,489	-	-
Non-trade				
Other receivables	145,000	105,555	1,600	1,640
Deposits	209,207	239,278	-	-
Prepayment	116,013	128,312	-	-
	470,220	473,145	1,600	1,640
Less: Allowance for doubtful debts	-	(20,000)	-	-
	470,220	453,145	1,600	1,640
	7,388,130	7,347,634	1,600	1,640

During the year, the Group's bad debts amounting to RM117,593 (2006 - RM140,619) were written off against allowance for doubtful debts.

notes to the financial statements

11. Inventories

	Group	
	2007 RM	2006 RM
At cost:		
Livestock	74,890	282,307
Raw materials	319,209	333,653
Packing materials	50,793	55,480
Finished goods	800,688	1,019,417
	1,245,580	1,690,857
At net realisable value:		
Finished goods	119,467	-
	1,365,047	1,690,857

In 2007, inventories recognised as cost of sales amounted to RM11,082,519 (2006 - RM10,750,599).

In 2007, the write-down of inventories to net realisable value amounted to RM96,772 (2006 - RM Nil). The write-down are included in other operating expenses.

12. Amount due from an associated company

	Group	
	2007 RM	2006 RM
Amount due from an associated company	93,984	93,984
Less: Allowance for doubtful debts	(93,984)	(93,984)
	-	-

The amount due from associated company is unsecured, interest free and has no fixed terms of repayment.

13. Investment in quoted equity securities

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
At cost:				
Quoted shares in Malaysia	5,096,001	5,280,252	1,742,531	2,805,900
Market value:				
Quoted shares in Malaysia	6,094,200	5,301,850	1,745,200	2,811,200

The investment in quoted equity securities has been reclassified to non-current assets during the year. In previous year, it was shown as current assets. The Board has positive intention to hold the quoted equity securities for long term purposes to benefit from its dividend yield and potential capital appreciation.

13. Investment in quoted equity securities (Cont'd)

Details of disposed investment stated at cost are as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Proceeds from disposal	8,033,632	7,893,742	4,407,761	2,785,195
Carrying amount of investments disposed	(6,196,352)	(7,811,954)	(3,722,001)	(2,747,386)
Gain on disposal of investments	1,837,280	81,788	685,760	37,809

14. Deposits placed with licensed banks

Included in the deposits placed with licensed banks are amounts pledged as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Pledged for overdraft facilities granted to certain subsidiaries and to the Company	2,857,824	2,646,108	61,271	59,332
Bank guarantee granted to third parties on behalf of certain subsidiaries	37,000	57,000	-	-
	2,894,824	2,703,108	61,271	59,332

15. Capital and reserves

Reconciliation of movement in capital and reserves

		Attributable to shareholders of the Company									
		Non-distributable						Distributable			
Group	**Note**	**Share capital RM**	**Treasury shares RM**	**Share premium RM**	**Revaluation reserve RM**	**Foreign exchange reserve RM**	**Consolidation reserve RM**	**Retained profits RM**	**Total RM**	**Minority interest RM**	**Total equity RM**
At 1 May 2005		60,024,000	-	6,248,517	4,640,500	(103,321)	375,969	15,529,591	86,715,256	70,177	86,785,433
Currency translation difference in respect of foreign operations		-	-	-	-	4,614	-	-	4,614	-	4,614
Net gains recognised directly in equity		-	-	-	-	4,614	-	-	4,614	-	4,614
Profit for the year		-	-	-	-	-	-	2,699,585	2,699,585	3,941	2,703,526
Total recognised income and expense for the year		-	-	-	-	4,614	-	2,699,585	2,704,199	3,941	2,708,140
Treasury shares acquired		-	(79,501)	-	-	-	-	-	(79,501)	-	(79,501)
Dividends to shareholders	27	-	-	-	-	-	-	(750,300)	(750,300)	-	(750,300)
At 30 April 2006		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	375,969	17,478,876	88,589,654	74,118	88,663,772

15. Capital and reserves (Cont'd)

Reconciliation of movement in capital and reserves (Cont'd)

		Attributable to shareholders of the Company									
		Non-distributable						Distributable			
Group	**Note**	**Share capital RM**	**Treasury shares RM**	**Share premium RM**	**Revaluation reserve RM**	**Foreign exchange reserve RM**	**Consolidation reserve RM**	**Retained profits RM**	**Total RM**	**Minority interest RM**	**Total equity RM**
At 30 April 2006, before opening balance adjustment		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	375,969	17,478,876	88,589,654	74,118	88,663,772
- Effect of adopting FRS 3	32	-	-	-	-	-	(375,969)	375,969	-	-	-
At 1 May 2006, restated		60,024,000	(79,501)	6,248,517	4,640,500	(98,707)	-	17,854,845	88,589,654	74,118	88,663,772
Currency translation difference in respect of foreign operations		-	-	-	-	15,875	-	-	15,875	-	15,875
Net gains recognised directly in equity		-	-	-	-	15,875	-	-	15,875	-	15,875
Profit for the year		-	-	-	-	-	-	8,356,470	8,356,470	(31,644)	8,324,826
Total recognised income and expense for the year			-	-	-	15,875	-	8,356,470	8,372,345	(31,644)	8,340,701
Reversal of deferred tax liabilities		-	-	-	71,491	-	-	-	71,491	-	71,491
Treasury shares acquired		-	(220,088)	-	-	-	-	-	(220,088)	-	(220,088)
Dividends to shareholders	27	-	-	-	-	-	-	(1,200,480)	(1,200,480)	-	(1,200,480)
At 30 April 2007		60,024,000	(299,589)	6,248,517	4,711,991	(82,832)	-	25,010,835	95,612,922	42,474	95,655,396

notes to the financial statements

15. Capital and reserves (Cont'd)

Reconciliation of movement in capital and reserves (Cont'd)

		Attributable to shareholders of the Company				
		Non-distributable			Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Share premium RM**	**Retained profits RM**	**Total RM**
At 1 May 2005		60,024,000	-	6,248,517	2,678,925	68,951,442
Profit for the year		-	-	-	(497,232)	(497,232)
Treasury shares acquired		-	(79,501)	-	-	(79,501)
Dividends to shareholders		-	-	-	(750,300)	(750,300)
At 30 April 2006		60,024,000	(79,501)	6,248,517	1,431,393	67,624,409
Profit for the year		-	-	-	1,403,605	1,403,605
Treasury shares acquired		-	(220,088)	-	-	(220,088)
Dividends to shareholders	27	-	-	-	(1,200,480)	(1,200,480)
At 30 April 2007		60,024,000	(299,589)	6,248,517	1,634,518	67,607,446

	Group and Company	
	2007 RM	**2006 RM**
Share capital		
Ordinary shares of RM1.00 each:		
Authorised	100,000,000	100,000,000
Issued and fully paid	60,024,000	60,024,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Treasury shares

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 27 October 2005, approved the Company's plan to purchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan would be applied in the best interests of the Company and its shareholders.

During the year, the Company purchased 305,000 of its issued shares from the open market. The average price paid for the shares purchased was RM0.73 per ordinary share. The repurchase transactions were financed by internal funds. The repurchased shares are held as treasury shares and carried at cost. The number of outstanding shares in issue after deducting treasury shares held is 59,614,000 ordinary shares of RM1.00 each. Treasury shares have no rights to voting, dividends and participation in other distribution.

15. Capital and reserves (Cont'd)

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Revaluation reserves (non-distributable)

The revaluation reserves of the Group represent surplus arising from revaluation of properties of the Company.

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 30 April 2007 if paid out as dividends.

16. Employee benefits

Share-based payments

At an Extraordinary General Meeting held on 16 April 2002, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") for the eligible employees and Executive Directors of Analabs Group to subscribe for new ordinary shares up to a maximum of 10% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.

Additionally, 394,000 share option arrangements granted before 1 January 2005 exist. As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied to these grants.

The terms and conditions of the grants are as follows; all options are to be settled by physical delivery of shares:

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Option granted to key management on 6 April 2003*	394,000	not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS.	5 years
Option granted to key management on 7 April 2006	908,000	not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS.	5 years
Option granted to key management on 5 April 2007	1,882,000	not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS.	5 years
Total share options	3,184,000		

* The recognition and measurement principles in FRS 2 have not been applied to these grants as they were granted prior to the effective date of FRS 2.

notes to the financial statements

16. Employee benefits (Cont'd)

Share-based payments (Cont'd)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs:

	Key management personnel 2007	Key management personnel 2006 Restated
Fair value of share options and assumptions		
Fair value at grant date	-	-
Weighted average share price	RM 0.74	RM 0.74
Exercise price	RM 1.02	RM 1.02
Expected volatility (weighted average volatility)	0.5%	0.5%
Option life (expected weighted average life)	9 days	374 days
Risk-free interest rate (based on Malaysian government bonds)	6%	6%
	-	-

The Group offers vested share options over ordinary shares to directors and employees who must have been confirmed in service on the Date of Offer. Movement in the number of share options held by employees are as follows:

	Group and Company 2007	Group and Company 2006
Outstanding at 1 May	1,302,000	394,000
Granted during the year	1,882,000	908,000
Outstanding at 30 April	3,184,000	1,302,000
Exercisable at 30 April	3,184,000	1,302,000

During the year, there were no share options were exercised (2006: nil).

Details of share options granted during the financial year:

Expiry date	9 May 2007
Exercise price per ordinary share (RM)	1.02
Aggregate proceeds if shares are issued (RM)	1,919,640

The options outstanding at 30 April 2007 have an exercise price of RM1.02 and a weighted average contractual life of 9 days.

17. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of their share of subsidiary's goodwill on consolidation and amortisation of goodwill charged to the minority shareholders.

18. Borrowings

	Group	
	2007 RM	2006 RM
Current:		
Bank overdrafts - secured	277,794	495,678
Hire purchase liabilities	55,418	64,031
	333,212	559,709
Non-current:		
Hire purchase liabilities	6,993	62,654
	6,993	62,654
Total borrowings	340,205	622,363

Securities

The Group's bank overdrafts are secured by:

i) legal charge on certain land and buildings of the subsidiaries (Note 3);

ii) deposits placed with licensed banks of the Group (Note 14); and

iii) corporate guarantee of the Company.

The bank overdrafts bear interest at 7.76% (2006 - 7.75%) per annum.

Hire purchase liabilities

Hire purchase liabilities are repayable as follows:

Group

Year 2007	Payments RM	Interest RM	Principal RM
Less than one year	60,075	4,657	55,418
Between one and five years	10,502	3,509	6,993
	70,577	8,166	62,411

Year 2006	Payments RM	Interest RM	Principal RM
Less than one year	73,008	8,977	64,031
Between one and five years	70,577	7,923	62,654
	143,585	16,900	126,685

Hire purchase liabilities of the Group are subject to interest rates ranging from 3.65% to 4.30% (2006 - 3.65% - 4.30%) per annum.

notes to the financial statements

19. Payables and accruals

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Trade				
Trade payables	2,382,836	2,584,154	-	-
	2,382,836	2,584,154	-	-
Non-trade				
Other payables	2,479,752	3,269,451	48,117	119,287
Accrued expenses	1,257,974	806,325	157,695	166,671
	3,737,726	4,075,776	205,812	285,958
	6,120,562	6,659,930	205,812	285,958

Included in other payables of the Group is an amount due to directors of RM1,529,651 (2006 - RM1,539,286). The amount represents advances from directors and is unsecured, interest free and has no fixed terms of repayment.

20. Revenue

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Recovery and recycling of of industrial waste	12,662,857	15,872,195	-	-
Trading of industrial chemicals and related products	15,722,932	8,838,528	-	-
Formulation and repackaging of agricultural chemicals	2,167,542	3,965,211	-	-
Waste water treatment	12,400	135,171	-	-
Environmental engineering and testing	314,991	334,536	-	-
Storage and handling service charges	990,619	1,406,928	-	-
Sales of prawns	3,039,464	3,357,894	-	-
Rental income	282,370	29,520	-	-
Dividend receivable from subsidiary company	-	-	500,000	500,000
Dividend income	210,200	201,059	210,200	66,755
Management fee from subsidiaries company	-	-	620,940	623,640
	35,403,375	34,141,042	1,331,140	1,190,395

21. Staff costs

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Staff costs	3,747,632	4,085,748	242,047	338,660

The number of employees of the Group and of the Company (including Executive Directors) at the end of the year was 109 and 3 (2006 - 120 and 3) respectively.

Staff costs of the Group and of the Company include contributions to defined contribution plan of RM258,683 and RM25,956 (2006 - RM247,203 and RM25,956) respectively.

22. Operating profit/(loss)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Operating profit/ (loss) is arrived at after crediting:				
Dividend income	461,850	201,059	710,200	566,755
Gain on disposal of property, plant and equipment	2,552	17,220	-	-
Gain on disposal of quoted equity securities	1,837,280	81,788	685,760	37,809
Rental income	48,720	47,520	-	-
Writeback of allowance for doubtful debts	64,722	-	-	-
and after charging:				
Auditors' remuneration				
- current year	135,100	128,500	28,000	25,000
- under provision in prior year	1,377	-	-	-
Allowance for dimunition in investment in unquoted shares	200,000	1,200,000	200,000	1,200,000
Allowance for doubtful debts				
- trade receivables	-	78,930	-	-
- other receivables	-	20,000	-	-
Amortisation of net goodwill arising on consolidation	-	86,802	-	
Bad debts written off	148,462	12,650	-	-
and after charging:				
Rental of premises	64,120	138,939	-	-
Deposit written off	-	35,912	-	-
Property, plant and equipment written off	-	358	-	-
Allowance for slow moving inventories	96,772	-	-	-
Unrealised foreign exchange loss	12,718	1,081	-	-

23. Directors' remuneration

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	108,084	108,084	36,084	36,084
Defined contribution plans	12,996	12,996	4,356	4,356
Fees	80,000	74,000	24,000	24,000
	201,080	195,080	64,440	64,440
Non-executive:				
Fees	72,000	72,000	72,000	72,000
	273,080	267,080	136,440	136,440

notes to the financial statements

23. Directors' remuneration (Cont'd)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Directors of the Subsidiaries				
Executive:				
Salaries and other emoluments	365,700	353,329	-	-
Defined contribution plans	51,444	41,148	-	-
Fees	-	102,000	-	-
	417,144	496,477	-	-
Non-executive:				
Fees	142,500	267,500		
	559,644	763,977	-	-
Total	832,724	1,031,057	136,440	136,440

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2007	2006
Executive Directors		
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	1	1
Non-executive Directors		
RM1 - RM50,000	2	2

24. Financing costs

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Interest expense on:				
Bank overdrafts	6,245	7,588	-	-
Hire purchase liabilities	8,734	19,457	-	-
Bank charges, commitment fees and others	23,749	21,296	1,322	862
	38,728	48,341	1,322	862

25. Tax expense

Recognised in the income statement

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Current tax expense				
Malaysian - current year	1,859,515	1,595,640	95,172	83,082
- prior year	(550,904)	(30,869)	(11,823)	-
	1,308,611	1,564,771	83,349	83,082

25. Tax expense (Cont'd)

Recognised in the income statement (Cont'd)

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deferred tax expense				
Origination and reversal of temporary differences	(538,795)	(464,101)	-	-
Under provision in prior year	(181,497)	611,971	-	-
Effect of changes in tax rate	(30,896)	-	-	-
Crystallisation of deferred tax liability on revaluation surplus of properties	(19,283)	-	-	-
	(770,471)	147,870	-	-
	538,140	1,712,641	83,349	83,082

Reconciliation of effective tax expense

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit / (loss) before taxation	8,862,966	4,416,167	1,486,954	(414,150)
Tax calculated using Malaysian tax rate of 27% (2006: 28%)	2,393,001	1,094,537	401,478	(115,962)
Income not subject to tax*	(545,436)	(23,334)	(322,708)	(151,467)
Effect of different tax rates in other countries	7,942	27,121	-	-
Effect of change in tax rate**	(298,079)	-	-	-
Non-deductible expenses	266,442	651,453	87,786	367,510
Effect of utilisation of deferred tax assets not recognised in prior year	(36,371)	(65,976)	(69,229)	(22,293)
Deferred tax assets recognised on unutilised tax losses and capital allowances	(18,224)	(7,020)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	-	62,708	-	-
Other items	(9,024)	20,815	(2,155)	5,294
Crystallisation of dererred tax liability on revaluation surplus of properties	(19,283)	(9,293)	-	-
Change in unrecognised temporary differences	(5,324)	-	-	-
Tax incentives	(400,692)	(619,472)	-	-
Origination and reversal of temporary differences	4,818	-	-	-
Effect of temporary differences not recognised in prior year, now recognised	(69,229)	-	-	-
	1,270,541	1,131,539	95,172	83,082
(Over) / under provided in prior years				
- tax expense	(550,904)	581,102	(11,823)	-
- deferred tax expense	(181,497)	-	-	-
	538,140	1,712,641	83,349	83,082

notes to the financial statements

25. Tax expense (Cont'd)

* Included in the income not subject to tax are gains on disposal of investments for the Group of RM1,837,280 (2006 - RM81,788) and Company of RM685,760 (2006 - RM37,809) from sale of quoted equity investment. The Board is of the opinion that the investments are held for long term purposes to benefit from its dividend yield and potential capital appreciation.

** With effect from year of assessment 2004, the Malaysian tax rate is 20% on chargeable income up to RM500,000 for small and medium scale companies with paid-up capital of RM2.5 million and below.

With effect from year of assessment 2007, the corporate income tax rate is at 27%. The Malaysian Budget also announced the reduction in corporate tax rate to 26% in 2008. Consequently deferred tax assets and liabilities are measured using these tax rates.

26. Earnings per ordinary share - Group

Basic earnings per share

The calculation of basic earnings per ordinary share at 30 April 2007 was based on the Group's net profit attributable to ordinary shareholders of RM8,356,470 (2006 - RM2,699,585) and the weighted average number of ordinary shares outstanding during the financial year of 59,718,583 (2006 - 59,990,250)

Weighted average number of ordinary shares is calculated as follows:

	Group	
	2007	**2006**
Issued ordinary shares at beginning of the year	59,990,250	60,024,000
Effect of shares repurchased	(271,667)	(33,750)
Weighted average number of ordinary shares	59,718,583	59,990,250

The diluted earnings per ordinary share is not disclosed as the unissued ordinary shares granted to eligible Directors and employees pursuant to the Company's ESOS have no dilutive effect as the exercise price is above the average market value of the Company's shares.

27. Dividends

	Group and Company	
	2007	**2006**
	RM	**RM**
Ordinary		
Interim dividend declared 2% per share tax exempt (2006 - 1.25% per share tax exempt)	1,200,480	750,300

The Directors do not recommend any final dividend to be paid for the year under review.

28. Related party transactions

Significant related party transactions are as follows:

	Company	
	2007 RM	2006 RM
Dividend income from subsidiary	500,000	500,000
Management fees from subsidiaries	620,940	623,640

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

29. Segmental information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

Inter-segment pricing is determined based on negotiated terms.

Business segments

The Group is organised on a worldwide basis into three major segments:

(i) Formulation, repackaging and trading of chemicals - formulation, repackaging and warehousing of agricultural chemicals (such as herbicides, insecticides, and related chemicals) and trading of industrial chemicals.

(ii) Recovery and sales of recycled products - collection, treatment, recovery and recycling of industrial waste and sales of recycled products. Constituents recovered include solvents, acids, paints, copper compounds and other metals.

(iii) Culture and sales of prawns.

(iv) Investment holding equities.

Other business segments include property letting, manufacturing and trading of paints and its related products, none of which are of a sufficient size to be reported separately.

29. Segmental information (Cont'd)

	Formulation, repacking and trading of chemicals	Recovery and sales of recycled products	Culture and sales of prawns	Investment holding equities	Others	Eliminations	Consolidated
2007							
Business segments	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue from external customers	14,942,191	16,929,150	3,039,464	461,850	30,720	-	35,403,375
Inter-segment revenue	1,341,322	4,755,330	380,300	500,000	712,140	(7,689,092)	-
Total revenue	16,283,513	21,684,480	3,419,764	961,850	742,860	(7,689,092)	35,403,375
Segment results	809,656	3,194,194	1,942,935	1,837,280	854,264	(500,000)	8,138,329
Amortisation of goodwill							-
Operating profit							8,138,329
Interest income							763,365
Interest expense							(38,728)
Profit before taxation							8,862,966
Tax expense							(538,140)
Minority interest							31,644
Profit for the year							8,356,470
Segment assets	38,964,830	34,403,393	18,255,329	5,096,001	104,743,838	(94,195,972)	107,267,419
Unallocated assets							1,656,895
Total assets							108,924,314
Segment liabilities	14,148,233	9,358,474	12,902,335	-	18,540,038	(48,488,313)	6,460,767
Unallocated liabilities							6,808,151
Total liabilities							13,268,918
Capital expenditure	284,345	851,178	77,900	-	-	-	1,213,423
Depreciation	1,177,348	4,207,358	263,760	-	91,964	-	5,740,430

29. Segmental information (Cont'd)

2006 Business segments	Formulation, repacking and trading of chemicals RM	Recovery and sales of recycled products RM	Culture and sales of prawns RM	Investment holding equities RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	14,210,667	16,341,902	3,357,894	201,059	29,520	-	34,141,042
Inter-segment revenue	1,027,856	871,876	-	500,000	796,040	(3,195,772)	-
Total revenue	15,238,523	17,213,778	3,357,894	701,059	825,560	(3,195,772)	34,141,042
Segment results	583,663	2,500,663	2,087,540	34,300	(756,448)	(500,000)	3,949,718
Amortisation of goodwill							(86,802)
Operating profit							3,862,916
Interest income							601,592
Interest expense							(48,341)
Profit before taxation							4,416,167
Tax expense							(1,712,641)
Minority interest							(3,941)
Profit for the year							2,699,585
Segment assets	39,569,727	37,499,220	18,785,448	5,280,252	132,253,334	(130,710,168)	102,677,813
Unallocated assets							1,154,985
Total assets							103,832,798
Segment liabilities	15,270,934	13,399,228	171,088	-	47,946,532	(69,505,489)	7,282,293
Unallocated liabilities							7,886,733
Total liabilities							15,169,026
Capital expenditure	322,086	63,799	106,870	-	-	-	492,755
Depreciation	864,665	4,618,158	254,353	-	278,513	-	6,015,689

notes to the financial statements

29. Segmental information (Cont'd)

Geographical segments	Malaysia 2007 RM	Malaysia 2006 RM	Singapore 2007 RM	Singapore 2006 RM	Consolidated 2007 RM	Consolidated 2006 RM
Revenue from external customers	33,760,499	32,426,560	1,642,876	1,714,482	35,403,375	34,141,042
Segment assets by location of assets	105,713,799	100,715,500	1,485,843	1,962,313	107,199,642	102,677,813
Capital expenditure by location of assets	1,206,770	481,823	6,653	10,932	1,213,423	492,755

30. Financial instruments

Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its liquidity, credit, interest rate and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities and advances to an overseas subsidiary, AL Resources Pte. Ltd. which operates in Singapore, where the currency denomination differs from the local currency, Ringgit Malaysia (RM).

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level. When considered necessary, the Group uses forward exchange contracts to hedge its foreign currency risk.

Liquidity risk

The Group practices prudent liquidity risk management to minimise the mismatch between financial assets and liabilities and to maintain sufficient level of cash or cash equivalents to meet its working capital requirement.

Credit risk

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit risk, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Groups associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

30. Financial instruments (Cont'd)

Interest rate risk

The Group's income and operating cash flows are independent of changes in market interest rates. Interest rate exposure arises from the Group's short term borrowings and deposits, and is managed through effective negotiation with financial institutions for best available rates.

Surplus and unutilised funds are placed with reputable financial institutions at the most favourable interest rates.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	<- 2007			<- 2006		
	Effective interest rate per annum %	Total RM	Within 1 year RM	Effective interest rate per annum %	Total RM	Within 1 year RM
Group						
Financial assets						
Deposits placed with licensed banks	2.88	24,750,741	24,750,741	2.88	21,600,449	21,600,449
Financial liability						
Bank overdraft	7.76	277,794	277,794	7.75	495,678	495,678
Company						
Financial assets						
Deposits placed with licensed banks	3.00	644,935	644,935	3.00	6,482,110	6,482,110

Fair values

Recognised financial instruments

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

It is not practicable to estimate the fair value of amounts due to/from subsidiaries principally due to a lack of fixed repayment term entered by the parties involved. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be settled or received.

notes to the financial statements

31. Changes in accounting policies

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 April 2007.

The changes in accounting policies arising from the adoption of FRS 3, *Business Combinations*, FRS 136, *Impairment of Assets* and FRS 138, *Intangible Assets* are summarised below:

FRS 3, *Business Combinations*, FRS 136, *Impairment of Assets and* FRS 138, *Intangible Assets*

The adoption of FRS 3, FRS 136 and FRS 138 has resulted in a change in the accounting policy for goodwill. The change in accounting policy is made in accordance with their transitional provisions.

Goodwill is stated at cost less accumulated impairment losses and is no longer amortised. Instead, goodwill impairment is tested annually, or when circumstances change, indicating that goodwill might be impaired. Negative goodwill is recognised immediately in the income statement. This has resulted in the derecognition of negative goodwill and an increase of retained earnings for the Group as at 1 May 2006 by RM375,969.

Had there not been a change in accounting policy, the net profit attributable to shareholders for the financial year ended 30 April 2007 would increase by RM86,802 as follows:

	Group 2007 RM
Income statement for the year ended 30 April	
Goodwill amortisation which would be charged to the income statement	86,802

This change in accounting policy has no material impact on earnings per share.

32. Comparative figures

Certain comparative figures have been reclassified as a result of changes in accounting policies as stated in note 31 and to conform with the presentation requirements of FRS 101.

	Group	
	As restated RM	As previously stated RM
Balance sheet		
Retained earnings at 1 May 2006	17,854,845	17,478,876

Following the adoption of FRS 3, *Business Combinations*, minority interest was reclassified into equity, likewise in arriving at profit for the year minority interest was not deducted.

List of Properties Held by the Group

as at 30 April 2007

Beneficial Proprietor	Location	Tenure	Description Age (years)	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Net Book Value @ 30/04/2007 (RM)	Date of Valuation
M-Field Sdn Bhd (Note: 1)	PN 5288 Lot No 55, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 24 years old	156	Owner Occupied 4 Story Office	624	617,991	Revalued on 19/07/2003
M-Field Sdn Bhd (Note: 2)	PN 5287 Lot No 54, Section 92A, Town of Kuala Lumpur, Wilayah Persekutuan.	Leasehold for 66 years expiring 21st March 2043	Leasehold Land & Building 24 years old	156	Owner Occupied 4 Story Office	616	573,040	Revalued on 19/07/2003
M-Field Sdn Bhd	HS (D) 4791 PT NO 388, Lot 5782, Mukim 12, Daerah Barat Daya, Pulau Pinang.	Leasehold for 60 years expiring 4th June 2046	Leasehold Land & Buildings 17 years old	5,811	Owner Occupied 2 Storey Office Block, Factory & Warehouse	2,290	2,386,681	Revalued on 28/07/2003
Inagro Sdn Bhd	HS (D) 35467 PT No 19569, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Residential Building 9 years old	121	Owner Occupied Single Storey Terrance House	74	85,000	Revalued on 11/07/2003
Inagro Sdn Bhd	HS (D) 36256 Lot No 15825, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Vacant Freehold Industrial Land & Building 4 years old	8,144	Vacant Industrial Land & open-sided Warehouse	n/a	1,159,147	Revalued on 18/07/2003
Inagro Sdn Bhd	CT 26641 Lot No 6493, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 10 years old	20,714	Owner Occupied 2 Story Office Block, Factory & Warehouse	5,982	7,793,673	Revalued on 09/06/2003

list of properties held by the group

as at 30 April 2007

Beneficial Proprietor	Location	Tenure	Description Age (years)	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Net Book Value @ 30/04/2007 (RM)	Date of Valuation
Inagro Sdn Bhd (Note: 3)	Lot 606, Section 16, Town of Shah Alam, District of Petaling, Selangor Darul Ehsan.	Leasehold for 99 years expiring 20th August 2066	Leasehold Land & Buildings 24 years old	12,708	Owner Occupied Single Storey Factory & Warehouse	6,710	6,562,215	Revalued on 19/07/2003
Centralised Waste Treatment Plant Sdn Bhd	HS (M) 976, 980, 987 988 and PT Nos 743, 747, 754, 755, Mukim of Setul, District of Seremban, Negeri Sembilan Darul Khusus.	Leasehold for 99 years expiring 2nd October 2085	Leasehold Land & Buildings 14 years old	6,596	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,162	3,531,098	Revalued on 19/07/2003
Resources Conservation Sdn Bhd	HS (D) 80016 PT No 14329, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 8 years old	4,047	Owner Occupied 2 Storey Office Block, Factory & Warehouse	1,682	3,688,138	Revalued on 19/07/2003
Resources Conservation Sdn Bhd.	HS (D) 51801 PT No 43449, Mukim and District of Klang, Selangor Darul Ehsan.	Freehold	Freehold Land & Buildings 9 years old	5,415	Owner Occupied 2 Storey Office Block, Factory & Warehouse	3,450	5,709,753	Revalued on 19/07/2003
Resources Conservation Sdn Bhd	GM 146 Lot 87, Mukim Damansara, District of Petaling, Selangor Darul Ehsan.	Freehold	Freehold Industrial Land 7 years old	2,317	Owner Occupied Industrial Land	n/a	1,594,358	Revalued on 19/07/2003

list of properties held by the group

as at 30 April 2007

Beneficial Proprietor	Location	Tenure	Description Age (years)	Land Area (sq.m.)	Existing Use	Built-up Area (sq.m.)	Net Book Value @ 30/04/2007 (RM)	Date of Valuation
Striketech Sdn Bhd (Note: 4)	HS (D) 5464 Lot No. 439, Mukim of Jugra, District of Kuala Langat, Selangor Darul Ehsan.	Leasehold for 99 years expiring 24th September 2094	Leasehold Land & Buildings 6 years old	1,035,000	Owner Occupied Buildings for Research & Development & Operations	1,975	17,236,416	Revalued on 19/07/2003

Notes:

Notes 1 to 4 being list of properties that affected by the internal rationalisation exercise of the Group announced in May 2004. (Refer to Note 28 of the Financial Statements)
Note 1 properties transferred from Masmeru Sdn. Bhd. to M-Field Sdn. Bhd.
Note 2 properties transferred from Electronic Resource Sdn. Bhd. to M-Field Sdn. Bhd.
Note 3 properties transferred from Attractive Frontiers Sdn. Bhd. to Inagro Sdn. Bhd.
Note 4 properties transferred from Analabs Biotech Sdn. Bhd. to Striketech Sdn. Bhd.

Analysis of Shareholdings

as at 13 September 2007

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	3	0.12	14	0.00
100 - 1,000	320	12.39	302,964	0.51
1,001 - 10,000	1,878	72.73	6,972,203	11.69
10,001 - 100,000	334	12.94	9,643,739	16.18
100,001 to less than 5% of issued shares	45	1.74	15,311,028	25.68
5% and above of issued shares	2	0.08	27,384,052	45.94
Total	2,582	100.00	59,614,000	100.00

Directors' Shareholdings

No	Name of Directors	No. of Shares Direct Interest	%
1.	Kan Yow Kheong	27,384,052	45.94
2.	Heng Siew Ching	11,000	0.02

Substantial Shareholder

No	Name of Substantial Shareholder	No. of Shares	%
1.	Kan Yow Kheong	27,384,052	45.94

analysis of shareholdings
as at 13 September 2007

Thirty (30) Largest Shareholders

	Names	No. of Shares	%
1.	Kan Yow Kheong	18,225,052	30.57
2.	Kan Yow Kheong	9,159,000	15.36
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd PHEIM Asset Management Sdn Bhd for Employees Provident Fund	2,200,400	3.69
4.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Chew Har (M09)	1,672,500	2.81
5.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Yoke Soo (M09)	1,650,000	2.77
6.	Kan Mun Hoow	1,177,500	1.98
7.	Wong Chew Har	664,500	1.11
8.	Jeffrey Chong Yew Wai	577,300	0.97
9.	Chan Chow Thai	376,200	0.63
10.	Chan Foong Cheng	350,000	0.59
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Kian Lang (CEB)	344,900	0.58
12.	Mayban Nominees (Tempatan) Sdn Bhd Hadrons Capital Sdn Bhd for Yuen Choong Lai (240238)	324,978	0.55
13.	Chan Cheu Leong	305,000	0.51
14.	Hadrons Capital Sdn Bhd	300.000	0.50
15.	Lai Chin Loy	286,100	0.48
16.	Hadrons Capital Sdn Bhd	285,750	0.48
17.	Tay Choong Kiat	258,400	0.43
18.	ECM Libra Avenue Nominees (Tempatan) Sdn Bhd Kestrel Capital Partners (M) Sdn Bhd for Lau Chee Thong	250,000	0.42
19.	Wong Jee Ling	230,000	0.39
20.	Gan Chin Chin	228,300	0.38
21.	Wong Meng Chee	222,000	0.37
22.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pong Ching Keong	215,000	0.36
23.	Goh Eng Hoe	211,600	0.35
24.	Ong Beng Kee	190,000	0.32
25.	Chan Foong May	188,000	0.32
26.	RC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Tin Lun (M)	172,000	0.29
27.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kian Seng	167,000	0.28
28.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choong Vivien	156,500	0.26
29.	Chan Kai Lum	152,000	0.25
30.	Wong Hok Yim	151,100	0.25
	Total	40,691,080	68.26

Notice of the Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 31 October 2007 at 11.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 30 April 2007 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fees of RM96,000 in respect of the financial year ended 30 April 2007. **(Resolution 2)**

3. To re-elect Mr Kan Yow Kheong who retires pursuant to Article 75 of the Articles of Association of the Company. **(Resolution 3)**

4. To re-elect Ms Heng Siew Ching who retires pursuant to Article 75 of the Articles of Association of the Company. **(Resolution 4)**

5. To re-elect Encik Ali Riza bin A. Samad who retires pursuant to Article 75 of the Articles of Association of the Company. **(Resolution 5)**

6. To re-elect Mr Ganesan a/l Sundaraj who retires pursuant to Article 75 of the Articles of Association of the Company. **(Resolution 6)**

7. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

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

8. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued in any one financial year of the Company pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 8)**

notice of the ninth annual general meeting

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

BY ORDER OF THE BOARD

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

Petaling Jaya
Selangor Darul Ehsan
8 October 2007

Notes:

(1) A member entitled to attend and to vote at a meeting of the Company is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and Section 149(1)(b) of the Companies Act, 1965 does not apply to the Company.

(2) The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.

(3) The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Unit 725, 7th Floor, Block A, Kelana Centre Point, No 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business

Resolution pertaining to Authority to Issue and Allot Shares pursuant to Section 132D of the Companies Act, 1965

The proposed Resolution No. 8, if passed, will give power to the Directors to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

Statement Accompanying Notice of Annual General Meeting

Pursuant to paragraph 8.28 (2) of the listing requirements of Bursa Malaysia Securities Berhad

The Profile of the Directors who are standing for re-election at the Ninth Annual General Meeting of Analabs Resources Berhad ("Analabs") which will be held at Kelab Golf Sultan Abdul Aziz Shah, No. 1 Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 31 October 2007 at 11.00 a.m. are stated on pages 4 to 5 of the 2007 Annual Report.

The details of interest in the securities of Analabs and its subsidiaries (if any) held by the said Directors are stated on pages 26 to 27 of the Financial Statements of the 2007 Annual Report.

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Proxy Form

ANALABS RESOURCES BERHAD
(Company No: 468971-A)
Incorporated in Malaysia

I/We,_____

of_____

being a member/member(s) of **ANALABS RESOURCES BERHAD** hereby appoint _____

_____of_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 31 October 2007 at 11.00 a.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1.	Adoption of the audited financial statements for the year ended 30 April 2007.		
2.	Payment of Directors' Fees of RM96,000 in respect of the financial year ended 30 April 2007.		
3.	Re-election of Mr Kan Yow Kheong.		
4.	Re-election of Ms Heng Siew Ching.		
5.	Re-election of Encik Ali Riza Bin A. Samad.		
6.	Re-election of Mr Ganesan A/L Sundaraj.		
7.	Re-appointment of Messrs KPMG as Auditors.		
8.	Ordinary Resolution - Authority to Allot Shares.		

Please indicate with an "X" how you wish your vote to be cast. In the absence of specific directions, your Proxy will vote or abstain he/she thinks fit.

No of Shares held	

_____
Signature/Common Seal

Dated this day of , 2007

Notes :

(1) A member entitled to attend and to vote at a meeting of the Company is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and Section 149(1)(b) of the Companies Act, 1965 does not apply to the Company.

(2) The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney duly authorized in writing or, in case of corporation, shall be given either under its common seal or under the hand of an officer or attorney duly authorized.

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STAMP

THE SECRETARY
ANALABS RESOURCES BERHAD (468971-A)
UNIT 725, 7TH FLOOR, BLOCK A
KELANA CENTRE POINT
NO. 3, JALAN SS7/19, KELANA JAYA
47301 PETALING JAYA
SELANGOR DARUL EHSAN

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ANALABS RESOURCES BERHAD
Unit 725, 7th Floor, Block A, Kelana Centre Point,
No.3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan.