



Registration No. 199801012843 (468971-A)

## REDUCING WASTE FOR A BETTER ENVIRONMENT

*Corporate Social Responsibility - Recycling Waste Since 1980*



# REDUCING WASTE FOR A BETTER ENVIRONMENT

*Corporate Social Responsibility - Recycling Waste Since 1980*



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Kan Yow Kheong**  
*Executive Chairman*

**Kan Mun Hoow**  
*Executive Director cum  
Chief Executive Officer*

**Clifton Heath Fernandez**  
*Senior Independent  
Non-Executive Director*

**Lye Meei Ruu**  
*Independent  
Non-Executive Director*

**Chia Yee Yan**  
*Independent  
Non-Executive Director*

**Ling Hua Kang**  
*Independent  
Non-Executive Director*

### AUDIT AND RISK MANAGEMENT COMMITTEE

Clifton Heath Fernandez (Chairman)  
Lye Meei Ruu (Member)  
Chia Yee Yan (Member)  
Ling Hua Kang (Member)

### NOMINATION COMMITTEE

Clifton Heath Fernandez (Chairman)  
Lye Meei Ruu (Member)  
Chia Yee Yan (Member)  
Ling Hua Kang (Member)

### REMUNERATION COMMITTEE

Clifton Heath Fernandez (Chairman)  
Lye Meei Ruu (Member)  
Chia Yee Yan (Member)  
Ling Hua Kang (Member)

### COMPANY SECRETARIES

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

**Chew Mei Ling**  
SSM PC No. 201908003178  
(MAICSA 7019175)

### REGISTERED OFFICE

Office Suite No. 603, Block C  
Pusat Dagangan Phileo  
Damansara 1  
No. 9 Jalan 16/11  
Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7890 0238  
Email : general@ascendserv.com

### SHARE REGISTRAR

Boardroom Share Registrars  
Sdn. Bhd.  
Reg. No. 199601006647 (378993-D)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7890 4700  
Fax : 03-7890 4670  
Email : bsr.helpdesk@  
boardroomlimited.com

### AUDITORS

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

### PRINCIPAL BANKERS

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

### STOCK EXCHANGE

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

### WEBSITE

[www.analabs.com.my](http://www.analabs.com.my)

## GROUP STRUCTURE



Registration No. 199801012843 (468971-A)



### MALAYSIA

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



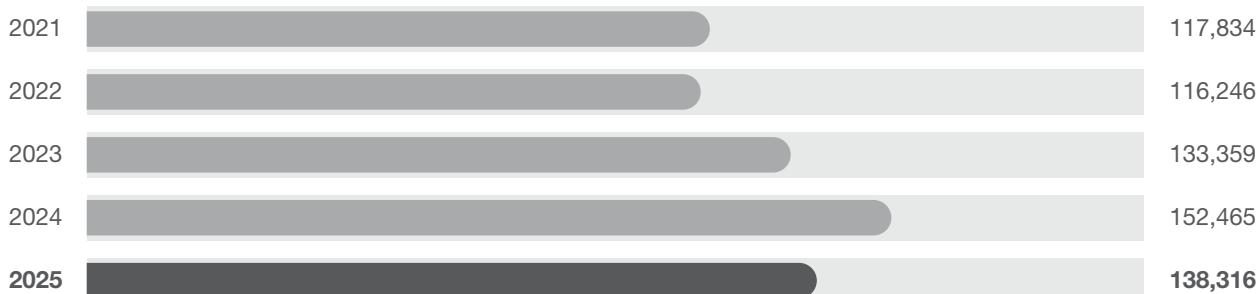
### SINGAPORE

<b>63%</b>	SINGAPORE ANALABS PTE LTD
<b>100%</b>	TOH BAN SENG CONTRACTOR PTE LTD
<b>100%</b>	BAN TIONG SOON CONTRACTOR PTE LTD

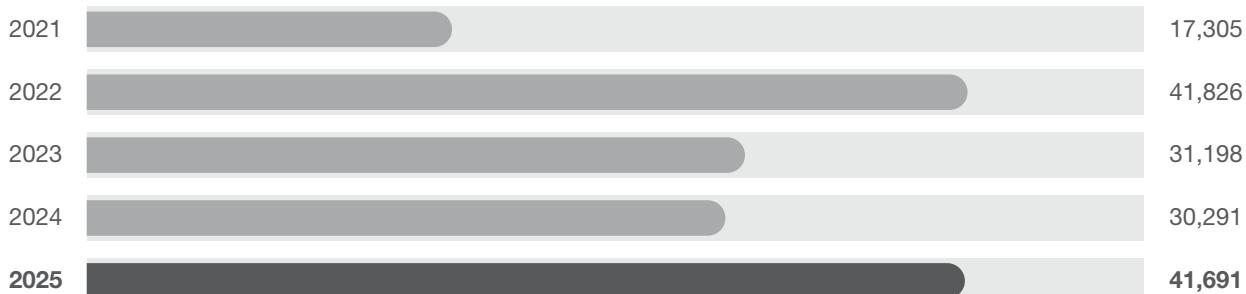
## FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2021	2022	2023	2024	2025
TURNOVER (RM'000)	117,834	116,246	133,359	152,465	<b>138,316</b>
PROFIT AFTER TAXATION (RM'000)	17,305	41,826	31,198	30,291	<b>41,691</b>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (RM'000)	16,370	34,592	28,287	27,659	<b>37,888</b>
NET EARNINGS PER SHARE (SEN)	15.03	31.76	25.97	25.39	<b>34.78</b>
NET ASSETS (RM'000)	281,992	333,821	355,925	443,924	<b>488,717</b>
NET ASSETS PER SHARE (RM)	2.58	3.06	3.26	4.08	<b>4.49</b>
DIVIDEND PER SHARE (SEN)	2.00	2.00	2.00	2.10	<b>4.00</b>

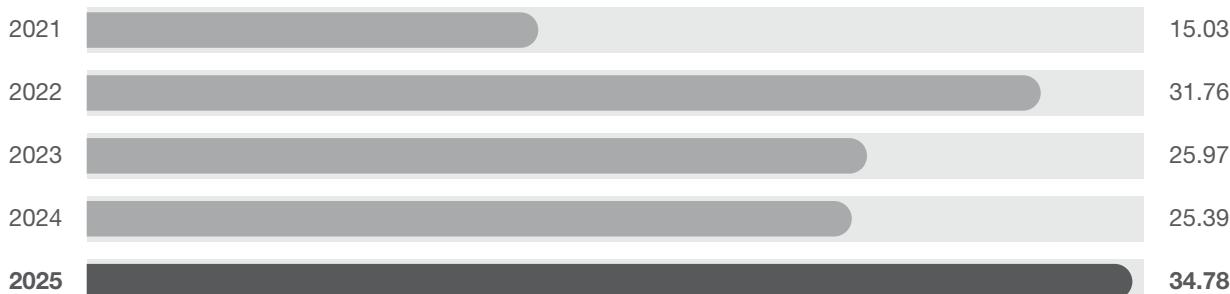
### TURNOVER (RM'000)



### PROFIT AFTER TAXATION (RM'000)



### NET EARNINGS PER SHARE (SEN)



## PROFILE OF DIRECTORS

### MR. KAN YOW KHEONG

Executive Chairman

	<b>Gender</b>	Male		<b>Nationality</b>	Malaysian		<b>Age</b>	71
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**Mr. Kan Yow Kheong** was appointed to the Board of Directors of Analabs as the Executive Chairman on 19 November 1999. Mr. Kan, who is also the major shareholder, joined The Analytical Laboratories (Malaysia) Sdn. Bhd. as a manager of the laboratory in 1980. Trained as a chemist, he graduated from Universiti Sains Malaysia with a degree in Chemistry (Honours).

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

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

The details of his shareholdings in the Company is disclosed on page 165 of this Annual Report.

### MR. KAN MUN HOOW

Executive Director cum Group Chief Executive Officer  
(Group CEO)

	<b>Gender</b>	Male		<b>Nationality</b>	Malaysian		<b>Age</b>	45
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**Mr. Kan Mun Hoow (Mr MH Kan)** was appointed to the Board of Directors of Analabs as the Executive Director on 9 March 2017 and was re-designated as the Group CEO on 1 April 2022. He graduated with a degree in Mechanical Engineering (Hons) in year 2002 from Western Michigan University, USA. Upon completion of his studies, he joined Resources Conservation Sdn. Bhd. ("RCSB") as a Junior Engineer from year 2002 to 2007. During his tenure in RCSB, he continued with his education in SEGI College and graduated with a Diploma in Accounting. He is a member of the Chartered Institute of Management Accountants (CIMA), Malaysian Institute of Accountants (MIA) and Institution of Engineers of Malaysia. He joined Coveright Surfaces Malaysia Sdn. Bhd. ("CSM") on 1 December 2010 as Technical Services Engineer and was promoted as Factory Manager and subsequently a Director of CSM on 6 July 2011, a position he holds until to date.

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

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

The details of his shareholdings in the Company is disclosed on page 165 of this Annual Report.

## PROFILE OF DIRECTORS

Cont'd

### MR. CLIFTON HEATH FERNANDEZ

Senior Independent Non-Executive Director



**Gender**

Male



**Nationality**

Malaysian



**Age**

53

**Mr. Clifton Heath Fernandez** was appointed to the Board of Directors of the Company on 16 February 2016 as an Independent Non-Executive Director and was identified as the Senior Independent Non-Executive Director on 10 August 2023.

Mr. Clifton is a fellow of the Chartered Certified Accountants (FCCA UK). He holds a Chartered Accountancy and Diploma Management from the Malaysian Institute of Management (AMIM) and is a Certified Management System, Lead Auditor for ISO 9001/45001/14001/27001/37001 etc. He is also a Chartered Internal Auditor, IIA, C.A. (M), Asean CPA and a member of Chartered Quality Institute, UK and INSOL International.

Mr. Clifton is currently the Training and Certification Director of Unicert Group. His career has encompassed a spectrum of industries, involving standards and improvement in projects, compliance, quality, financial, auditing, education, human resources and credit control. He conducts training, certification audit and placement consultancy for clients in South East Asia region.

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

He is an Independent Non-Executive Chairman of Securemetric Berhad.

Mr. Clifton is the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. He attended all five (5) Board Meetings held during the financial year. He has no Conflict of Interest (COI) or potential COI with the Analabs Group and has not been convicted for any offences in the past five (5) years. There were no sanctions and/or penalties imposed on him by any regulatory body during the financial year. He has no family relationship with any director and/or major shareholder of the Company.

## PROFILE OF DIRECTORS

Cont'd

### **MS. LYME MEEI RUU**

Independent Non-Executive Director



**Gender**

Female



**Nationality**

Malaysian



**Age**

39

**Ms. Lye Meei Ruu** was appointed to the Board of Directors of the Company on 5 August 2019 as an Independent Non-Executive Director.

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

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

She has 14 years of experience in advising and representing clients in real properties transactions, financing and loan documentations, lease and tenancies, debt recovery and settlements, drafting and preparing of business contracts and commercial agreements.

Ms. Lye is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration committee. She attended all five (5) Board Meetings held during the financial year. She has no Conflict of Interest (COI) with the Company or potential COI with the Analabs Group and has not been convicted for any offences in the past five (5) years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year. She has no family relationship with any director and/or major shareholder of the Company.

### **MS. CHIA YEE YAN**

Independent Non-Executive Director



**Gender**

Female



**Nationality**

Malaysian



**Age**

32

**Ms. Chia Yee Yan** was appointed to the Board of Directors of the Company on 9 May 2022 as an Independent Non-Executive Director.

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

She is equipped with extensive experience in retail, B2B, and FMCG industries. Ms. Chia has demonstrated a consistent ability to drive sales, manage client relationships and develop strategic partnerships.

Currently, she serves as the Founder and General Manager of CC Food Industries, where she has successfully implemented efficient administrative processes to enhance productivity, maintained key client relationships to ensure satisfaction, and managed all aspects of budgeting, forecasting, financial reporting and compliance with industry regulations.

In addition to this role, she co-founded a social enterprise focused on curating innovative gifting products that support the single mother community. Here, she leads product ideation and development, conducts market research and trend analysis and manages financial planning and reporting.

Simultaneously, she serves as an Account and Admin Manager, overseeing budgeting, financial forecasts, client onboarding, office operations, and ensuring regulatory compliance and audit readiness. Her responsibilities also include compiling and analysing financial data, coordinating with auditors for annual audits, liaising with tax agents to prepare and file tax returns and providing strategic financial insights to support decision-making.

This blend of entrepreneurial initiative and comprehensive management expertise highlights Ms. Chia's dedication to her work and her commitment to contributing positively to her industry.

Ms. Chia is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. She attended all five (5) Board Meetings held during the financial year. She has no Conflict of Interest (COI) or potential COI with the Analabs Group and has not been convicted for any offences in the past five (5) years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year. She has no family relationship with any director and/or major shareholder of the Company.

## PROFILE OF DIRECTORS

Cont'd

### MR. LING HUA KANG

Independent Non-Executive Director



**Gender**

Male



**Nationality**

Malaysian



**Age**

52

**Mr. Ling Hua Kang** was appointed to the Board of Directors of the Company on 6 December 2023 as an Independent Non-Executive Director.

Mr. Ling graduated from RMIT University, Melbourne, Australia with a Masters of Finance and Bachelor of Business (Accountancy) and is also a Certified Professional Accountant and a member of CPA Australia.

He is an experienced chartered accountant with 20 over years of working expertise in audit, corporate finance and advisory, risk management, regulatory compliance and governance. Mr. Ling is the currently the Director of Integ Success Agency and General Manager of Wells Global Solutions Sdn. Bhd.. Wells Global Solutions Sdn. Bhd. and Integ Success Agency are one stop centres providing comprehensive coverage and tailored risk management strategies to meet the diverse needs of businesses. Prior to that, he joined BIB Insurance Brokers Sdn. Bhd. in January 2013 as a Senior Manager in Client Servicing and Development Unit. During his tenure, he served a diversified portfolio of clients. Mr. Ling also served as General Manager in Corporate Affairs & Business Development and Project Management in Esthetics International Group Berhad (Esthetics) from January 2005 to December 2012. Mr. Ling was appointed as Vice President of Business Developments in Hwang-DBS Securities Berhad (“Hwang-DBS”) in November 1999 and remained in the position until December 2004. At Hwang-DBS, Mr. Ling assisted in corporate advisory services, corporate restructuring, and IPO exercises.

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

## PROFILE OF KEY SENIOR MANAGEMENT

### MR. KAN YOW KHEONG

Executive Chairman

### MR. KAN MUN HOOW

Executive Director cum  
Group Chief Executive Officer

### MS. LAI NYUK MOI

Finance Manager

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

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

**Ms. Lai Nyuk Moi**, a Malaysian, Female, aged 56, is a Chartered Certified Accountant, a member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA). Ms. Lai joined Centralised Waste Treatment Plant Sdn. Bhd. as a trainee on 1 March 2000 after graduating from high school. Ms. Lai possesses more than 20 years of experience in various divisions in the Analabs Group including Administration, Accounting, Production, Purchasing and Marketing. Ms. Lai assumed her role as the Finance Manager of the Group on 1 January 2013.

She has no Conflict Of Interest (COI) or potential COI with the Company and has not been convicted for any offences in the past five (5) years. There were no sanctions and/or penalties imposed on her by any regulatory body during the financial year. She has no family relationship with any director and/or major shareholder of the Company.



## CHAIRMAN'S STATEMENT



### ***Dear Shareholders,***

On behalf of the Board of Directors of Analabs Resources Berhad ("Analabs" or "the Company"), I am pleased to present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 30 April 2025 ("FY 2025").

Since our establishment in 1980, Analabs has steadily progressed from its early involvement in laboratory testing, chemical trading, and the construction of water treatment plants into a significant player in the recycling and trading of building materials. Over the years, we have strategically diversified our investment portfolio, establishing a strong presence in financial assets, property holdings, and equities. These investments have consistently delivered sustainable returns, contributing to the enhancement of long-term shareholders' value.



# CHAIRMAN'S STATEMENT

Cont'd

## GROUP FINANCIAL PERFORMANCE

Despite a challenging business environment in FY 2025, Analabs demonstrated resilience and effective strategic management. The Group recorded a profit before tax of RM43.7 million, representing a 25.6% increase from RM34.8 million reported in the previous financial year. Our financial strength remained solid, with net assets increasing by RM44.8 million to RM488.7 million as at 30 April 2025. This reflects our adaptability in navigating market changes and sustaining competitiveness.

## OPERATING ENVIRONMENT

The Group's core business remained in the manufacturing, formulation, and sale of resin, chemicals, and building materials. However, segment revenue declined by 25.0% year-on-year, from RM90.7 million in FY 2024 to RM68.0 million in FY 2025. Profit before tax for this segment decreased by 41.2% to RM10.7 million, primarily due to intensified market competition and rising operational costs.

Meanwhile, the contract work, pipe-laying, and rehabilitation segment saw a 16.9% decrease in revenue, from RM36.7 million in FY 2024 to RM30.5 million in FY 2025. However, the segment's profit before tax increased to RM11.8 million, up from RM8.6 million in the previous year, driven by effective cost control measures.

The Group continued to face headwinds from market saturation, particularly in the building materials sector, and ongoing inflationary pressures. Additionally, elevated global interest rates and geopolitical uncertainties have impacted overall market stability. Nevertheless, Analabs remains alert and responsive in identifying strategic opportunities to drive sustainable growth amid these evolving conditions.

## DIVIDENDS AND SHARE BUYBACK

The Group's enduring track record underscores its resilience and long-term value creation for shareholders. Analabs remains steadfast in its commitment to delivering sustainable returns.

As part of our continuous efforts to reward shareholders, the Group declared and paid an interim dividend of 4 sen per ordinary share on 30 December 2024.

As at 30 April 2025, the Company held 11,114,100 treasury shares out of its total issued share capital of 120,048,000 ordinary shares.

## LOOKING FORWARD

The global economic outlook remains uncertain, shaped by persistent inflationary pressures and escalating geopolitical tensions, particularly between the United States and China. Fluctuating interest rates and evolving trade policies continue to influence market dynamics, contributing to broader volatility.

In the face of these uncertainties, Analabs remains focused on maintaining operational efficiency while actively exploring new growth opportunities. We are confident that our robust investment portfolio will continue to deliver stable dividend income, reinforcing the Group's long-term financial sustainability.

## ACKNOWLEDGEMENT

I wish to convey my sincere appreciation to my fellow Directors - Mr. Clifton, Ms. Lye, Mr. M.H. Kan, Mr. Ling, and Ms. Chia - for their steadfast support, invaluable guidance, and commitment to the success of Analabs. Looking ahead, we will continue to prioritise talent acquisition and development to strengthen our workforce and build a dynamic, innovative team for the future.

On behalf of the Board, I would also like to extend our heartfelt thanks to our valued shareholders, customers, business partners, and stakeholders for their continued confidence in Analabs. I would further like to recognise the dedication and efforts of our External Auditors (Crowe Malaysia PLT), Tax Agents (Deloitte Tax Services Sdn. Bhd.), Internal Auditors (Smart Business Consulting), Company Secretary (AscendServ Corporate Services Sdn. Bhd.), as well as our employees and management team for their unwavering commitment throughout the year.

**Y.K. KAN**  
Executive Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT



This Management Discussion and Analysis Statement ("MD&A") provides a comprehensive review of the Group's business operations, financial performance, key risks and uncertainties, and future outlook. It should be read in conjunction with the Company's Audited Financial Statements and the accompanying notes for the financial year ("FY") ended 30 April 2025.

## BUSINESS SEGMENTS

Analabs Resources Berhad ("Analabs") is an investment holding company with subsidiaries operating in Malaysia and Singapore. The Group is engaged in six core business segments:

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

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

This segment primarily focuses on the manufacturing and sale of resin-impregnated papers. Coveright Surfaces Malaysia Sdn. Bhd., a key subsidiary under this segment, is locally and internationally recognised as a specialist in paper impregnation, backed by its proprietary resin production capabilities. The customer base is global, including but not limited to Asia and Malaysia.

For FY 2025, revenue for this segment declined by 25.0% year-on-year to RM68.0 million from RM90.7 million in FY 2024. Profit before tax ("PBT") dropped by 41.2% to RM10.7 million, attributed to heightened market competition and increasing operational costs.

In response to current economic headwinds, the Group remains focused on revenue enhancement by retaining and expanding its customer base. Strategic investments are being made in product research and development. Additionally, the Group is closely monitoring commodity price movements and capital requirements to avoid exposure to aggressive pricing pressures amid ongoing geopolitical uncertainties.

### **Contract Work, Pipe Laying and Rehabilitation**

This segment has been active in Singapore's piping industry since 1984, serving a wide range of clients, primarily in the private sector. Activities include excavation works for pipe laying, pipe replacement, and maintenance. Presently, operations remain concentrated in the Singapore market.

## **MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

Cont'd

### **BUSINESS SEGMENTS (CONT'D)**

#### **Contract Work, Pipe Laying and Rehabilitation (Cont'd)**

In FY 2025, segment revenue declined by 16.9% year-on-year to RM30.5 million. Despite the drop in revenue, PBT rose to RM11.8 million from RM8.6 million in FY 2024, driven by effective cost management initiatives.

Singapore's piping construction industry is currently experiencing sustained growth, underpinned by infrastructure expansion, technological progress, and a heightened emphasis on sustainability. Nevertheless, the sector continues to face challenges such as cost volatility and regulatory compliance. The Group's strategy is to secure a healthy order book through smaller-scale, short-term contracts that reduce long-term exposure, while maintaining stringent cost control across all projects.

#### **Investment Holding and Property Letting**

In FY 2025, the investment holding and property letting segment delivered strong performance, underpinned by favourable market dynamics and the Group's strategic positioning. Over the years, Analabs has strategically acquired financial assets and built a robust property investment portfolio that has benefitted from significant capital appreciation. In addition, the Group's equity investments have consistently generated recurring dividend income.

The local equity market in 2025 witnessed positive momentum, supported by improved economic conditions and stronger investor sentiment. As a result, this segment recorded a revenue increase of RM5.3 million, bringing total revenue to RM23.5 million. The segment's performance saw a substantial uplift, with revenue growing by 29.3% and segmental results increasing by 33.7%.

Looking ahead, the Group remains focused on investing in high-quality blue-chip stocks to ensure sustainable income and capital gains. While maintaining a cautious outlook, we are optimistic about the long-term potential of this segment.

#### **Recovery and Sale of Recycled Products**

This segment is dedicated to the recycling of hazardous industrial waste and is closely aligned with the Group's environmental stewardship goals. As a recognised waste management entity, the Group continues to set industry standards through its commitment to innovative, eco-conscious recycling solutions tailored to client requirements.

In FY 2025, segment revenue decreased by 4.2% to RM6.4 million, compared to RM6.7 million in FY 2024. Profit before tax improved by 9.9%, reaching RM1.7 million, primarily attributed to improved cost efficiencies.

The Group anticipates modest yet steady growth in this area. We are committed to advancing our capabilities and domain expertise in environmental management, positioning ourselves as a comprehensive, one-stop provider in the scheduled waste management sector. Strategic efforts remain focused on expanding market presence and strengthening our position in this specialised niche.

#### **Culture and Sale of Prawns**

This segment involves the breeding and sale of seawater prawns for the local market. Our aquaculture facility, located in Kuala Langat, is equipped with environmentally responsible systems and adopts the Recirculating Aquaculture System ("RAS") - a technologically advanced method aimed at maximising production efficiency while minimising environmental impact.

In FY 2025, despite a flat operational performance, segment revenue rose significantly by 528.5% to RM1.2 million. However, the segment registered a loss before tax of RM0.4 million.

The segment continues to present operational challenges. The aquaculture industry is impacted by environmental factors and intense competition. Nevertheless, it offers opportunities for innovation and sustainable growth. To address these challenges, the Group has intensified its focus on daily operational monitoring, water treatment processes, and technical knowledge transfer related to recirculation systems. These initiatives aim to improve cultivation outcomes over time.

We remain steadfast in our belief that food-related ventures represent resilient business opportunities, particularly during economic downturns. This belief underpins our strategic diversification efforts and our commitment to continuous improvement and sustainable growth within the aquaculture segment.

#### **Asset and Portfolio Management**

In FY 2025, the asset and portfolio management segment delivered strong performance, underpinned by favourable market dynamics and the Group's strategic positioning. This new segment has generated sustainable returns, enhancing long-term shareholders' value through effective value creation, liquidity management, and return optimisation across a diversified investment portfolio.

As a result, the segment recorded revenue of RM8.6 million and profit before tax of RM12.4 million.

Looking ahead, the Group remains committed to investing in high-quality blue-chip stocks to ensure sustainable income and long-term capital appreciation.

# MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Cont'd

## OPERATIONS REVIEW

### Financial Results

In FY 2025, the Group recorded a decline in overall revenue. Revenue decreased by 9.3% to RM138.3 million, primarily due to a contraction in the manufacturing, formulation and sale of resin, chemicals and building materials segment, which contributed RM68.0 million. The contract work, pipe laying, and rehabilitation segment contributed RM30.5 million to Group's revenue.

Despite the reduction in revenue, the Group's profit before tax increased by 25.7%, rising from RM34.8 million in FY 2024 to RM43.7 million in FY 2025. This growth was mainly attributable to higher dividend income derived from quoted equity investments.

### Assets, Liabilities and Equity

As at 30 April 2025, the Group's total assets grew by 14.5% year-on-year, increasing from RM659.6 million to RM755.5 million. This expansion was largely driven by the rise in equity investments, which increased by RM96.0 million. A portion of this growth was financed through margin trading facilities, which rose by RM55.4 million during the year.

Total liabilities rose by 23.7%, reaching RM266.8 million as at 30 April 2025, compared to RM215.6 million in the previous financial year. This increase was primarily due to higher loans and borrowings, particularly related to the acquisition of quoted shares and trade financing within the Group's operational segments, contributing to an additional RM50.9 million. Consequently, the Group's debt-to-equity ratio increased to 0.47 as of the end of the reporting period.

The Group's total equity rose from RM443.9 million to RM488.7 million, representing a year-on-year increase of 10.1%.

	<b>TOTAL ASSETS</b> <b>RM755.5million</b> <i>Grew by 14.5%</i>
	<b>TOTAL LIABILITIES</b> <b>RM266.8million</b> <i>Rose by 23.7%</i>
	<b>TOTAL EQUITY</b> <b>RM488.7million</b> <i>Increased by 10.1%</i>

### Working Capital Position

As at 30 April 2025, the Group's receivables stood at RM16.4 million, reflecting a 7.3% reduction compared to RM17.7 million as at 30 April 2024.

Total payables increased to RM9.1 million, a 3.4% rise from RM8.8 million in the previous financial year. The Group's strengthened cash flow management contributed to lower receivables and more prompt debt settlement, indicating enhanced liquidity and improved operational efficiency. These improvements reflect the Group's commitment to financial stability and maintaining strong relationships with suppliers.

In addition, inventories declined by RM5.8 million to RM10.2 million from RM16.0 million in the previous year. This reduction is indicative of more efficient inventory management, resulting in lower holding and logistics costs, particularly within the manufacturing, formulation, and sale of resin, chemicals, and building materials segment. This strategic initiative reflects enhanced organisational capabilities and improved communication across the supply chain.



## **MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

Cont'd

### **RISK AND UNCERTAINTIES**

The Group is subject to a variety of financial risks, including credit risk, liquidity risk, currency risk, interest rate risk, and other price risks. The primary objective of the Group's financial risk management is to ensure sufficient financial resources are available to support ongoing business activities while minimising any adverse impacts on financial performance, position, and cash flows.

Comprehensive disclosures related to the Group's financial risk management strategies and exposures can be found in Note 34 to the financial statements in this Annual Report.

In addition to financial risks, the Group's operations are also subject to a number of operational risks, including but not limited to:-

<b>Economic, Political, and Social Risks</b>	<p>As with most businesses, the Group's performance is subject to macroeconomic, political, and social conditions both in Malaysia and in other international markets where we have significant operations. Adverse developments such as changes in political leadership, epidemic outbreaks, social unrest, or global economic downturns could materially and negatively impact the Group's financial performance and long-term growth prospects.</p> <p>While such risks are beyond the Group's control, we aim to mitigate their potential impact by actively monitoring the Government's long-term economic plans and development strategies. This enables us to align our business direction with prevailing national and global trends.</p>
<b>Dependence on Key Management</b>	<p>The continued growth and success of Analabs is partly dependent on the expertise, leadership, and ongoing contributions of its key management personnel. The ability to attract, retain, and nurture skilled talent is critical to maintaining our competitiveness and sustaining future development.</p> <p>To address this, we remain committed to offering our employees long-term career development opportunities and structured job rotation to enhance their skill sets. Over the coming years, the Group will also focus on sourcing individuals who align with our corporate values and succession planning framework.</p>
<b>Raw Material Price Volatility</b>	<p>The Group's manufacturing, formulation, and sale of resin, chemicals, and building materials segment is particularly exposed to raw material price volatility. Resin and raw paper are the two primary components in the production of impregnated decorative surfacing films. Price fluctuations in resin are often influenced by changes in natural gas and energy prices, supply constraints, and economic cycles.</p> <p>Similarly, our contract work, pipe laying, and rehabilitation segment faces construction cost pressures due to rising labour costs amid workforce shortages, as well as supply chain disruptions driven by the ongoing Russia-Ukraine conflict. Furthermore, Singapore's pursuit of net-zero carbon emissions by 2050 necessitates the adoption of low-carbon building materials and renewable energy - developments that may temporarily elevate construction costs during the industry's transition phase.</p> <p>To mitigate these risks, the Group actively engages with suppliers to track pricing movements and sources alternative suppliers across regions to maintain cost competitiveness. Additionally, contract terms are being reviewed to include price fluctuation clauses, where applicable.</p>

# MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Cont'd

## RISK AND UNCERTAINTIES (CONT'D)

In addition to financial risks, the Group's operations are also subject to a number of operational risks, including but not limited to:- (Cont'd)

<b>Machinery Breakdown Risk</b>	<p>Within the manufacturing, formulation and sale of resin, chemicals and building materials segment, the Group operates four impregnation lines. Any unplanned machinery breakdowns could result in reduced production capacity, increased waste, and higher operational costs.</p> <p>To manage this risk, the Group's maintenance team conducts scheduled maintenance and repair activities to minimise the likelihood of mechanical failure. Engineers also perform continuous monitoring to ensure equipment and spare parts conform to established technical and safety standards.</p>
<b>Regulatory Compliance Risk</b>	<p>The recovery and sale of recycled products segment is subject to environmental laws and regulations that may evolve over time. As global awareness of environmental sustainability increases, and investments in green technologies accelerate, compliance requirements are expected to become more stringent. These regulatory shifts could impact our current technologies, marketing strategies, and operational practices.</p> <p>In response, the Group remains vigilant in monitoring updates from regulatory bodies such as the International Organisation for Standardisation (ISO), the Department of Environment, and local municipal authorities. Our proactive approach ensures timely adaptation to new legal requirements and industry best practices, thereby enhancing the segment's long-term viability.</p>

## FUTURE OUTLOOK

As we move forward, the Group remains steadfast in executing its strategic vision and navigating evolving market dynamics. Our key priorities are to capitalise on emerging opportunities, drive sustainable growth, and enhance shareholders value through innovation, agility, and operational excellence.

Global economic growth in 2025 is projected to remain moderate and gradual, constrained by elevated central bank interest rates, which are expected to persist in the near term as part of ongoing efforts to rein in inflation. Consequently, access to lower-cost financing remains limited - particularly within key markets such as the United States and China. Fluctuating interest rates and evolving trade policies continue to shape market dynamics and contribute to broader economic volatility.

Amidst these challenges, the Group remains confident in its resilience and adaptability. Through prudent management and disciplined execution, we continue to enhance operational efficiency, manage overhead costs, and optimise production expenditures. We remain firmly committed to our long-term strategic objectives and will continue to deliver sustainable value to our shareholders and stakeholders by navigating uncertainty with foresight, agility, and sound governance.

# CORPORATE SUSTAINABILITY STATEMENT

## REDUCING WASTE FOR A BETTER ENVIRONMENT

Analabs Resources Berhad (“Analabs” or “the Company”) has been actively engaged in waste recycling since 1980, demonstrating our long-standing commitment to environmental responsibility. Our theme, “Reducing waste for a better environment,” is more than just a slogan - it serves as our blueprint for a sustainable future.

Guided by the Three R’s (“3R”) philosophy of Reduce, Reuse, and Recycle, this approach has become deeply embedded in the Group’s culture. By harnessing advancements in materials and technology, we continue to develop high-quality, high-value products that are central to our operations and our ongoing sustainability journey.

Analabs and its subsidiaries (“the Group”) are pleased to present our Sustainability Statement for the financial year ended 30 April 2025 (“FY 2025”). This Statement was approved by the Board of Directors on 7 August 2025.

## ABOUT THIS STATEMENT

This Sustainability Statement outlines the material sustainability matters and performance of the Group for FY 2025. Where available, four (4) years of historical comparative data are provided to offer a meaningful view of the Group’s sustainability progress and performance trends over time.

The Sustainability Statement serves to communicate the Analabs Group’s ongoing commitment to sustainability and our progress to all stakeholders. It highlights the Group’s efforts in maintaining regulatory compliance, adopting industry best practices, and strengthening human capital development. It also underscores our unwavering dedication to embedding sustainability into all aspects of our business operations.



## LIMITATION

It is important to note that any forward-looking statements included in this Sustainability Statement are based on reasonable assumptions and current business conditions at the time of reporting. However, actual outcomes and actions taken may differ, as the Group may adjust its strategies and operations in response to evolving risks, emerging opportunities, and changing external conditions.

## SCOPE AND BASIS OF SCOPE

The scope of this Sustainability Statement covers all subsidiaries of the Group operating in Malaysia and Singapore, unless otherwise specified. The information and data disclosed herein have been sourced from the Group’s internal reporting systems, processes, and records, and have been verified by the respective heads of departments.

The content of this Sustainability Statement reflects the Group’s identified material sustainability matters, ensuring that our disclosures are relevant, accurate, and aligned with stakeholder expectations.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## REPORTING FRAMEWORKS AND STANDARDS

This Sustainability Statement has been prepared in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR"), with reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

The Board of Directors has identified the material sustainability matters - key Environmental, Economic, Social, and Governance ("EESG") risks and opportunities - that significantly influence the Group's business operations and stakeholder interests. We remain committed to continuously enhancing our sustainability disclosures to provide meaningful insights into the Group's initiatives, performance, and long-term value creation.

## ASSURANCE

The financial information presented in this Sustainability Statement has been extracted from the Group's audited consolidated financial statements for the financial year ended 30 April 2025, which were audited by Crowe Malaysia PLT.

This Sustainability Statement has been verified by management and approved by the Board of Directors on 7 August 2025. While the current Statement has not undergone an external assurance process, the Group intends to pursue independent assurance in the future to further enhance the credibility and transparency of our sustainability disclosures.

## FEEDBACK

We remain committed to the continuous improvement of our sustainability reporting to provide meaningful insights into our EESG practices.

We value feedback from our stakeholders and welcome your comments and suggestions on the content of this Statement, as well as recommendations for enhancing future disclosures. Your input plays a vital role in shaping our sustainability journey. Please feel free to share your thoughts with us at [data.analabs@outlook.com](mailto:data.analabs@outlook.com) - your feedback drives our commitment toward a more sustainable and responsible future.

## ABOUT ANALABS

Analabs was incorporated as a public limited company in Malaysia on 16 September 1998 under the Companies Act, 1965. Today, Analabs serves as an investment holding company, providing management services to its group of subsidiaries.

The Group's subsidiaries are engaged in a diverse range of activities, including the manufacturing, formulation and sale of resin, chemicals and building materials; contract work, pipe laying and rehabilitation; investment holding and property letting; recovery and sale of recycled products; culture and sale of prawns; and asset and portfolio management.

With over four decades of experience in the industrial and environmental sectors across Malaysia and Singapore, Analabs continues to play a prominent role in advancing sustainable industrial practices. Leveraging its technical expertise and industry knowledge, the Group remains committed to supporting the transition toward an environmentally responsible and resource-efficient economy through its core services in waste recycling and recovery.

## REVIEW OF OPERATIONS

The Group's review of operations is elaborated in the "Management Discussion and Analysis Statement" section set out in this Annual Report.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## OUR CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT

Seventeen (17) Sustainable Development Goals (SDGs) were set by the United Nations General Assembly in 2015 to counter major global issues such as urbanisation, climate change, resource scarcity, demographic and social change and global economic condition by the year 2030 entails contributions from governments, civil society and businesses. All the countries and stakeholders, acting in collaboration, will strive to implement this plan. The 2030 Agenda for Sustainable Development shapes the journey and sustainable enhancement in Malaysia. Aligning to the aspiration of our government, we will enhance our strategies and efforts to adopt these goals progressively as part of our sustainability journey.



## SUSTAINABILITY FRAMEWORK

The Group sustainability framework has been refined to align with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. It outlines our focus areas which are: Economic Prosperity, Environmental Stewardship, Social Responsibility and Ethical Governance. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters. Accordingly, we have set targets to enable us to accelerate and monitor our sustainability performance. By linking these targets to a performance scorecard, we are able to track our progress and ensure that we are making continuous improvements towards these targets.

Aligning ourselves to the aspirations of the Malaysian Government, we have adopted these goals as part of our sustainability journey. We identified nine SDGs that the Group commits to support directly and/or indirectly i.e., SDG No 3, 4, 5, 7, 8, 12, 13, 14 and 16.

## OUR APPROACH TO DRIVING SUSTAINABILITY

Our approach to sustainability is deeply rooted in the Group's core values: Excellence, United We Achieve, Integrity, Humility, and Building Relationships. These values serve as the foundation for how we operate and engage with our stakeholders. Guided by Group-level policies and procedures, we are committed to consistently embedding sustainability into the core of our business strategy and daily operations. To further strengthen our commitment, we have established a value-driven sustainability framework that supports our efforts to create long-term value for our stakeholders, reduce our environmental footprint, and foster a responsible corporate culture. This framework shapes the Group's actions and decision-making processes, ensuring that sustainability remains integral to our growth and resilience.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SUSTAINABILITY GOVERNANCE

At Analabs Group, our sustainability efforts are guided by a robust governance structure and an enhanced framework that promotes integrity, ethical behavior, accountability, and transparency. Sustainability governance is led by the Board of Directors, with oversight and support from the Sustainability Committee ("SC") - chaired by the Executive Director cum Chief Executive Officer ("CEO") - and the Sustainability Working Group, which comprises heads of departments across the Group. The SC includes Sustainability Coordinators from the Group's subsidiaries, ensuring cross-functional collaboration and alignment with group-wide sustainability objectives.

While the Board sets the strategic direction for the Group's sustainability performance, it has delegated the responsibility of closely monitoring risk management and internal controls, including sustainability-related risks, to the Audit & Risk Management Committee ("ARMC"). Sustainability is fully integrated into our enterprise risk management framework and is regularly discussed during ARMC meetings - particularly during updates to the Group's risk profile.

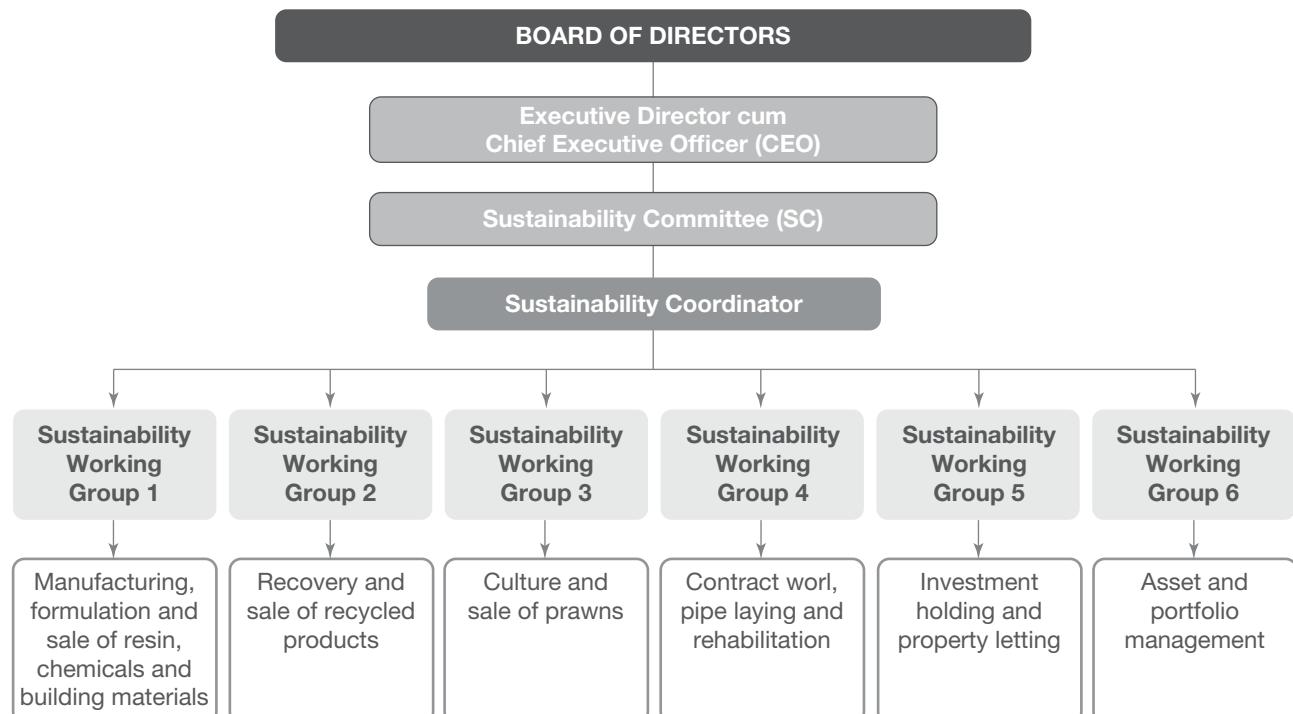
The SC, led by the CEO as the Group's sustainability champion, works in close coordination with the ARMC to provide updates on sustainability initiatives and emerging risks. Following review and deliberation, key recommendations are escalated to the Board for final decision-making.

As a Public Listed Company, Analabs remains committed to upholding the highest standards of corporate governance ("CG") in accordance with the Malaysian Code on Corporate Governance ("MCCG"), 4<sup>th</sup> Edition. The Board plays a pivotal role in ensuring sustainability is fully embedded into the Group's long-term strategy and value creation model. Recognising the importance of effective leadership and oversight, the Board is supported by a dedicated SC and cross-departmental working groups, responsible for the implementation and monitoring of all sustainability-related programs across the organisation.

The Group CEO plays a central role in driving our sustainability agenda, supported by senior management and dedicated functional teams. Updates on material sustainability matters, including both risks and opportunities, are presented to the Board, ensuring an informed and engaged leadership.

To strengthen its governance capabilities, the Board actively participates in capacity-building programmes on sustainability topics, including climate-related risks and opportunities. The Board also conducts periodic assessments of its collective competencies to ensure it remains well-equipped to lead and oversee sustainability matters effectively.

Strong governance is key to ensuring our sustainability priorities are implemented consistently across the Group. Through the leadership of the Sustainability Committee and the active involvement of our Board and management teams, we remain firmly committed to building a resilient, responsible, and sustainable future.



# **CORPORATE SUSTAINABILITY STATEMENT**

Cont'd

## **RESPONSIBILITIES OF SUSTAINABILITY COMMITTEE ("SC")**

	<b>RESPONSIBILITIES</b>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Leads sustainability efforts for the Group, including developing strategy and targets, assessing materiality, and managing climate risks and opportunities. Promotes sustainability integration across the Group and its businesses, fostering a strong sustainability culture.</li> <li>Oversees the implementation of sustainability strategies and targets and approve the annual Sustainability Statement.</li> </ul>
<b>Group Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>Approves key sustainability plans, including strategies, targets, policies, and the materiality assessment.</li> <li>Oversees the integration of sustainability and climate considerations into the Group's Enterprise Risk Management ("ERM") framework.</li> <li>Manages and monitors critical sustainability issues, encompassing climate-related risks and opportunities.</li> <li>Tracks progress towards sustainability goals and identifies areas for improvement.</li> <li>Advises the Board on sustainable strategies and monitors their implementation.</li> </ul>
<b>Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Crafts sustainability strategies and policies, seeking Board committee approval.</li> <li>Drives consistent implementation across all business segments and locations.</li> <li>Assesses overall sustainability risks and opportunities, prioritising climate-related aspects.</li> <li>Evaluates and refines the materiality assessment process and outcomes.</li> <li>Reviews and provides feedback on the sustainability statement before Board approval.</li> <li>Develops and recommends sustainability-linked KPIs for performance evaluation of the Board and senior management.</li> <li>Oversees engagement with stakeholders, ensuring their concerns are incorporated into sustainability initiatives.</li> <li>Recommends material sustainability matters, policies, goals, and targets for Board approval.</li> <li>Monitors the implementation of sustainability policies and initiatives.</li> <li>Identifying the material sustainability matters relevant to business operations.</li> <li>Recommends targets, initiatives, and standard procedures to manage material sustainability matters identified.</li> <li>Evaluates the implementation of the approved recommendations.</li> <li>Considers the views of stakeholders in managing material sustainability matters.</li> </ul> <p>Assesses the Company's sustainability risks and opportunities.</p>
<b>Sustainability Coordinator</b>	<ul style="list-style-type: none"> <li>Coordinates and supports the Sustainability Working Group in managing material matters.</li> <li>Consolidates sustainability reports and data from the Working Group for the SC.</li> <li>Guides the materiality assessment process.</li> <li>Oversees the management of material sustainability matters.</li> <li>Leads the preparation of the Sustainability Statement and recommends it for Board approval.</li> </ul>
<b>Sustainability Working Group</b>	<ul style="list-style-type: none"> <li>Links the gap between strategy and execution, ensuring local practices align with the overall sustainability agenda and targets. Assists the SC in implementing and monitoring sustainability initiatives and performance.</li> <li>Monitors and reporting the progress of all sustainability initiatives and strategies to the Sustainability Coordinator.</li> <li>Ensures the strategies planned by the Sustainability Coordinator are implemented.</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SUSTAINABILITY STRATEGY

Analabs is committed to embedding sustainability into its core business practices, with a strong emphasis on identifying, managing, and responding to EESG risks and opportunities. This proactive approach is essential to ensuring long-term value creation, business continuity, and organisational resilience. In alignment with global sustainability efforts, Analabs supports the United Nations Sustainable Development Goals ("UN SDGs") and actively collaborates with stakeholders to drive positive outcomes for both the business and the wider community.

This includes adhering for defining report content:-

SUSTAINABILITY			
PROMOTE SUSTAINABLE FINANCIAL GROWTH	PROTECT AND CONSERVE THE ENVIRONMENT	SUPPORT COMMUNITY GROWTH	MAINTAIN HIGH STANDARDS OF ETHIC AND INTEGRITY
ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>• Financial Performance</li> <li>• Indirect Economic Impact</li> <li>• Supply Chain Management</li> <li>• Customer Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Services Responsibility</li> <li>• Energy Efficiency</li> <li>• Air Emissions</li> <li>• Water Consumption</li> <li>• Waste Management</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Safety and Health</li> <li>• Diversity</li> <li>• Labour Practices and Standards</li> <li>• Community/Society</li> </ul>	<ul style="list-style-type: none"> <li>• Good Governance</li> <li>• Cybersecurity and Data Privacy</li> </ul>
FOCUS AREAS			
ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>• Thriving communities begin with strong economies.</li> <li>• Our dedication to financial performance, addressing indirect economic impacts, and responsible supply chain management all contribute to sustainable economic growth that benefits society at large.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimising ecological footprint.</li> <li>• By ensuring responsible production and delivery of products and services, focusing on energy efficiency, reducing air emissions, optimising water consumption, and implementing robust waste management practices, we aim to protect biodiversity and contribute to a healthier planet.</li> </ul>	<ul style="list-style-type: none"> <li>• Empowering workforce and supporting the community are at the heart of our social responsibilities.</li> <li>• We uphold high standards in occupational safety and health, embrace diversity, follow ethical labor practices and standards, and actively engage with our local communities to create positive social impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical governance.</li> <li>• We foster good governance practices, ensuring transparency, accountability, and responsibility. We uphold strict privacy policies, abhor corruption, and stand firm against any unethical behavior. Our commitment to ethical conduct shapes our interactions with stakeholders and strengthens our reputation.</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

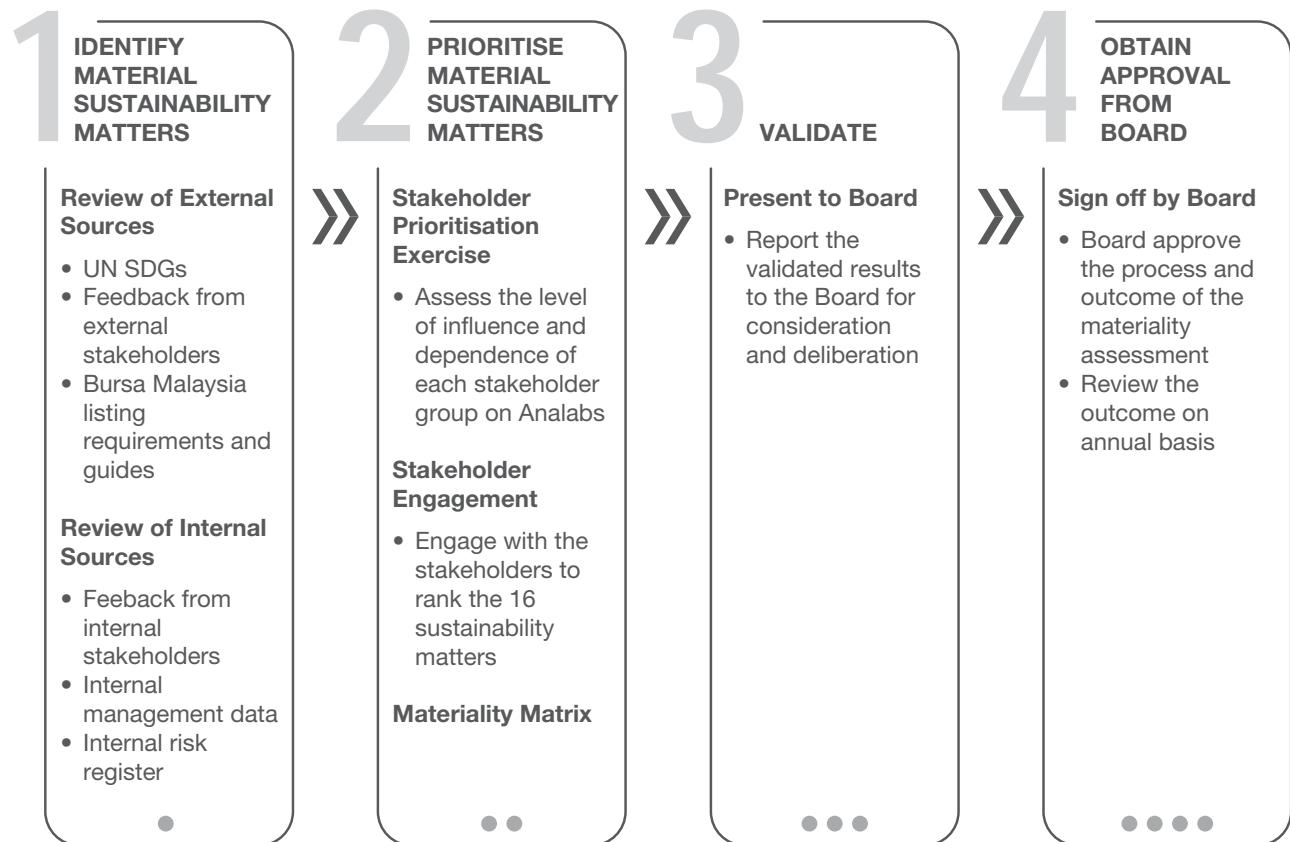
## STRATEGIES AND DIRECTIONS

Despite the challenging operating environment, Analabs remains prudent and focused on delivering sustainable, quality growth, while remaining vigilant of emerging risks. The Group continues to implement ongoing enhancements in production efficiency, cost optimisation, and overhead management to strengthen operational resilience. We are steadfast in our commitment to achieving our strategic objectives, ensuring that our businesses continue to generate long-term value for both our shareholders and wider stakeholders.

## MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS

Analabs has adopted a materiality assessment process, which is guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits. Our materiality assessment process as illustrated.

In identifying material sustainability matters, Analabs has gathered insights from both internal and external sources, placing particular emphasis on stakeholder feedback. Engaging with our diverse stakeholder groups is fundamental to ensuring our sustainability priorities are aligned with their expectations and concerns. We maintain open and transparent communication through various channels, including web-based platforms, formal meetings, seminars, surveys, and direct in-person interactions. This approach allows us to better understand the evolving needs of our stakeholders and incorporate their input into our decision-making and sustainability strategies.



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## STAKEHOLDER ENGAGEMENT

We define stakeholders as individuals or groups who are impacted by our business decisions and operations, as well as those whose actions and decisions have the potential to influence the growth and sustainability of our business. Our key stakeholder groups include shareholders, regulators, customers, employees, communities, suppliers, and the general public. We maintain regular and meaningful engagement with these stakeholders to ensure that their priorities, concerns, and expectations are clearly understood and effectively aligned with our business strategies and practices. This engagement plays a critical role in shaping our sustainability agenda and driving long-term value creation.

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address.

Key Stakeholder	Engagement Platform	Engagement Focus & Objective	Our Initiative & Achievement
<b>Shareholders</b>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>• Statutory announcement</li> <li>• One-on-one and group meetings</li> </ul> <p><b>Quarterly</b></p> <ul style="list-style-type: none"> <li>• Financial reports and announcements</li> </ul> <p><b>Annually</b></p> <ul style="list-style-type: none"> <li>• General Meetings</li> <li>• Annual reports</li> <li>• Corporate announcements</li> <li>• ICDM Director Training</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains proactive engagement with investors</li> <li>• Communicates effectively with the investment community on various topics, including: <ul style="list-style-type: none"> <li>◦ Sustainable and responsible investing initiatives</li> <li>◦ Expansion plans and strategies</li> <li>◦ Business risk assessments</li> <li>◦ Compliance, integrity, and ethical business conduct practices</li> </ul> </li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>• We disclose the Company's information on the website to keep all stakeholders aware of the latest news of the Company</li> <li>• Oversees effective communication of business strategies and prudent risk management practices</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>• Manages timely and transparent communication</li> <li>• Quarterly financial results announcement on Bursa Malaysia</li> <li>• Annual public action of AGM notice in local newspapers</li> <li>• Adherence to reporting deadlines</li> <li>• Attend ICDM Director Training - Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
<b>Regulators and Government Authorities</b>	<p><b>As needed</b></p> <ul style="list-style-type: none"> <li>• Scheduled/ad-hoc meetings</li> </ul> <p><b>Regularly</b></p> <ul style="list-style-type: none"> <li>• Participation in government and regulatory events</li> </ul> <p><b>Yearly</b></p> <ul style="list-style-type: none"> <li>• Renewal of various licenses/permits</li> <li>• Formal meetings or visits</li> <li>• Licensing audits and inspections</li> <li>• Performance and monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures legal and regulatory compliance</li> <li>• Maintains adherence to all applicable requirements</li> <li>• Interprets and applies relevant laws, regulations, and guidelines</li> <li>• Fosters continuous engagement with stakeholders through formal and informal channels</li> <li>• Supports initiatives like the Corporate Integrity Pledge</li> <li>• Manages matters related to special industrial tariffs</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>• Conducts training sessions for staff on updated rules and regulations</li> <li>• Utilises various communication channels, such as WhatsApp groups, to disseminate compliance information</li> <li>• Ensures adherence to local authority regulations through various means, including: <ul style="list-style-type: none"> <li>• Meetings and briefings</li> <li>• Site visits</li> </ul> </li> <li>• Obtaining and maintaining authorisations and licenses to operate</li> <li>• Compliance with legislation, rules and regulations</li> <li>• License for Bomba Competent Person</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## STAKEHOLDER ENGAGEMENT (CONT'D)

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address. (Cont'd)

<b>Key Stakeholder</b>	<b>Engagement Platform</b>	<b>Engagement Focus &amp; Objective</b>	<b>Our Initiative &amp; Achievement</b>
<b>Regulators and Government Authorities (Cont'd)</b>			<p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Secured licenses for Certified Environmental Professional in the Operation of Industrial Effluent Treatment System (CePIETSO) and Certified Environmental Professional in Scheduled Waste Management (CePSWAM)</li> <li>Approved License for JKPP</li> <li>Approved License for LMW (Custom) &amp; Trial for Smart GPB</li> <li>Utilise various communication channels, such as WhatsApp groups, to disseminate compliance information within our management</li> <li>OSHC Compliance (Occupational Safety and Health Coordinator)</li> </ul>
<b>Customers</b>	<p><b>Immediately</b></p> <ul style="list-style-type: none"> <li>Customer support channels</li> <li>Customer complaint management</li> <li>Customer feedback management</li> </ul> <p><b>Yearly</b></p> <ul style="list-style-type: none"> <li>Events and engagement sessions</li> <li>Market research and products innovation</li> <li>Customer Satisfaction Survey</li> <li>Site visit</li> </ul>	<ul style="list-style-type: none"> <li>Enhances customer experience</li> <li>Improves response quality and accuracy for all customer inquiries</li> <li>Gathers and utilises customer feedback</li> <li>Regularly review customer feedback to identify areas for improvement</li> <li>Maintains open communication and engagement</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>Regularly review and update pricing strategies to maintain market competitiveness</li> <li>Gathers customer feedback through various channels</li> <li>Analyses customer feedback to identify areas for improvement and attract new customers</li> <li>Implements cost-optimisation strategies while maintaining customer satisfaction</li> <li>Product and service quality</li> <li>Competitive pricing</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Actively respond to customer reviews through verbal communication</li> <li>Conducts internal progress meetings to address product quality and customer needs based on feedback</li> <li>Regularly review and update pricing strategies to maintain market competitiveness</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## STAKEHOLDER ENGAGEMENT (CONT'D)

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address. (Cont'd)

Key Stakeholder	Engagement Platform	Engagement Focus & Objective	Our Initiative & Achievement
Employees	<b>As needed</b> <ul style="list-style-type: none"> <li>Internal communications</li> <li>Workshop and training</li> <li>Employee engagement events</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>Training and development</li> <li>Employee feedback survey</li> <li>Employee performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement and development</li> <li>Develops and manages effective performance management systems</li> <li>Administers staff remuneration and benefits packages</li> <li>Promotes employee well-being through various initiatives</li> <li>Addresses operational performance issues and maintain efficient functioning</li> <li>Manages employee welfare and benefits programs</li> <li>Human Resource Management</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>Implements employee induction programs</li> <li>Conducts employee appraisals and set performance targets/KPIs</li> <li>Organises various employee engagement activities, such as annual dinners, to boost morale and productivity</li> <li>Provides special lunch for all production staff</li> <li>Organises team building, annual local trips and overseas trips</li> <li>Compliance with JKKP Mandatory for NOISE, CHRA &amp; Hazard exposure</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Training on e-invoicing, tax audits and investigation, presentation and disclosure of information in financial statements for the finance team</li> <li>Workplace safety by providing fire safety training, drills, and necessary equipment by JKKP</li> <li>Zero accident</li> <li>Provide lunch for production staffs</li> <li>Organises team building, annual local and overseas trips</li> </ul>
Community	<b>As needed</b> <ul style="list-style-type: none"> <li>Strategic and ad-hoc meetings/visits</li> </ul> <b>Yearly</b> <ul style="list-style-type: none"> <li>CSR events</li> <li>Community development program</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement and social responsibility</li> <li>Manages sponsorship and donation requests</li> <li>Addresses social requirements and concerns regarding specific programs</li> <li>Community investment and development initiatives</li> <li>Promotes awareness and understanding of social and environmental responsibility within the organisation and among stakeholders</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>CSR events</li> <li>Participate in Safety and environmental activities</li> <li>Participate sponsorship and donation programs</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>Promote awareness and understanding of social and environmental responsibility within the organisation</li> <li>Clean public drainage to avoid flood</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## STAKEHOLDER ENGAGEMENT (CONT'D)

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest that we seek to address. (Cont'd)

<b>Key Stakeholder</b>	<b>Engagement Platform</b>	<b>Engagement Focus &amp; Objective</b>	<b>Our Initiative &amp; Achievement</b>
<b>Suppliers</b>	<b>As needed</b> <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Regular visit</li> </ul> <b>Annually</b> <ul style="list-style-type: none"> <li>• Supplier assessment/ performance appraisals</li> <li>• Supplier briefing programmes</li> <li>• Supplier relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical procurement and supplier management</li> <li>• Maintains compliance with ethical business conduct practices throughout the supply chain</li> <li>• Engages regularly with suppliers and subcontractors to understand their needs and concerns</li> <li>• Effectively manage the supply chain for optimal efficiency and responsible sourcing</li> <li>• Develops strategic partnerships with key suppliers for mutual benefit</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>• Maintains regular communication with suppliers to ensure timely deliveries and adherence to requirements</li> <li>• Evaluates the quality of services provided by suppliers, including material continuity and quality</li> <li>• Upholds high standards of code of conduct and business ethics in all aspects of procurement</li> <li>• Fosters open communication through supplier or contractor discussions</li> <li>• Implements sound payment practices and ensure vendor performance meets expectations</li> <li>• Conducts regular supplier assessments to evaluate ethical alignment and performance</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>• We have maintained good relationship with suppliers</li> </ul>
<b>General Public</b>	<b>Regularly</b> <ul style="list-style-type: none"> <li>• Company Website</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Corporate Governance</li> </ul>	<p><b>Initiative</b></p> <ul style="list-style-type: none"> <li>• We disclose the Company information on the website to keep all stakeholders aware of the latest news of the Company</li> </ul> <p><b>Achievement</b></p> <ul style="list-style-type: none"> <li>• Maintains the Company website at <a href="https://www.analabs.com.my">https://www.analabs.com.my</a> to do timely announcement to communicate with our shareholders.</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

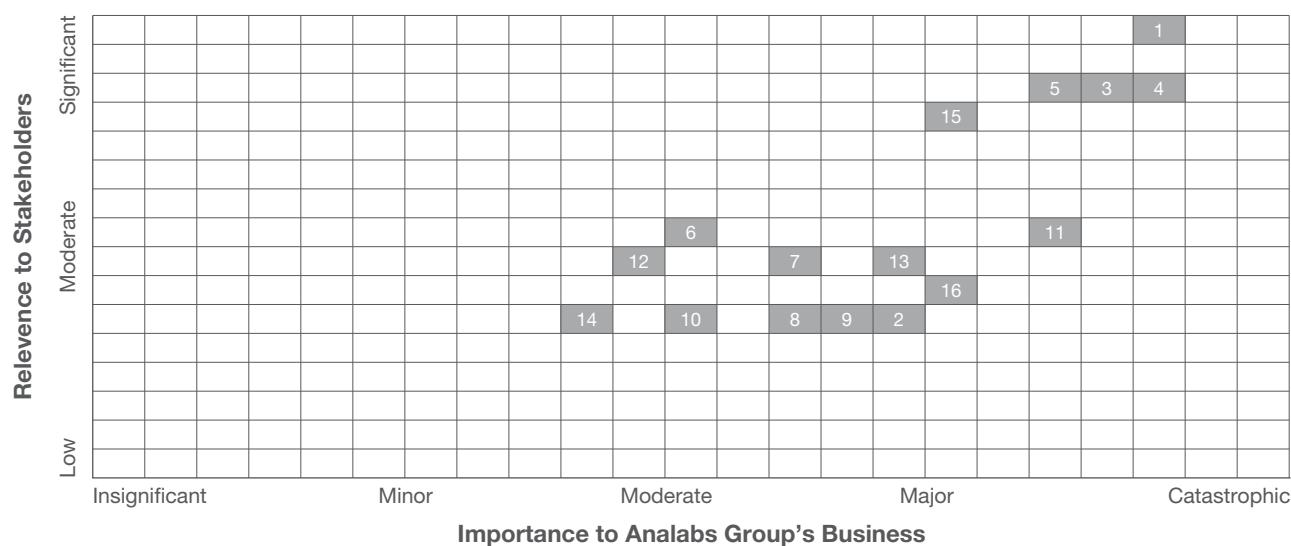
## MATERIAL MATTERS

Material sustainability matters are identified through comprehensive reviews and assessments of the operational context and strategic priorities of each subsidiary, conducted by the SC. This process takes into account the expectations and requirements of relevant stakeholders and considers both internal and external risks and opportunities that are critical to the long-term growth, resilience, and continuous improvement of Analabs.

For FY 2025, a total of sixteen (16) material sustainability matters were identified and prioritised. These matters are presented in a materiality matrix, which visually represents their relative significance based on two key dimensions: their impact on the Group's business success and their relevance to stakeholders. While there were no major changes to the material topics compared to the previous year, the Group incorporated the common sustainability matters outlined in Annexure PN9-A under Practice Note 9 of the Main Market Listing Requirements ("MMLR") as part of the ongoing alignment with regulatory expectations.

The materiality assessment is prepared by the SC and subsequently reviewed and approved by the Board of Directors, along with the corresponding performance targets and monitoring mechanisms. This process ensures that the Group remains focused on issues that are most critical to its stakeholders and sustainability objectives.

**Materiality Matrix**



**Importance to Analabs Group's Business**



### ECONOMIC

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



### ENVIRONMENT

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



### SOCIAL

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



### GOVERNANCE

15. Good Governance
16. Cybersecurity and Data Privacy

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd



## ECONOMIC

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### 1. Financial Performance

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

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

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

Analabs Group's financial performance highlights for the financial year ended 30 April 2025 and its comparatives for the previous financial years are as follows:-

Year Ended 30 April	2022	2023	2024	2025
Turnover (RM'000)	116,246	133,359	152,465	138,316
Profit After Taxation (RM'000)	41,826	31,198	30,291	41,691
Profit Attributable to Shareholders (RM'000)	34,592	28,287	27,659	37,888
Net Earnings Per Share (Sen)	31.76	25.97	25.39	34.78
Net Assets (RM'000)	333,821	355,925	443,924	488,717
Net Assets Per Share (RM)	3.06	3.26	4.08	4.49
Payment to Shareholders (Dividend) (RM'000)	2,179	2,179	2,288	4,357
Dividend Per Share (Sen)	2.00	2.00	2.10	4.00

### 2. Indirect Economic Impact

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

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

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

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ECONOMIC (CONT'D)

### 2. Indirect Economic Impact (Cont'd)

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



GCTB-0068-QC  
ISO 9001:2015



GCTB-0068-EC  
ISO 14001:2015



GCTB-0068-OHC  
ISO 45001:2018

### 3. Supply Chain Management

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

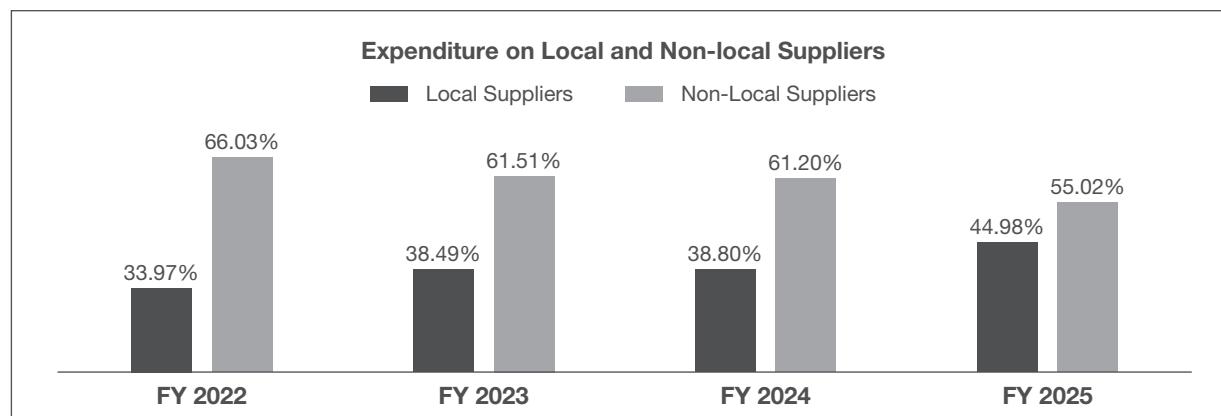
Analabs Group is dedicated to maintaining an ethical supply chain through robust governance and strong cooperation with our suppliers. At Analabs Group, all suppliers are treated fairly, and employees are trained to act in the best interest of the organisation. Our employees are also required to adhere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

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

The Group actively supports local procurement and engages with local suppliers whenever possible to bolster the domestic economy, promote local community development, and minimise environmental impacts stemming from our business activities with suppliers by sourcing materials locally.

In FY 2025, we allocated RM32.2 million, or 45.0%, of our total procurement expenditure to local suppliers, while RM39.4 million, or 55.0%, was spent on non-local suppliers. This total procurement expenditure amounted to RM71.6 million for the current year. The proportion of expenditure on local suppliers in FY 2025 was higher compared to FY 2024, FY2023 and FY 2022.

The expenditure on local suppliers and non-local supplier as chart below:-



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ECONOMIC (CONT'D)

### 4. Customer Satisfaction

The Group understands that retaining in the industry and attaining long-term success depend heavily on our ability to satisfy and value our customers. In light of this, we work to raise customer satisfaction by taking into account their input and making sure that all of our goods and services live up to high standards.

Across all of our divisions, some of the most significant material challenges in the marketplace dimension were found to be related to customer's trust and confidence in us. Having a clear understanding of our customers' expectations helps us to operate more profitably and, over time, builds our reputation and brands. Every year, we carry out a survey on customers satisfaction. The input we receive helps us understand what our customers want, which helps us to create and provide better products and services.

	FY 2022	FY 2023	FY 2024	FY 2025
Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	N/A	N/A	N/A
Customer satisfaction scores (%)	79.8	78.5	88.1	88.5
Customer complaints received (retail)	20	49	26	14
Customer complaints resolved (retail)	20	49	26	14
Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	N/A	N/A	N/A
Total number of identified leaks, thefts, or losses of customer data	N/A	N/A	N/A	N/A
Number of complaints from regulatory bodies	N/A	N/A	N/A	N/A



## ENVIRONMENTAL

### 5. Product and Services Responsibility

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

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

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

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

Attaining FSC certification entails Coveright sourcing materials from FSC-certified forests, engaging in recycling and utilising controlled sources, and adhering to FSC-defined best practices throughout the supply chain. In FY 2025, the Company sourced approximately 82.0% of its paper supplies from FSC-certified suppliers. (FY 2024 - 75.3%).



Coveright - FSC Certificate

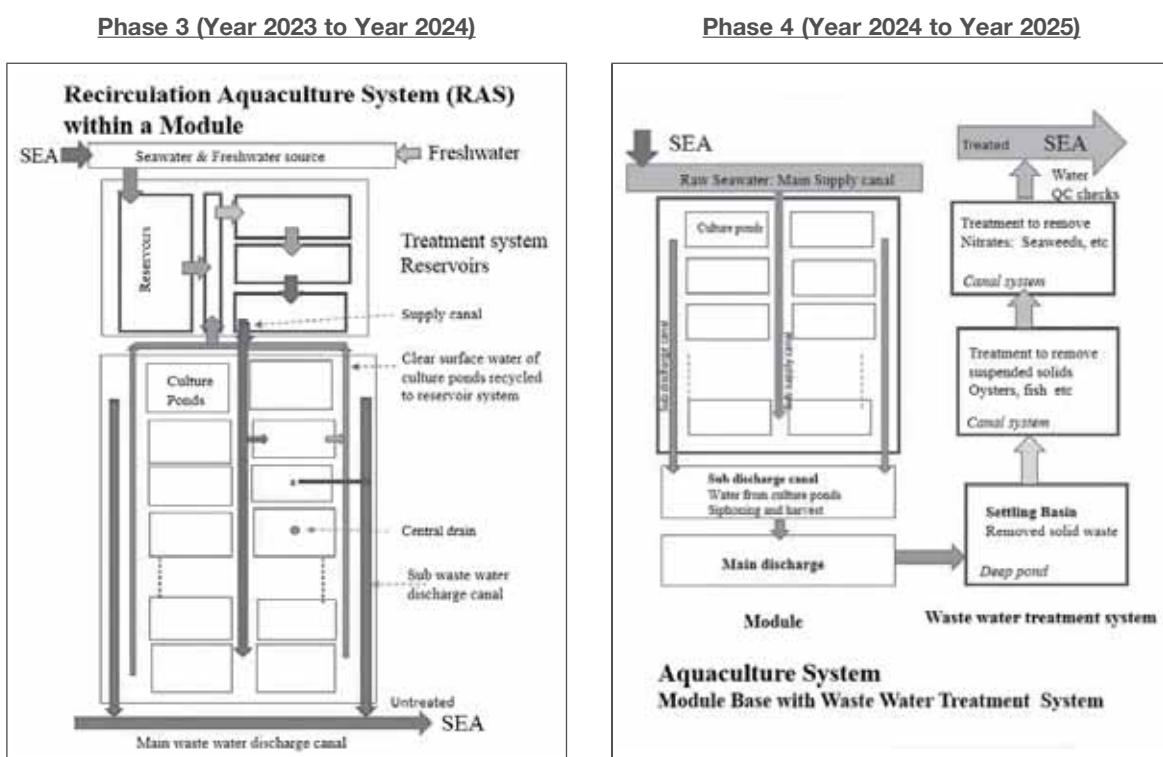
# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 5. Product and Services Responsibility (Cont'd)

#### (II) Sustainable Aquaculture with Recirculating Aquaculture System (RAS)



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

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

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

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

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 6. Energy Efficiency

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

#### a) Renewable Energy - Solar Power



*Coveright - Solar Power System*

Towards the end of FY 2022, Coveright made a shift to solar energy by installing a 613.36kW solar system in our factory located in Klang, Selangor. Energy produced from the solar project is supplied to Tenaga Nasional Berhad (TNB) under the Net Energy Metering (NEM) scheme.

In FY 2023, the solar power system generated about 669,597 kWh of energy (FY 2022 - 146,000 kWh). It resulted in RM23,518 (FY 2022 - RM11,178) worth of electricity sold to TNB.

In FY 2024, the solar power system generated 589,518 kWh of energy. Coveright has also sold to TNB about 99,111 kWh of energy which was higher compared to FY 2023.

In FY 2025, the solar power system generated 652,514 kWh of energy. Coveright has also sold to TNB about 65,388 kWh of energy which was lower compared to FY 2024.

In FY 2025, Coveright's Solar Power generated as shown below:-

	FY 2022	FY 2023	FY 2024	FY 2025
Solar Power Generated (kWh)	146,000	669,597	589,518	652,514
Worth of Electricity Sold to TNB (RM)	11,178	23,518	35,184	23,213

# CORPORATE SUSTAINABILITY STATEMENT

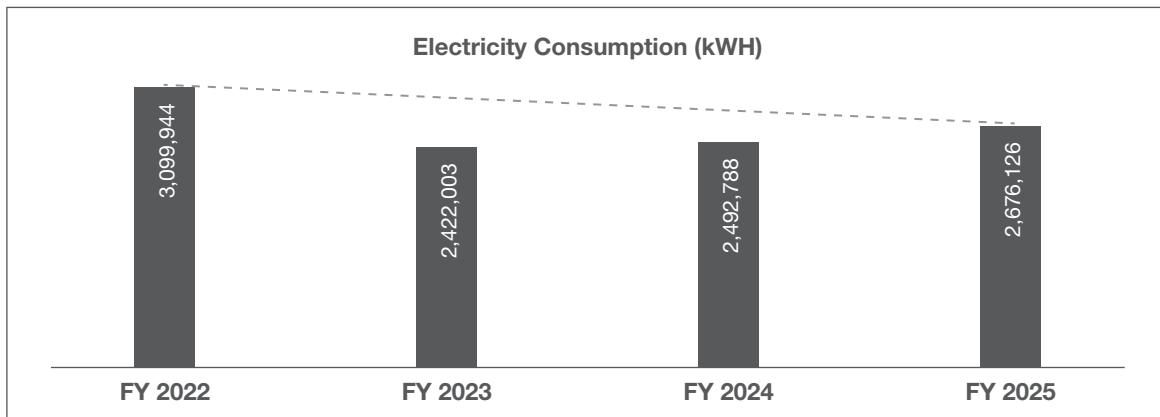
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## ENVIRONMENTAL (CONT'D)

### 6. Energy Efficiency (Cont'd)

#### b) Electricity Consumption

The Group's electricity consumption as chart below:-



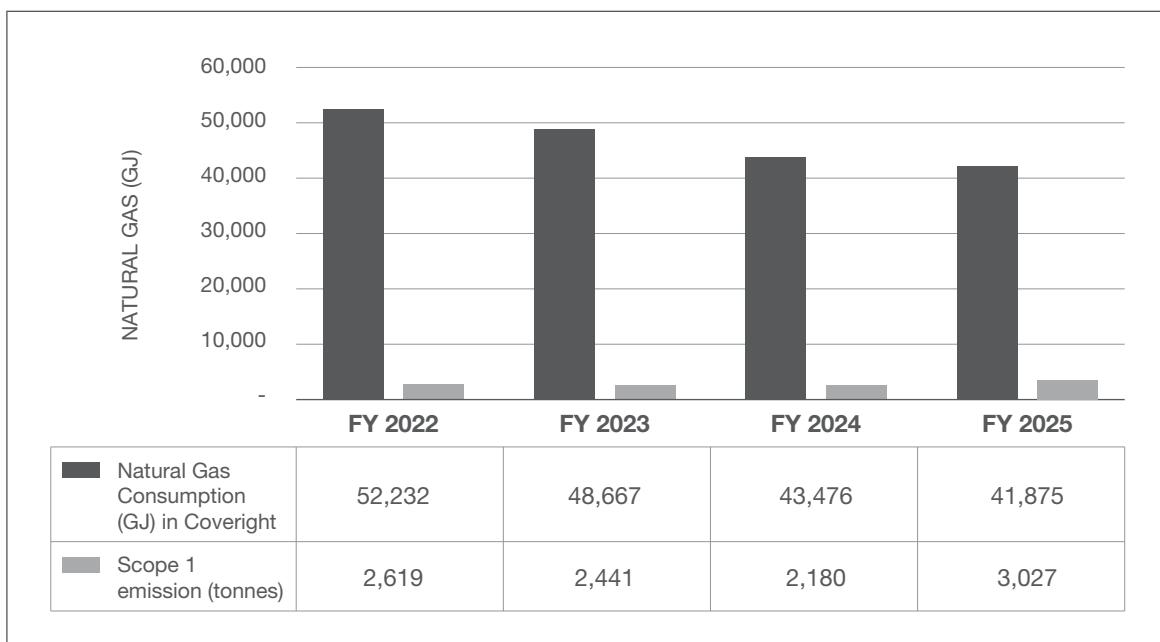
We understand that energy management is essential for combating climate change and for lowering an organisation's overall environmental footprint. Our electricity supply is from the local supply, and we aim to minimise energy usage.

Analabs Group have shown slightly increased to 2,676,126 kWh (FY 2024 - 2,492,788 kWh).

#### c) Natural Gas Consumption

To recover heat energy from exhaust air, Coveright also installed a heat recovery system on an impregnation machine. We can reduce gas to heat our treater to the target temperature because the recovery system provides a steady supply of hot air. The system's filtration enhances the quality of the air.

The Coveright's natural gas consumption as chart below:-



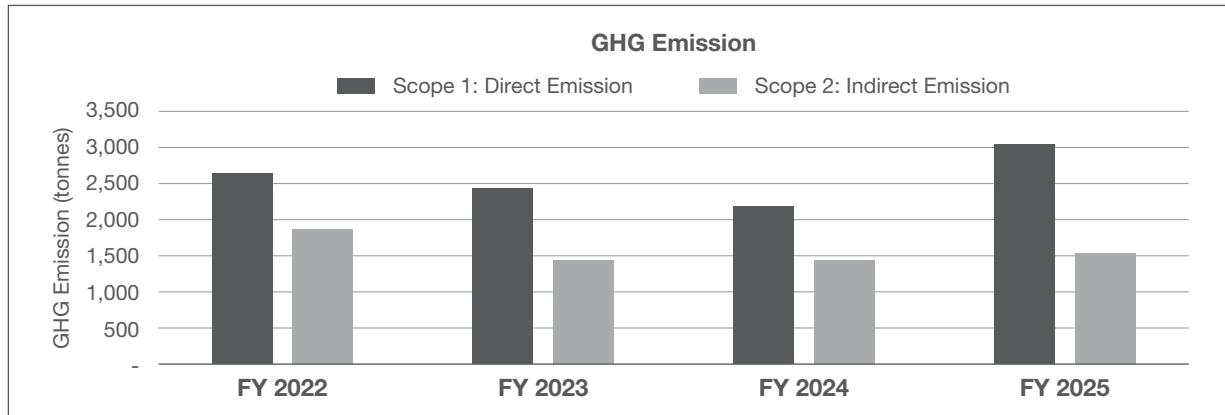
# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 7. Air Emission

The direct combustion of fossil fuels like natural gas (Scope 1) and the acquisition of electricity (Scope 2) are Analabs Group's primary sources of emissions. According to Coveright's data on bought electricity and natural gas use, the associated Scope 1 and Scope 2 emissions for FY 2025 are as follows:-



Conversion of GHG Emission is based on the website below:-

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

In addition to greenhouse gas emissions, our manufacturing plant which is managed by Coveright also emitted other physical and chemical emission. Coveright engaged third parties to analyse dust, heavy metals, and air emissions. Based on the air emission test results for the years 2025, the discharge of hazardous substances was within the limits of the Malaysian Environment Quality (Clean Air) Regulation 2014, as shown in the table below.

Coveright			2021	2022	2024	2025	Malaysian Clean Air Regulation
Test Parameter		Unit	Result	Result	Result	Result	
Isokinetic Dust (Particulates)	Dust	mg/m³	25.24 - 35.75	31.57 - 38.28	1.70 - 5.20	1.70 - 3.10	50
Oxides of Nitrogen	Nox	mg/m³	12.69 - 16.52	10.04 - 17.57	<1	<1	400
Sulfuric Acid	H₂SO₄	mg/m³	<1	<1	<1	<1	5.0
Hydrogen Sulphide	H₂S	mg/m³	<0.01	<0.01	<0.02	<0.02	5.0
Hydrofluoric Chloride	HCl	mg/m³	<5	<5	<1	<1	5.0
Chlorine Gas	Cl₂	mg/m³	<1	<1	<1	<1	5.0
Copper	Cu	mg/m³	<1	<1	<1	<1	5.0
Zinc	Zn	mg/m³	<0.1	<0.1	<0.01	<0.01	5.0
Arsenic	As	mg/m³	<0.1	<0.1	<0.01	<0.01	0.2
Antimony	Sb	mg/m³	<0.1	<0.1	<0.01	<0.01	5.0
Lead	Pb	mg/m³	<0.1	<0.1	<0.01	<0.01	1.0
Cadmium	Cd	mg/m³	<0.1	<0.1	<0.01	<0.01	0.2
Mercury	Hg	mg/m³	<0.1	<0.1	<0.01	<0.01	0.2
Flue Velocity		m/s	12.8 - 17.1	9.82 - 11.53	N/A	N/A	N/A
Moisture Content			11.4% - 13.7%	2.7% - 3.60%	N/A	N/A	N/A
Dark Smoke			Not exceeding ringlemann chart No.1				

Notes: Test was conducted by Spectroscience Laboratories Sdn Bhd. (FY 2021 & FY 2022)

Test was conducted by Chemvi Laboratory Sdn Bhd. (FY 2024 & FY 2025)

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 7. Air Emission (Cont'd)

In addition to greenhouse gas emissions, our manufacturing plant which is managed by Coveright also emitted other physical and chemical emission. Coveright engaged third parties to analyse dust, heavy metals, and air emissions. Based on the air emission test results for the years 2025, the discharge of hazardous substances was within the limits of the Malaysian Environment Quality (Clean Air) Regulation 2014, as shown in the table below. (Cont'd)

Ringlemann 0	0% opacity - clear	
Ringlemann 1	20% opacity - barely visible	
Ringlemann 2	40% opacity - clearly visible	
Ringlemann 3	60% opacity - somewhat transparent	
Ringlemann 4	80% opacity - barely transparent	
Ringlemann 5	100% opacity - black	

*Ringlemann Scale Table*

For another subsidiary, Resources Conservation Sdn. Bhd. ("RCSB") which is environmentally related business nature also contribute to maintain clean air. RCSB has done Environmental Air Quality Monitoring on yearly basis which is required to monitor Particulate Matter size and other substances in the air.

Project Ref: Environmental Air Monitoring

Analysis results monitored at **Point A1** on **05<sup>th</sup> AUGUST 2024 – 06<sup>th</sup> AUGUST 2024**

Test Parameter	Sampling Time	Result	*Malaysian Guidelines	Compliance Against Limit (Yes/No)
Particulate Matter, (PM10)	05/08/2024 - 06/08/2024 07:00 am - 07:00 am	29 $\mu\text{g}/\text{m}^3$	100 $\mu\text{g}/\text{m}^3$	YES
Particulate Matter, (PM2.5)	05/08/2024 - 06/08/2024 07:00 am - 07:00 am	9 $\mu\text{g}/\text{m}^3$	35 $\mu\text{g}/\text{m}^3$	YES
Sulphur Dioxide (SO <sub>2</sub> )	05/08/2024 - 06/08/2024 07:00 am - 07:00 am	ND (<5) $\mu\text{g}/\text{m}^3$	80 $\mu\text{g}/\text{m}^3$	YES
Nitrogen Dioxide (NO <sub>2</sub> )	05/08/2024 - 06/08/2024 07:00 am - 07:00 am	ND (<5) $\mu\text{g}/\text{m}^3$	70 $\mu\text{g}/\text{m}^3$	YES
Carbon Monoxide (CO)	05/08/2024 10:15 am - 06:15 pm	ND (<2) $\mu\text{g}/\text{m}^3$	10 mg/L	YES
Ozone (O <sub>3</sub> )	05/08/2024 09:45 am - 05:45 pm	ND (<10) $\mu\text{g}/\text{m}^3$	100 $\mu\text{g}/\text{m}^3$	YES

*RCSB Air Monitoring Result*

# **CORPORATE SUSTAINABILITY STATEMENT**

Cont'd

## **ENVIRONMENTAL (CONT'D)**

### **7. Air Emission (Cont'd)**

Based on the results, both companies have complied with the New Malaysia Ambient Air Quality Standard.

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

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

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

Analabs Group continues to use observations, management input, and audits of its Integrated Management System (IMS) to track the success of its environmental management program.

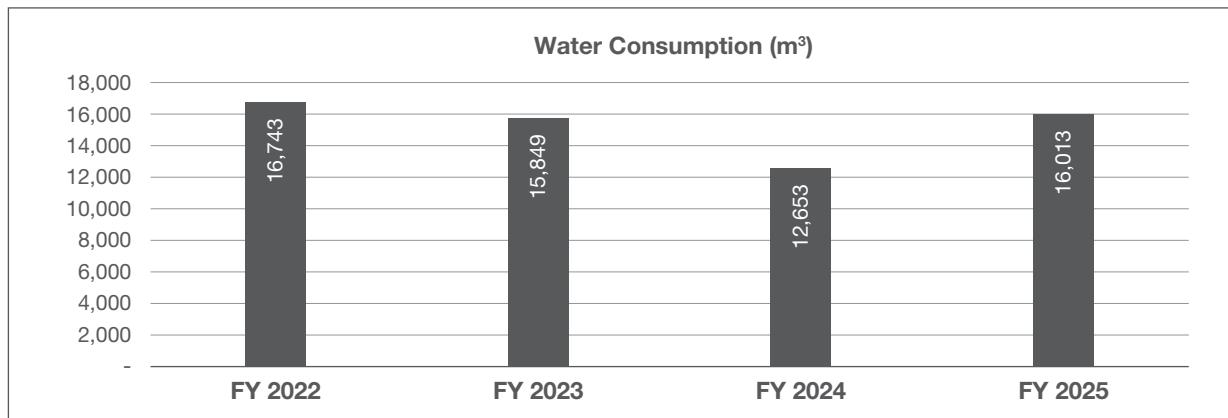
### **8. Water Consumption**

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

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

In FY 2025, the water consumption of the group was 16,013m<sup>3</sup> (FY 2024 - 12,653m<sup>3</sup>).

The water consumption of Coveright was increased based on chart below:-



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 9. Waste Management

#### *Scheduled Waste Recycling*

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

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



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



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

# CORPORATE SUSTAINABILITY STATEMENT

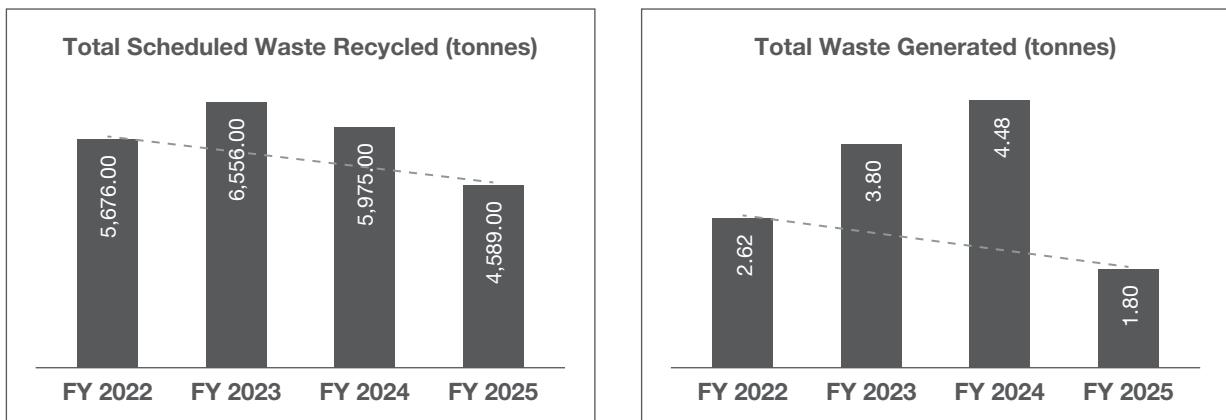
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## ENVIRONMENTAL (CONT'D)

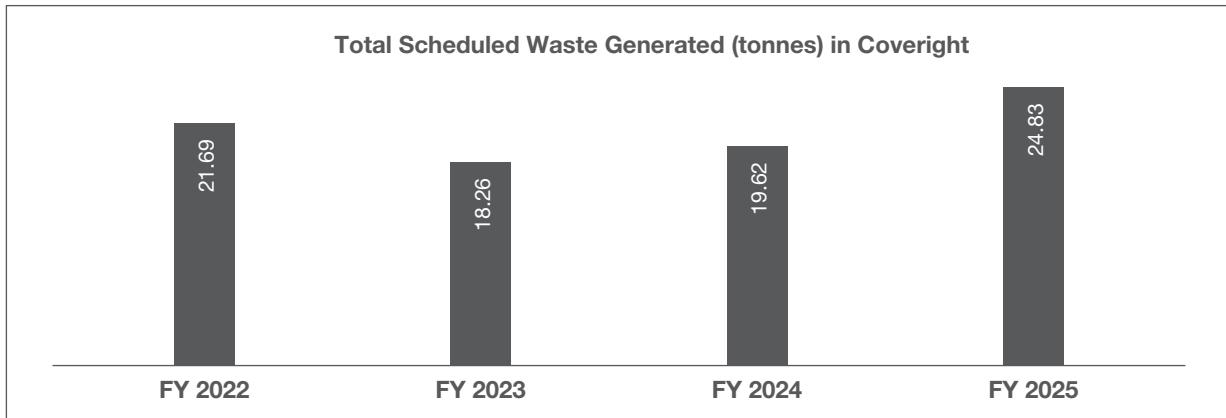
### 9. Waste Management (Cont'd)

#### *Scheduled Waste Recycling (Cont'd)*

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



In FY 2025, the total scheduled waste recycled by recycling industry decreased by 23.2% compared to FY 2024, aligned with the low market demand. It was decrease from 5,975 tonnes to 4,589 tonnes. Total waste generated decreased from 4.48 tonnes to 1.80 tonnes. The chart above showcases the total scheduled waste recycled and waste generated by recycling industry for four consecutive FYs from FY 2022 to FY 2025.



For scheduled waste generated internally, Coveright aims to reduce the scheduled solid waste generated from impregnated decorative surfacing films. Throughout the year, Coveright undertook the following initiatives to achieve the desired target:

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

In FY 2025, scheduled waste generated by Coveright increased by 5.21 tonnes to 24.83 tonnes. On average, Coveright generated about 0.86 tonnes of scheduled waste for every 1 million sqm of surfacing films produced. We will continue to strive persistently to achieve our environmental targets.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 9. Waste Management (Cont'd)

#### *Industrial Effluent Discharge Monitoring*

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

Appended below are the analysis results for the last 3 months of FY 2025, FY 2024, FY 2023 and FY 2022:-

Reporting month	Test parameter	FY 2025			Standard B
		Methods	Apr-25	Mar-25	
pH (Lab)	APHA 4500 H+B	7.77 at 26.6 c	7.39 at 27.0 c	7.10 at 28.0 c	5.5 - 9.0
COD, mg/l	APHA 5220 C	22	9	10	200
BOD*5 days @ 20°C, mg/l	APHA 5210 B	6	ND (<5)	ND (<5)	50
Total suspended solids, mg/l	APHA 2540 D	9	8	9	100
Fluoride, mg/l	APHA 4500 F - D	1.27	ND (<0.05)	0.11	5
Copper (Cu), mg/l	APHA 3120 B	ND (<0.001)	0.03	ND (<0.001)	1
Nickel (Ni), mg/l	APHA 3120 B	ND (<0.001)	0.02	ND (<0.001)	1
Iron (Fe), mg/l	APHA 3120 B	0.001	ND (<0.001)	ND (<0.001)	5
Manganese (Mn), mg/l	APHA 3120 B	ND (<0.001)	0.01	0.005	1
Zinc (Zn), mg/l	APHA 3120 B	0.03	0.03	ND (<0.001)	2
Color, ADMI (original pH)	APHA 2120 F	15	ND (<10)	ND (<10)	200
Color, ADMI (pH adjusted @ 7)	APHA 2120 F	15	ND (<10)	ND (<10)	200
# Free Chlorine (Cl <sub>2</sub> ), mg/l	APHA 4500 Cl F	ND (<0.1)	ND (<0.1)	ND (<0.1)	2

Reporting month	Test parameter	FY 2024			Standard B
		Methods	Apr-24	Mar-24	
pH (Lab)	APHA 4500 H+B	6.56 at 27.8 c	6.05 at 27.9 c	7.48 at 28.5 c	5.5 - 9.0
COD, mg/l	APHA 5220 C	16	9	13	200
BOD*5 days @ 20°C, mg/l	APHA 5210 B	5	ND (<5)	ND(<5)	50
Total suspended solids, mg/l	APHA 2540 D	9	8	8	100
Fluoride, mg/l	APHA 4500 F - D	ND (<0.01)	0.11	ND (<0.05)	5
Copper (Cu), mg/l	APHA 3120 B	ND (<0.001)	0.001	0.03	1
Nickel (Ni), mg/l	APHA 3120 B	ND (<0.001)	0.01	0.002	1
Iron (Fe), mg/l	APHA 3120 B	0.13	0.01	0.06	5
Manganese (Mn), mg/l	APHA 3120 B	0.04	0.01	0.03	1
Zinc (Zn), mg/l	APHA 3120 B	0.21	0.37	0.17	2
Color, ADMI (original pH)	APHA 2120 F	13	ND (<10)	ND (<10)	200
Color, ADMI (pH adjusted @ 7)	APHA 2120 F	13	ND (<10)	ND (<10)	200
# Free Chlorine (Cl <sub>2</sub> ), mg/l	APHA 4500 Cl F	ND (<0.1)	ND (<0.1)	ND (<0.1)	2

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 9. Waste Management (Cont'd)

#### *Industrial Effluent Discharge Monitoring (Cont'd)*

Appended below are the analysis results for the last 3 months of FY 2025, FY 2024, FY 2023 and FY 2022:- (Cont'd)

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

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

Notes:

ND - not detected.

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

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

# - holding time for the analysis was exceeded.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENTAL (CONT'D)

### 10. Biodiversity

Mangroves play a crucial role in the fight against climate change due to their estimated effectiveness, which can be up to four times greater than most other forests, in absorbing and storing greenhouse gases. As part of our efforts to combat the climate crisis, we planted 150 mangrove trees along the riverbanks adjacent to our prawn farms as at FY 2025. This initiative reflects our commitment to addressing the climate crisis through proactive actions.

	FY 2022	FY 2023	FY 2024	FY 2025
Number of Tree Planted	-	100	150	150

Mangroves are incredibly valuable in the fight against climate change. We have planted mangrove trees to protect coastlines from erosion, support biodiversity, and can even help improve water quality.



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd



## SOCIAL

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### 11. Occupational Safety and Health

Maintaining a safe work environment is not only a legal necessity, but also critical to Analabs Group's long-term success. By implementing safety and health practices, we can retain employees, reduce injuries and illnesses, boost operational efficiency, and ultimately safeguard our reputation and profitability.

Safety and health are top priorities at Analabs Group. We are firmly committed to continuously improving our safety and health practices in order to eliminate zero work-related fatalities and provide a secure working environment for all our employees.

Coveright has established an in-house Occupational Health, Safety, and Environment ("OHSE") committee that meets monthly to oversee related initiatives. Each committee meeting includes representatives from both employers and employees, addressing topics such as safety and health concerns, safety improvement programs, and recent accident statistics.

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

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

Coveright has established an Emergency Response Team ("ERT") to manage emergencies and ensure employee safety during critical events such as fires, floods, and chemical spills. During the reviewed financial year, the Company reported zero Lost-Time Accidents ("LTA") and Lost-Time Injuries ("LTI"). Additionally, there were no reported work-related fatalities.

	FY 2022	FY 2023	FY 2024	FY 2025
Number of Fatalities	-	-	-	-
Number of Lost Time Injuries	-	-	-	-

Coveright's employees participate in comprehensive annual safety training programs. Internally, the Company's OHSE Committee leads sessions covering emergency procedures and proper use of personal protective equipment. Additionally, Coveright engages external experts to provide extensive briefings on hazardous chemical management, health and safety requirements, and fire prevention, further enhancing safety awareness among staff.

Toh Ban Seng Contractor Pte. Ltd. ("TBS") has a dedicated "Workplace Safety and Health (WSH)" policy specifically tailored for the construction sector. This policy is applicable to all employees, subcontractors, and visitors at TBS, encompassing all worksites and facilities under our control.

TBS is committed to:

- adhering to all relevant workplace safety and health (WSH) laws, regulations, and standards in Singapore;
- continuously enhancing our safety performance and management systems; and
- providing the necessary resources and training to ensure the safety and health of all employees.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 11. Occupational Safety and Health (Cont'd)

We regularly conduct risk assessments to identify potential hazards and implement appropriate control measures to mitigate identified risks. Comprehensive WSH training is provided to all employees, including induction training for new hires, ensuring they are well-versed in emergency procedures and the use of personal protective equipment (PPE).

The WSH committee develops emergency response plans, which are communicated to all site staff. Regular emergency drills and training sessions are conducted on-site to ensure workforce preparedness.

All accidents, injuries, and near misses are reported immediately to supervisors and our in-house Workplace Safety and Health Officer. Thorough investigations are conducted for all incidents to prevent recurrence and implement corrective actions for future prevention.

We conduct quarterly monitoring and reviews of safety performance and compliance, using feedback and incident investigations to continuously improve our safety practices.

In the last reviewed financial year, we are proud to report that there were no work-related major injuries or fatalities.

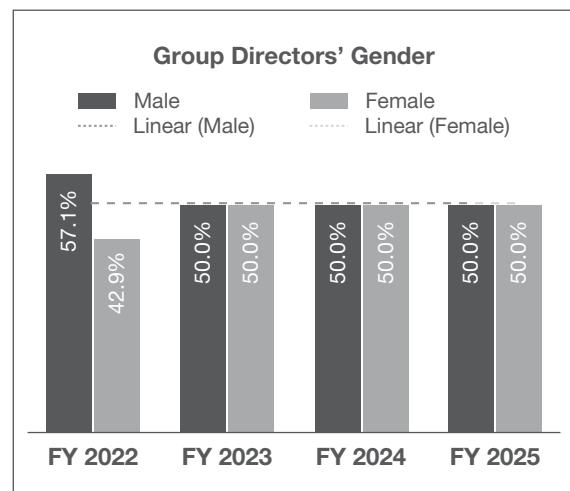
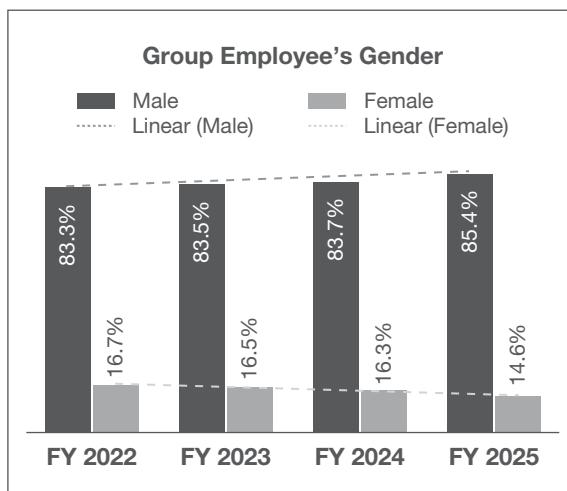
### 12. Diversity

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

#### (a) Gender Diversity

At Analabs Group, the manufacturing, construction, and prawn cultivation segments have been predominantly occupied by males, from leadership roles to operational positions. The male-to-female ratio from 5.9 (male):1 (female) in FY 2025.

We shall persist in our efforts to promote greater female participation in operations and decision-making in order to cultivate a thriving workplace. The proportion of each gender among the Group's workforce, including directors and personnel, is shown below. We also offer a thorough analysis of the Group's directors broken down by gender.



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

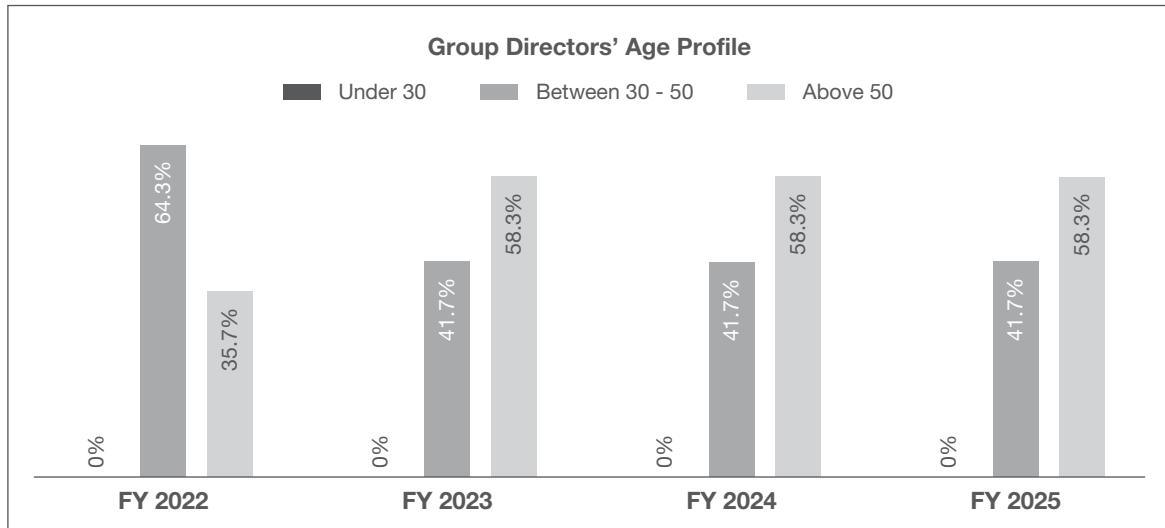
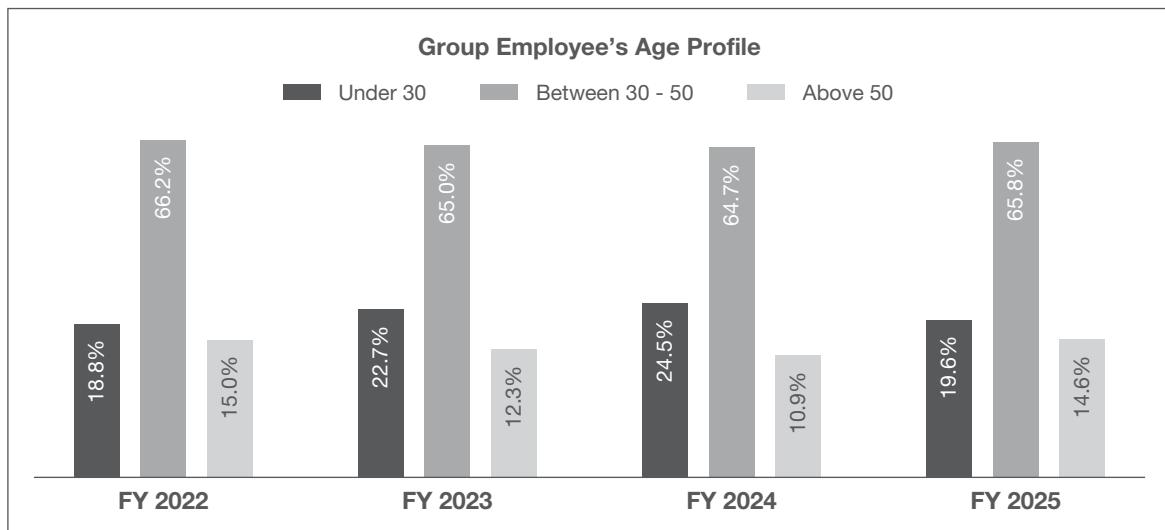
### 12. Diversity (Cont'd)

#### b) Age Diversity

Employees of different ages can contribute different experiences, perspectives, and skill sets to the table, which encourages innovative problem-solving. Experienced workers who contribute to knowledge management at Analabs Group were the majority of those over 50. They fortify the Group's culture and staff loyalty.

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

The percentage distribution of the Group's workforce, which includes both directors and personnel, by age group is shown below. In a similar vein, we offer an extensive analysis of the Group's directors arranged according to age.



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards

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

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

Upskilling & Reskilling Program as below:-

No.	Type of Training/Topic
1	Apply Workplace Safety and Health in Construction Sites
2	Basic Traffic Control Course
3	Confined Space Management
4	Confined Space Rescue Training Singapore
5	Continual Educational Training (CET) - Construction Plant Operation (Non-Lifting)
6	Continual Educational Training (CET) - Reinforced Concrete Works
7	Continual Educational Training (CET) - Joinery Works Multi-Skill
8	Workplace Safety and Health Management in Construction
9	Electrical Wiring Installation - Tradesman
10	Fire Watchman Course
11	Hydraulic Excavator Operation (As Lifting Machine) - Sec(K) Training & Testing
12	Occupational First Aid Course
13	Pcce - Skill Assesment (Tradesmen)
14	Perform Formwork Activities
15	Perform Rigger and Signaller Tasks
16	Perform Work in Confined Space Operation
17	Registered Earthworks Supervisor Course
18	Reinforced Concrete Works
19	Scal Academy Registered Earthworks Supervisor Course
20	Supervise Safe Lifting Operations
21	Supervise Wsh for Formwork Construction
22	Pipe Welding for 6G Welding Tests
23	Emergency Drill - Fire
24	Emergency Response Plan
25	Taklimat Awareness Penggunaan Sistem Smart GPB
26	LHDN E-Invoice
27	E-Invoice Implementation
28	Mandatory Accreditation Programme Part II:leading For Impact (LIP)
29	Seminar Pematuhan Industri Pydt:kelestarian,Kawalan Kendiri & Digitalisasi (E-Swis V.2)
30	Seminar Pengurusan Buangan Terjadual Premis yang Ditetapkan & Sistem E-Swis V.2
31	Occupational Safety and Health Coordinator (OSHC)

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

During FY 2025, Analabs Group provided a total of 868 hours of training (FY 2024 - 457 hours; FY 2023 - 150 hours; FY 2022 - 90 hours).

	FY 2022	FY 2023	FY 2024	FY 2025
Total Training Hours	90	150	457	868
Total Investment	RM18,893.00	RM36,542.90	RM90,531.72	RM90,669.99

Our human resources practises comply with Malaysian Employment and Labour legislation, upholding the highest ethical standards while fostering diversity and inclusivity. Regardless of gender, age, or race, we think it's important to create a work environment where everyone feels empowered and accepted.

We are committed to fostering a positive and engaging work environment through various initiatives as below:-

- Occupational Safety and Health Coordinator (OSHC)



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

We are committed to fostering a positive and engaging work environment through various initiatives as below:-  
(Cont'd)

- Workplace Safety and Health Management in Construction



- Seminar Pengurusan Buangan Terjadual Premis yang Ditetapkan & Sistem E-Swis V.2



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

We are committed to fostering a positive and engaging work environment through various initiatives as below:-  
(Cont'd)

- Seminar Pematuhan Industri Pydt : Kelestarian, Kawalan Kendiri & Digitalisasi (E-Swis V.2)



- Fire Drill Training



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

We are committed to fostering a positive and engaging work environment through various initiatives as below:-  
(Cont'd)

- Group Internal Training



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

#### Team building activities

Encouraging collaboration, communication, and problem-solving skills.



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 13. Labour Practices and Standards (Cont'd)

#### Human Rights

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

The Group adheres to all laws and regulations governed by the Employment (Amendment) Act 2022 and other relevant labour laws in Malaysia, including the Minimum Wages Order 2025.

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

### 14. Community / Society

#### *Knowledge Sharing and Internship as Part of the Community Outreach*

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

#### *Local Communities*

One of the major environmental benefits of drainage is its positive impact on improving the health of humans, plants and farm animals. We managed to train our peoples to clean the public drainage regularly.

#### *Public drainage cleaning activities*



# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 14. Community / Society (Cont'd)

*Local Communities (Cont'd)*

Public drainage cleaning activities (Cont'd)

Before cleaning



After cleaning



Moving forward, Analabs remains steadfast in our commitment to supporting social causes and initiatives that promote sustainable development for the betterment of our communities.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (CONT'D)

### 14. Community / Society (Cont'd)

#### *Local Communities (Cont'd)*

##### Staff welfare



## GOVERNANCE

### 15. Good Governance

Our communities, workers, investors, consumers, and stakeholders are all partners in our quest for a prosperous future. We understand that the environment and society at large are impacted by our development goals and strategies in addition to economic growth. Our Board actively supervises our efforts to be sustainable. For us, building long-lasting and sustainable value for our stakeholders requires incorporating ESG factors into business strategy, governance, and decision-making processes. In order to make sure that our company is flexible and robust in the face of global problems, this involves taking proactive steps to foresee and handle significant ESG risks and opportunities.

Our goal is to instil confidence and trust in all of our stakeholders. Our long-term sustainability plan and strategy are well-defined, with the main objective being to facilitate the world's shift to a more sustainable future. We actively communicate with our internal and external stakeholders to learn about their expectations and points of view on matters such as data protection, climate action, and health and safety. We can better develop our strategies and actions with the help of this input, making them meaningful and relevant. Our Board establishes the company's sustainability goals and priorities and tracks our advancement toward them. We are open and honest with stakeholders about our performance, both inside and beyond the company. Additionally, we have a committed manager who leads our sustainability strategy and makes sure it is completely incorporated into our daily operations.

# **CORPORATE SUSTAINABILITY STATEMENT**

Cont'd

## **GOVERNANCE (CONT'D)**

### **15. Good Governance (Cont'd)**

We acknowledge that the sustainability landscape is ever-changing. The Board is always expanding its knowledge and experience in this field to make sure it is capable of managing our sustainability initiatives. We regularly assess the Board's and senior management's performance, taking remedial action where needed and taking into account the advancement of sustainability aims. As the economy is ever evolving, we are dedicated to adjusting and prospering in this dynamic setting. We recognise important risks and act proactively to reduce them so that our company may continue to grow and compete. We are convinced that we can create a better future for everyone if we collaborate with our stakeholders and adopt sustainability as a guiding principle.

#### *Anti-Bribery and Anti-Corruption (ABAC)*

On our website, we have made a number of policies and codes available, some of which are the Whistleblower Policy, Anti-bribery and Anti-corruption policy, and the Employee's code of conduct.

Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (the "Act") became operative on 1 June 2020. To guarantee strict adherence and the efficacy of the Group's anti-bribery and anti-corruption programs/initiatives against all forms of bribery and corruption, Analabs adopted an anti-bribery and anti-corruption policy. These guidelines are applicable to directors, staff members, and outside parties that Analabs hires.

All staff participated in yearly internal online training and examinations during FY 2025 to renew their knowledge of anti-bribery and anti-corruption policies that uphold integrity and ethics. Due to the nature of the department, where procurement employees can perhaps conspire with suppliers for personal gain, special attention was paid to it. Nonetheless, not a single instance of corruption was documented throughout all Group departments.

	FY 2022	FY 2023	FY 2024	FY 2025
Number of confirmed corruption incidents	-	-	-	-
Number of Directors completed the ABAC training	-	-	18	12
Number of Local employees completed the ABAC training	-	-	12	16

To be in line with the regulations controlling the Group's operations, Analabs often interacts with governmental organisations and regulatory bodies. This strategy guarantees adherence to the specifications needed for the Group's sustainable planning and expansion.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## GOVERNANCE (CONT'D)

### 15. Good Governance (Cont'd)

#### *Anti-Bribery and Anti-Corruption (ABAC) (Cont'd)*

Producing impregnated decorative surfacing films, Coveright conforms to waste, air, noise, and chemical emission regulations set forth by the Department of Occupational Safety and Health ("DOSH") and the Department of Environment ("DOE"). It is certified to ISO 9001:2015, ISO 45001:2018, and ISO 14001:2015.



MSCB-113

ACCREDITED  
Management Systems  
Certification Body



GIMC-1012-QC/EC/OH  
ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018



MSCB-113

ACCREDITED  
Management Systems  
Certification Body



GCTB-0068-QC/EC/OH  
ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018

*Coveright - ISO Certification*

*RCSB - ISO Certification*

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



Only the products that are identified as such on this documents are [FSC] certified.

The mark of  
responsible forestry

*Coveright - FSC Certification*

### 16. Cybersecurity and Data Privacy

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

Analabs Group is committed to protecting its customers' privacy and has taken the necessary precautions to guarantee that customer data is always protected. On the websites of Analabs, a privacy statement is accessible in compliance with the Personal Data Protection Act of 2010. There have not been any documented instances of consumer privacy violations or validated customer complaints about data loss throughout the examined fiscal year.

	FY 2022	FY 2023	FY 2024	FY 2025
Number of substantiated complaints concerning breaches in customer privacy or data loss	-	-	-	-

## MOVING FORWARD

With an emphasis on Material Sustainability Matters, Analabs remains steadfast in its commitment to sustainability. We are mindful to further integrating sustainability principles into every facet of our operations. In addition to our current risk management processes, encompassing strategic, operational, and financial aspects, this will improve the long-term value creation of the Group. To have a more comprehensive view of our sustainability performance, we plan to enhance our ESG data going forward and the techniques we employ to collect information across our supplier chains. This will enable us to make smarter decisions that will benefit the company and the environment in the long run.

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2025
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	44.98
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	2,676.13
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	3,027.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,528.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	16.013000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	27.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	4,611.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	5.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	125
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	50.00
Management Above 50	Percentage	50.00
Executive Under 30	Percentage	20.00
Executive Between 30-50	Percentage	70.00
Executive Above 50	Percentage	10.00
Non-executive/Technical Staff Under 30	Percentage	16.00
Non-executive/Technical Staff Between 30-50	Percentage	42.00
Non-executive/Technical Staff Above 50	Percentage	42.00
General Workers Under 30	Percentage	22.00
General Workers Between 30-50	Percentage	71.00
General Workers Above 50	Percentage	7.00
Gender Group by Employee Category		
Management Male	Percentage	50.00
Management Female	Percentage	50.00
Executive Male	Percentage	60.00
Executive Female	Percentage	40.00
Non-executive/Technical Staff Male	Percentage	58.00
Non-executive/Technical Staff Female	Percentage	42.00
General Workers Male	Percentage	95.00
General Workers Female	Percentage	5.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	50.00
Female	Percentage	50.00
Under 30	Percentage	0.00
Between 30-50	Percentage	42.00
Above 50	Percentage	58.00

Internal assurance

External assurance

No assurance

(\*)Restated

# CORPORATE SUSTAINABILITY STATEMENT

Cont'd

## PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2025
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	144
Executive	Hours	148
Non-executive/Technical Staff	Hours	576
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category	Number	
Management	Number	2
Executive	Number	8
Non-executive/Technical Staff	Number	6
General Workers	Number	89
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

## **OVERVIEW**

This Statement sets out an overview of Analabs Group Berhad's ("Analabs" or "the Company") application of the three (3) Principles of the Malaysian Code of Corporate Governance ("MCCG") for the financial year ended 30 April 2025.

Save for the following practices, we have fully complied with all the MCCG practices for the year and specific details on how the Company has applied each of the practices set out in the MCCG are disclosed in the Corporate Governance Report, which is available in the Company's website at [www.analabs.com.my](http://www.analabs.com.my):-

- Practice 4.5 - Although the Company does not currently have a written policy on diversity pertaining to the selection of its Board members, the Board has always taken into account diversity as one of the selection criteria of Board appointees as it recognises that a diversified Board will provide effective and dynamic discussions at the Board level.

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

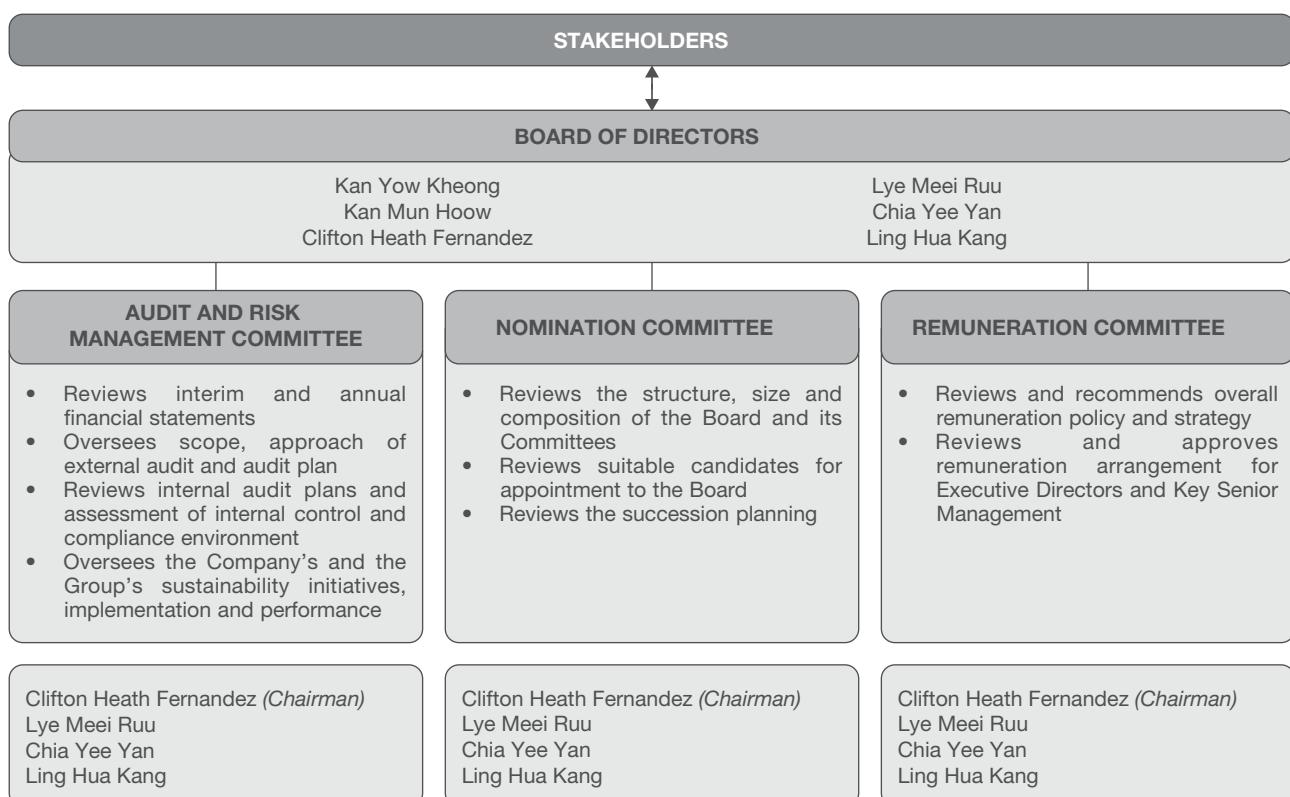
- Practice 7.2 - The Board discloses on a named basis the top five (5) Senior Management's remuneration in bands of RM50,000.

## **CORPORATE GOVERNANCE APPROACH**

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

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

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



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### I. BOARD RESPONSIBILITIES

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

The Board Charter is periodically reviewed and updated, with the last review carried out in July 2022.

Activities undertaken by the Board include:-

- **Setting Strategic Direction**

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

These strategic priorities include:-

- **Total Customer Satisfaction**

Through meeting and exceeding expectations by delivering services of the highest quality.

- **Customer Partnership**

Through effective customer feedback and understanding customer needs in terms of quality, safety and cost.

- **Research And Development**

For continual improvement in production methods, techniques and technologies.

- **Effective Training**

Programmes to upgrade the skills of staff.

- **Monitoring Role**

The Board carried out strategic reviews of major business segments and provided constructive input in the assessments of plans to spearhead growth taking into consideration the business risks, economic challenges, resource allocation and cost factors.

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

- **Governance and Risk**

The Board carried out a review of its governance processes and approved the implementation of anti bribery and anti-corruption policy as well as introduced a whistle blowing policy in order to drive ethical behavior throughout the organisation.

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

- **Corporate Social Responsibility ("CSR")**

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

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

- a) Environmental Awareness

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **I. BOARD RESPONSIBILITIES (CONT'D)**

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

- **Corporate Social Responsibility (Cont'd)**

The Company actively engages in CSR activities. For the year under review, the Company undertook the following:- (Cont'd)

- a) Environmental Awareness (Cont'd)

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

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

- b) Community Engagements

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

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

- **Stakeholder engagement**

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

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

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

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

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

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **I. BOARD RESPONSIBILITIES (CONT'D)**

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

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

- i. corporate plans and programmes;
- ii. annual budgets, including major capital commitments;
- iii. new ventures;
- iv. material acquisitions and disposals of undertakings and properties; and
- v. changes to the management and control structure within the Company and its subsidiaries, including key policies.

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

The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Code of Ethics is published in the Company's website at [www.analabs.com.my](http://www.analabs.com.my).

The Board also has in place the following policies which are available for reference at the Company's website at [www.analabs.com.my](http://www.analabs.com.my):-

- (i) Whistle Blowing Policy for employees to raise genuine concerns, without fear, about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.
- (ii) Anti-Bribery and Anti-Corruption Policy (ABAC Policy) The Group has put in place an ABAC Policy to incorporate the rules, compliance, controls and procedures to promote better governance culture and ethical behaviour within the Group and to ensure that business is conducted professionally. ANALABS has adopted a zero-tolerance approach against all forms of bribery and corruption and a strong stance against such acts.

### **Company Secretaries**

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

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

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

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **I. BOARD RESPONSIBILITIES (CONT'D)**

#### **Information and Support for Directors**

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

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

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

#### **Sustainability**

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

#### **Meetings and time commitments**

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 30 April 2025. In compliance with the MMLR, all the Directors do not hold directorships more than that prescribed under the MMLR. There were five (5) Board of Directors' Meetings held during the financial year ended 30 April 2025 and the details of the attendance of the Directors' and Committees meetings are as follows:-

<b>Directors</b>	<b>Board of Directors</b>	<b>ARMC</b>	<b>NC</b>	<b>RC</b>	<b>AGM</b>
Kan Yow Kheong	5/5	-	-	-	1/1
Kan Mun Hoow	5/5	5/5*	-	-	1/1
Clifton Heath Fernandez	5/5	5/5	1/1	1/1	1/1
Lye Meei Ruu	5/5	5/5	1/1	1/1	1/1
Chia Yee Yan	5/5	5/5	1/1	1/1	1/1
Ling Hua Kang	5/5	5/5	1/1	1/1	1/1

\* Attended by invitation.

ARMC - Audit & Risk Management Committee

NC - Nomination Committee

RC - Remuneration Committee

AGM - Annual General Meeting

# CORPORATE GOVERNANCE

## OVERVIEW STATEMENT

Cont'd

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (CONT'D)

##### Continuous Professional Development

Directors	Seminar/Forum/Conference/Training
Kan Yow Kheong	<ul style="list-style-type: none"> <li>• Real Property Gains Tax (RPGT) for companies in Malaysia</li> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>• SQL LHDN E-Invoice Online Training Course</li> <li>• SST Expansion and Impact on Business</li> </ul>
Kan Mun Hoow	<ul style="list-style-type: none"> <li>• Real Property Gains Tax (RPGT) for companies in Malaysia</li> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>• SQL LHDN E-Invoice Online Training Course</li> <li>• SST Expansion and Impact on Business</li> </ul>
Clifton Heath Fernandez	<ul style="list-style-type: none"> <li>• Real Property Gains Tax (RPGT) for companies in Malaysia</li> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>• MPIA Solar Roadshow 2024</li> <li>• DORA, ISO/IEC 27005, and the Rise of AI: Securing the Future of Cybersecurity</li> <li>• MAPS 2 - ICDM Virtual Classroom</li> <li>• HRD Corp's Facilitated Engagement</li> <li>• The Asia-Pacific Occupational Safety and Health Organization (APOSFO 38)</li> <li>• CREAM's Construction Industry Congress (CIC)</li> <li>• Strategic Data and Frameworks in Board Governance Classroom</li> </ul>
Lye Meei Ruu	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>• Webinar Taklimat/Bengkel "Peranan Peguam", MyTax</li> <li>• E-Invoicing for Law Firms</li> <li>• Basic Conveyancing Seminar</li> <li>• Employment Law in the 21<sup>st</sup> Century: Balancing Workers Rights and Economic Growth</li> <li>• Limited Liability Law Partnerships</li> <li>• CPD Live and CPC Pocket Series - Understanding the Recent Self-Assessment System for Real Property Gains Tax</li> <li>• Unlawful Termination of Employee</li> </ul>
Chia Yee Yan	<ul style="list-style-type: none"> <li>• Real Property Gains Tax (RPGT) for companies in Malaysia</li> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>• Malaysian Business Reporting System (MBRS) 2.0 for Preparers: Financial Statements</li> <li>• Strategic Data and Frameworks in Board Governance</li> <li>• SQL LHDN E-Invoice Online Training Course 201</li> <li>• Program Halalpreneur</li> <li>• World Mental Health Day Special: Cultivating a Worry-Free Corporate Mindset</li> <li>• E-Invoicing in Malaysia: Simplify Compliance with Xero</li> <li>• SST Expansion and Impact on Businesses</li> </ul>
Ling Hua Kang	<ul style="list-style-type: none"> <li>• Real Property Gains Tax (RPGT) for companies in Malaysia</li> <li>• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> </ul>

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

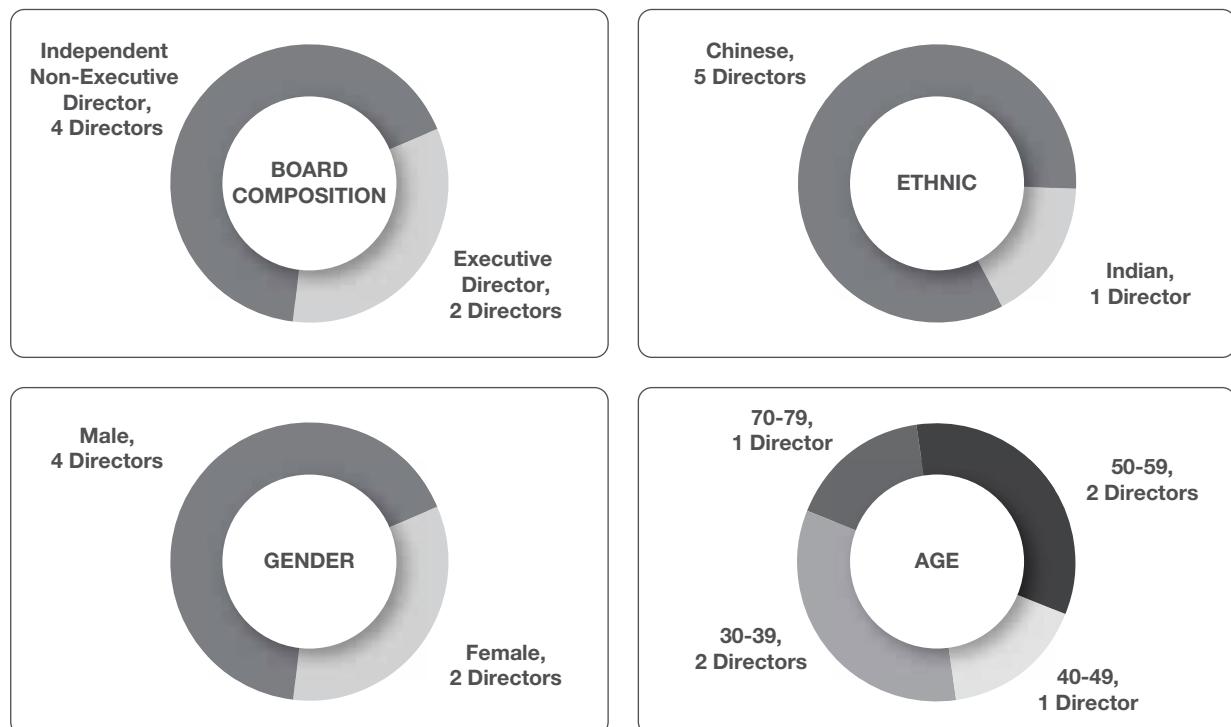
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## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **II. BOARD COMPOSITION**

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

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



# CORPORATE GOVERNANCE

## OVERVIEW STATEMENT

Cont'd

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (CONT'D)

The Board has also appointed Mr. Clifton Heath Fernandez as the Senior Independent Director to whom concerns may be raised.

The Board's experience matrix, are as follows:-

	Industry / Background experience									
	Applied chemical	Risk Management/ Insurance	Accounting/Finance/ Corporate Finance	Project Management	Certification Audit & Placement Consultancy	Legal/Regulatory	Marketing Management	Mechanical Engineering	Corporate Training	Environmental & Sustainability Management
Kan Yow Kheong	✓			✓			✓	✓		✓
Kan Mun Hoow			✓	✓			✓	✓		✓
Clifton Heath Fernandez			✓	✓	✓		✓		✓	✓
Lye Meei Ruu						✓				
Chia Yee Yan			✓	✓			✓			
Ling Hua Kang		✓	✓							

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

#### Appointment of New Directors

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

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

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

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **II. BOARD COMPOSITION (CONT'D)**

#### **Appointment of New Directors (Cont'd)**

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

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

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

#### **Tenure of Independent Director**

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

The Company's Board Charter states that the tenure of a independent non-executive director should not exceed a cumulative term of 9 years. However, upon completion of the 9 years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-Independent Director. In the event the Director is to remain as an Independent Director, the Board shall justify and obtain shareholders' approval.

As reported in the preceding financial year Annual Report, none of the Independent Directors has served more than nine (9) years, except for Clifton Heath Fernandez (Clifton) who will exceed the cumulative term of ten (10) years but less than twelve (12) years from 16 February 2026. The Company has at its preceding Annual General Meeting held on 10 October 2024 secured its Shareholders' approval through a two-tier voting process to retain Clifton as an Independent Non-Executive Director.

The Board through the NC, after having assessed the independence of Clifton regards him to be independent based on among others, the following justifications and recommends that he be retained as an Independent Director of the Company subject to the approval from the Shareholders of the Company through a two-tier voting process to be tabled at the forthcoming AGM:-

- (i) Clifton has fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Listing Requirements of Bursa Securities and being independent, he will be able to function as a check and balance, being an element of objectivity to the Board's and Board Committees' deliberations. His length of service on the Borad and Borad Committees, do not in any way interfere with his exercise of independent judgment and ability to act in the best interest of the Group. Further, a director's independence cannot be determined arbitrarily with reference to a set of period of time;
- (ii) Clifton will be with the Company for more than ten (10) years from 16 February 2026 and is familiar with the Group's business operations;
- (iii) He has exercised due care and diligence during his tenure as an Independent Non-Executive Director and has carried out his duties professionally an objectively in the best interest of the Group and its Shareholders; and
- (iv) He does not have any conflict of interest throughout his tenure of office as Independent Director of the Company and has not entered into and is not expected to enter into any contracts which will give rise to any related party transactions with the Group wich will impair his independence.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### II. BOARD COMPOSITION (CONT'D)

#### Evaluation of Board, Board Committees and Individual Directors

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

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

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

#### Annual Assessment of Existing Directors & Board Committees

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

- i) an assessment of the Directors, which includes the self-assessment carried out by the individual Directors;
- ii) an evaluation on the ARMC and the assessment criteria include effectiveness and quality of external and internal audits and financial reporting. The NC and the Board was satisfied with the performance and effectiveness of the ARMC and its members;
- iii) a review and assessment on the effectiveness of the Board as a whole and Committees of the Board;
- iv) a review on the retirement of Directors by rotation eligible for re-election at the forthcoming AGM and recommended the re-election of directors who will be retiring at the forthcoming AGM of the Company after taking into account among others, their respective performance vide annual performance assessment and fit and proper criteria;
- v) an assessment on the independence of the Independent Directors; and
- vi) reviewed, assessed and recommended the retention of Independent Director who exceeded the nine (9) years but less than twelve (12) years tenure.

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

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

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

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

# **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

## **PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **III. REMUNERATION**

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

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

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

The RC has during the financial year and up to the date of this Statement carried out a review and recommendation on the payment of Directors' fees for the financial year ending 30 April 2026 and recommended the same to the Board.

The details of the remuneration of the Directors of the Company and of the Group for the financial year ended 30 April 2025 are as follows:-

GROUP	Fees (RM)	Salaries, Bonuses, Incentives (RM)	Other Emoluments (RM)	Benefits- in kind (RM)	Total (RM)
<b><i>Executive Directors</i></b>					
Kan Yow Kheong	1,018,000	36,096	1,464	-	1,055,560
Kan Mun Hoow	18,000	162,000	22,030	-	202,030
<b><i>Independent Non-Executive Directors</i></b>					
Clifton Heath Fernandez	18,000	-	-	-	18,000
Lye Meei Ruu	12,000	-	-	-	12,000
Chia Yee Yan	12,000	-	-	-	12,000
Ling Hua Kang	12,000	-	-	-	12,000
<b>Total</b>	<b>1,090,000</b>	<b>198,096</b>	<b>23,494</b>	<b>-</b>	<b>1,311,590</b>

COMPANY	Fees (RM)	Salaries, Bonuses, Incentives (RM)	Other Emoluments (RM)	Benefits- in kind (RM)	Total (RM)
<b><i>Executive Directors</i></b>					
Kan Yow Kheong	18,000	18,048	732	-	36,780
Kan Mun Hoow	18,000	-	-	-	18,000
<b><i>Independent Non-Executive Directors</i></b>					
Clifton Heath Fernandez	18,000	-	-	-	18,000
Lye Meei Ruu	12,000	-	-	-	12,000
Chia Yee Yan	12,000	-	-	-	12,000
Ling Hua Kang	12,000	-	-	-	12,000
<b>Total</b>	<b>90,000</b>	<b>18,048</b>	<b>732</b>	<b>-</b>	<b>108,780</b>

# CORPORATE GOVERNANCE

## OVERVIEW STATEMENT

Cont'd

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### III. REMUNERATION (CON'D)

The details of the remuneration of the Directors of the Company and of the Group for the financial year ended 30 April 2025 are as follows:- (Cont'd)

Note:

- (i) Directors' Fees/Meeting Allowance

The shareholders approved the payment of the Directors' fees of RM108,000 in respect of the financial year ended 30 April 2025, at the 26th AGM. The Company will be seeking the approval of the shareholders for the Proposed Director Fees of RM108,000 for the financial year ending 30 April 2026 at the forthcoming AGM. The fees will not be paid until the approval of the shareholders in the forthcoming AGM has been obtained.

- (ii) Non-Executive Directors

The Non-Executive Directors are not entitled to any other benefits or incentive plan.

- (iii) Executive Chairman

The Executive Chairman's remuneration package is reflected in his service contract as structured taking into account the fixed compensation which includes basic salaries, fees and allowances including a variable performance-linked bonus.

- (iv) Senior Management

The top 5 senior management remuneration falls within the band of RM50,000, for the financial year ended 30 April 2025 are as follows:-

<b>Senior Management</b>	<b>Fees</b>	<b>Salary/ Bonus</b>	<b>Benefits in- kind</b>	<b>Other emoluments</b>
RM10,001 to RM50,000	-	-	-	4
RM50,001 to RM100,000	-	1	-	1
RM100,001 to RM150,000	-	2	-	-
RM200,001 to RM250,000	-	1	-	-
RM250,001 to RM300,000	1	-	-	-
RM400,001 to RM450,000	-	1	-	-

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

The Directors together with the officers of the Group are covered under the D&O Insurance in respect of any liabilities or claims arising from them discharging their duties as Directors and Officers of the Group, provided they have not acted negligently, fraudulently or in breach of their duties. During the financial year, the total amount of sum insured for the Directors and Officers is RM1,000,000. The total insurance premium including tax and duties incurred by the Company is RM9,730.

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit and Risk Management Committee ("ARMC")

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

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

Cont'd

### **PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

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

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

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

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

Details of the activities carried out by the ARMC in FYE 2025 are set out on pages 78 to 79.

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

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

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

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

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

#### **Risk Management and Internal Control Framework**

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

The Group's approach to risk management and the principal risks faced by the Group are disclosed on the Statement on Risk Management and Internal Control as set out on pages 74 to 76 of the Annual Report.

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

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

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

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

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

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

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

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

c/o Analabs Resources Berhad  
Office Suite No. 603, Block C  
Pusat Dagangan Phileo Damansara 1  
No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor Darul Ehsan

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

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

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

This Statement was presented and approved at the Board of Directors' Meeting held on 7 August 2025.

## **ADDITIONAL COMPLIANCE INFORMATION**

### **Utilisation of Proceeds**

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

### **Audit Fees and Non Audit Fees**

The audit fees paid for the Company and the Group for the financial year ended 30 April 2025 were RM66,000 and RM180,000 respectively (both exclusive of Sales and Services Tax).

The non-audit fees paid by the Company and the Group to the external auditors or affiliates of auditors' firm for the financial year ended 30 April 2025 amounted to RM5,000 each respectively.

### **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 2025 or entered into since the end of the previous financial year.

### **Recurrent related Party Transactions**

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

# **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

## **INTRODUCTION**

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

## **RESPONSIBILITIES OF THE BOARD**

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

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

Management is responsible for assisting the Board in implementing the processes for identifying, evaluating, monitoring and reporting risks and internal controls throughout the period.

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

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

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

## **MANAGEMENT'S RESPONSIBILITIES**

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

## **INTERNAL CONTROL ENVIRONMENT**

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

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

# **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

Cont'd

## **INTERNAL CONTROL ENVIRONMENT (CONT'D)**

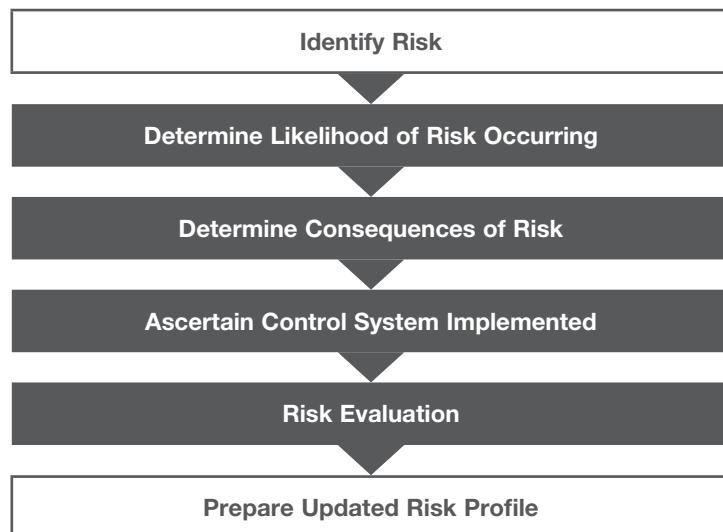
The daily running of business is entrusted to the Executive Chairman and the Management team. This close-to-operations management style enables timely identification and reporting of significant matters.

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

## **RISK MANAGEMENT FRAMEWORK**

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risk that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner.

The risk management process can be briefly summarised as follows:-



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

## **INFORMATION AND COMMUNICATION**

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

The ARMC holds meetings to deliberate on the findings and recommendations for improvement by the Internal Auditors on the state of the internal control system and reports to the Board. The ARMC also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

# **STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL**

Cont'd

## **CONTROL AND MONITORING PROCESS**

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

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

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

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

## **ASSURANCE FROM THE MANAGEMENT**

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

## **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers as set out, nor it factually inaccurate.

## **CONCLUSION**

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

This Statement is made in accordance with the resolution of the Board of Directors dated 7 August 2025.

## **AUDIT AND RISK MANAGEMENT COMMITTEE REPORT**

### **COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee (“the ARMC” or “the Committee”) comprises of four (4) members of the Board all of whom are Independent Non-Executive Directors:-

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

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

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

### **ATTENDANCE**

The ARMC met five (5) times during the financial year. The record of attendance of each ARMC member in the ARMC meetings held during the financial year ended 30 April 2025 are as follows:

Directors	Meetings Attended by the Members/Total Number of Meetings Held During the Financial Year Ended 30 April 2025	% of Attendance
Mr. Clifton Heath Fernandez	5/5	100
Ms. Lye Meei Ruu	5/5	100
Ms. Chia Yee Yan	5/5	100
Mr. Ling Hua Kang	5/5	100

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

### **MINUTES OF MEETINGS**

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

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

### **TERMS OF REFERENCE**

The terms of reference of the ARMC has been enhanced in line with the Malaysian Code on Corporate Governance in July 2022. The terms of reference is accessible on the Company’s website at [www.analabs.com.my](http://www.analabs.com.my).

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

## ASSESSMENT

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

## SUMMARY OF WORKS DURING THE YEAR

The works carried out by the Committee during the financial year ended 30 April 2025 included the following:-

(a) Financial Reporting

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

(b) External Audit

- The External Audit Plan encompassing the scope and timing for the year's audit was reviewed by the Committee prior to the commencement of the audit. Salient areas of key audit matters, audit emphasis and audit approach, amongst others, were discussed and brought to the attention of the Committee.
- The Committee was also updated on the new accounting standards to be adopted and disclosure of key audit matters.
- The ARMC Report and Statement of Risk Management and Internal Control were reviewed by the External Auditors for inclusion in the Annual Report.
- The Committee reviewed the independence of the External Auditors to ascertain if they were in compliance with relevant ethical requirements regarding independence throughout the audit in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conduct and Practice. The External Auditors had provided a written assurance that they had acted independently throughout the audit and that there were no relationships or provision of other non-audit services that had impaired or compromised their independence during the audit.
- The Committee reviewed the performance of the External Auditors and was satisfied with their performance, quality of communication, sufficiency and allocation of resources, competency as well as timeliness in completing the audit.
- The Committee reviewed the audit fees proposed by the External Auditors and recommended the same to the Board for approval.

## **AUDIT AND RISK MANAGEMENT COMMITTEE REPORT**

Cont'd

### **SUMMARY OF WORKS DURING THE YEAR (CONT'D)**

The works carried out by the Committee during the financial year ended 30 April 2025 included the following:- (Cont'd)

(b) External Audit (Cont'd)

- Without the presence of Executive Directors and Management, met with the External Auditors on 27 June 2024 and 8 August 2024.
- Assessed the performance of the External Auditors and reviewed the Transparency Report for the year ended 31 December 2024 issued by the External Auditor. The Committee was satisfied with the External Auditor's governance, quality control and leadership structure.

(c) Internal Control and Risk Management

- Reviewed the findings on the internal audit review on Coveright Surfaces Malaysia Sdn. Bhd. where issues raised encompassed purchasing and sales and marketing segments. The ARMC were updated on the issues and the actions taken by Management to address the weaknesses identified.
- Reviewed the findings on the internal audit review on Toh Ban Seng Contractor Pte. Ltd., Singapore where issues raised encompassed project management review, finance and purchasing. The ARMC were updated on the issues and the actions taken by Management to address the weaknesses identified.
- Without the presence of Executive Directors and Management, met with the Internal Auditor on 30 December 2024.

(d) Conflict of Interest (COI) and Potential COI

Reviewed the COI and potential COI of all the Directors that arose or might arise, together with the measures taken to resolve, eliminate or mitigate such conflicts, if applicable. All the Directors have confirmed that as at the date of this Report, they do not have any COI or potential COI that arose, persist or may arise involving situations where they have personal pecuniary interests which are in conflict with the Analabs Group.

### **INTERNAL AUDIT FUNCTION**

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

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

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

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

The costs incurred for the outsourced internal audit function in respect of the financial year amounted to RM9,744 (excluding Service Tax).

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements of Bursa Securities and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group for the financial year ended 30 April 2025.

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

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

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