全利資源有限公司
QL Resources Berhad

CREATING SUSTAINABLE SHARED VALUE

INTEGRATED ANNUAL REPORT 2021

Cover Rationale

CREATING SUSTAINABLE SHARED VALUE

While the challenging economic conditions in 2021 were trying times for everyone, it also revealed the strength of our fundamentals. To steadfastly face such a dynamic environment and ensure continued business sustainability, our priorities and strategic focus continue to emphasise creating value for all.

Scan here to know more about QL Resources Berhad

24th Annual General Meeting

VENUE
QL Training Hall,
No. 16A,
Jalan Astaka U8/83,
Bukit Jelutong,
40150 Shah Alam, Selangor

DATE
Wednesday,
22 September 2021

TIME
10:00 a.m.

MEETING PLATFORM
TIIH Online website at
https://tiih.online

Our Vision

To be the preferred global agro-based enterprise.

Our Mission

We create nourishing products from agro resources, leading to benefit for all parties.

Our Core Values

Personality

Progressive
Trustworthy
Initiative
Humility

Values

Integrity
Win-Win
Teamwork
Innovative

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About This Report

QL Resources Berhad (QL) is pleased to present our first Integrated Annual Report. This report aims to provide a comprehensive overview of QL's utilisation of capitals to create long-term sustainable value, for the financial year 2021 (FY2021). The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Our Capitals

Natural Capital
QL's regional operational footprint involves the strategic use and conservation of natural resources for long-term sustainable growth and value creation.

Manufactured Capital
Physical assets that are available to QL including building and modern equipment to promote operational efficiencies and optimal capacity in the production of goods.

Intellectual Capital
The licenses, tacit knowledge, systems, and procedures utilised by QL to build and maintain positive reputation and goodwill with the masses.

Human Capital
Our peoples' knowledge, experiences, competencies, capabilities and innovativeness supporting the achievement of QL's strategic goals and ultimately, the vision of being the preferred global agro-based enterprise.

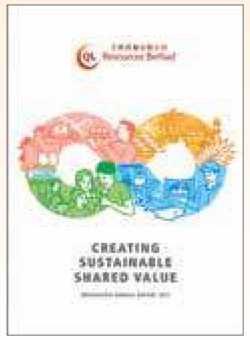
Social Capital
QL's relationship with the communities and stakeholders to achieve socio-economic development in line with its *quan li* philosophy which means benefit for all.

Financial Capital
The funds available to QL from financing activities, comprising equity or debt, that are used to create value.

Key Stakeholder Groups

- ***Investors and shareholders***
- ***Employees***
- ***Customers***
- ***Vendors and suppliers***
- ***Regulators and Non-Governmental Organisations (NGOs)***
- ***Community***
- ***Media***

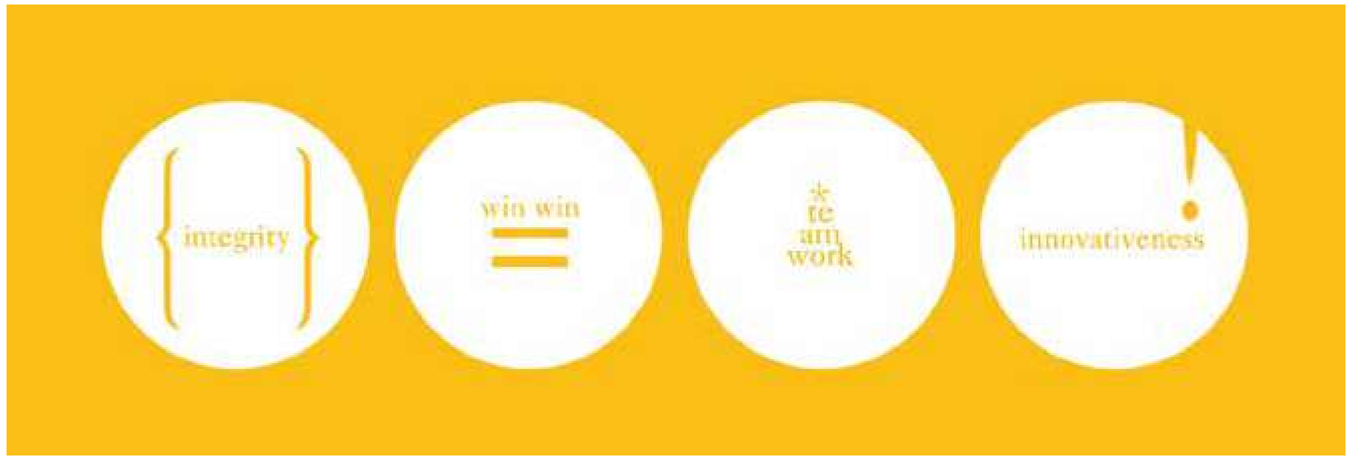
Read more in our Sustainability Statement on pages 29-30.



Reporting Philosophy and Principles

The Annual Report presents our activities and results in FY2021, illustrating our progression towards medium to long-term strategic goals, and provides insights into our strategy, business model, and resource allocation to ensure sustainability. The report contains relevant information for our stakeholders' needs and investment decisions.

The financial statements are independently audited and prepared in compliance with the Malaysian Financial Reporting Standards (MFRS).



Compliance with Reporting Frameworks and Regulations

- Bursa Malaysia Main Market Listing Requirements
- Companies Act 2016
- Malaysian Code of Corporate Governance 2017
- Corporate Governance (3rd Edition) issued by Bursa Malaysia
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- International Integrated Reporting Council's (IIRC's) International Integrated Reporting Framework
- Global Reporting Initiative (GRI) Standards

Reporting Scope and Boundaries

Information presented in this report covers the financial period 1 April 2020 to 31 March 2021. Data in this report encompasses all QL business units unless stated otherwise. The information on our sustainability efforts covers 12 entities illustrated in page 26.

The report focuses on business operations information of QL disclosed through the impact it has on the capitals as defined by IIRC. All the six capitals cover information on a consolidated basis.

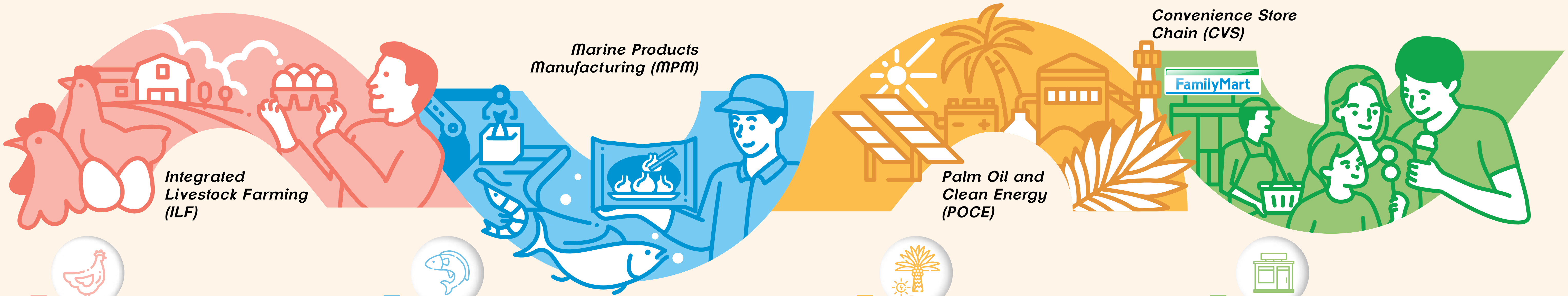
Forward-Looking Statements

The report contains forward-looking statements relating to QL's plans, objectives, goals, strategies, future operations, and performance. These statements are subject to inherent risks and uncertainties and should not be construed as guarantees or predictions of the Group's future performance.

Accordingly, readers are cautioned not to place undue reliance on forward-looking statements as actual results and outcomes could differ significantly from those expressed or implied.

Principal Activities

QL is a sustainable and scalable multinational agro-food producer operating four principal activities: Marine Products Manufacturing, Integrated Livestock Farming, Palm Oil and Clean Energy and Convenience Store Chain. We produce resource-efficient protein nourishments via operational footprints in Malaysia, Indonesia and Vietnam, which hold international certifications. Our products are distributed domestically and across Asia, Europe, and North America.



Our Integrated Livestock Farming activities provide affordable and attainable sources of protein to consumers through broiler and layer integration. This is complemented by upstream feed and raw material trading, feed milling, and Day Old Chicks (DOC) business operations. With strict controls, QL is a preferred poultry egg producer with operations in Malaysia, Indonesia and Vietnam.

Read more on page 20.

QL's Marine Products Manufacturing focuses on producing quality, convenient and nourishing marine-based products. Operations in this pillar stretch the entire value chain from upstream to downstream activities, covering aquaculture farming, deep-sea fishing, surimi and fishmeal production, and consumer foods. QL is an industry leader as Southeast Asia's largest surimi producer and Malaysia's largest fishmeal manufacturer and producer of surimi-based products.

Read more on page 18.

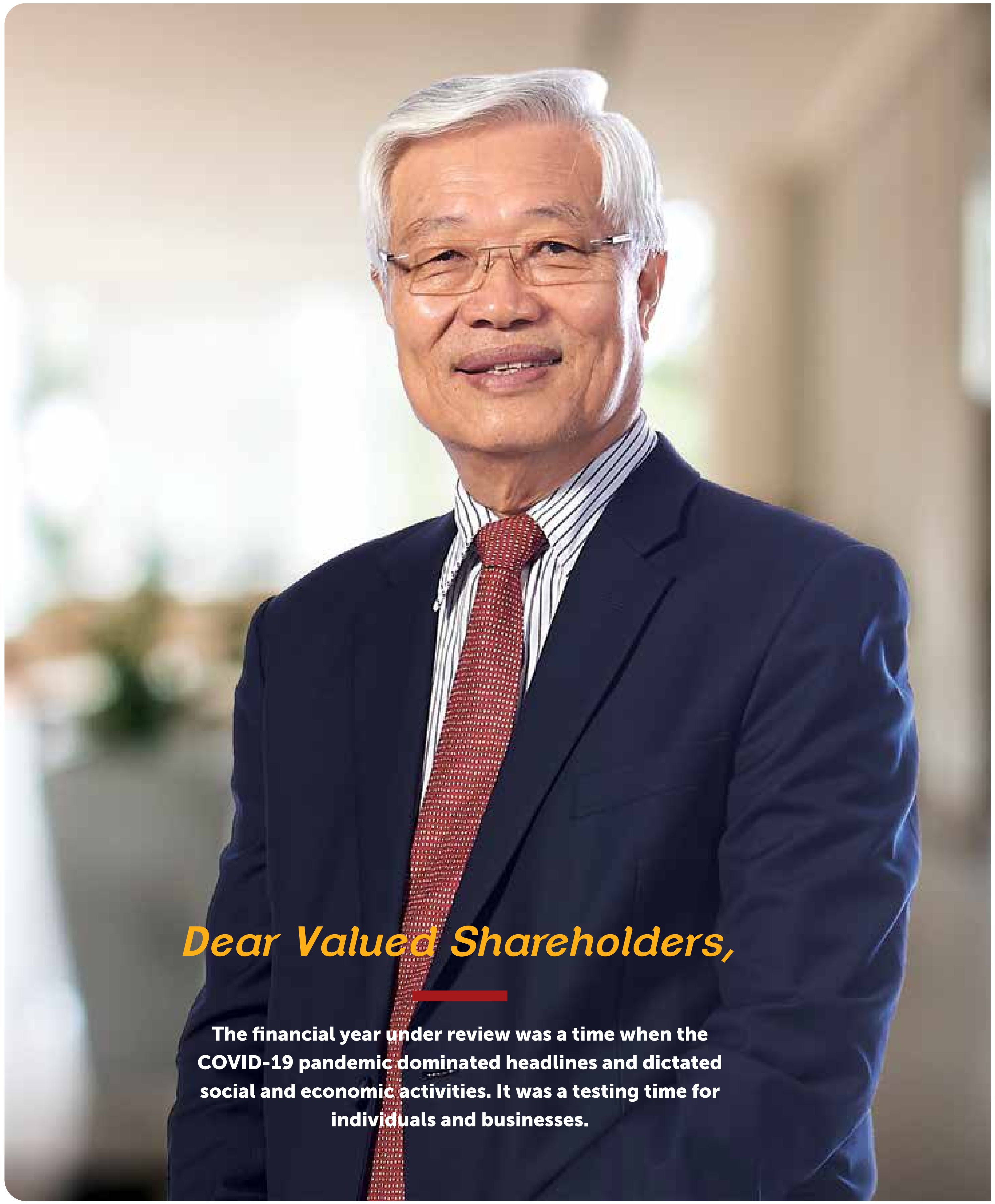
The integration of Boilermech has progressed the Palm Oil Activities business pillar to include clean energy. Reflecting this development, this pillar is now known as Palm Oil and Clean Energy (POCE), through which QL provides sustainable solutions including bioenergy, water treatment and renewable solar energy. Parked under this pillar also are the business activities that span the palm oil value chain including 16,000 hectares of oil palm estate holding in Malaysia and Indonesia.

Read more on page 22.

The FamilyMart convenience store chain is a scalable business that meets the needs of a busy lifestyle through the *konbini* concept, delivering quality and nourishing ready-to-eat food. It is a direct distribution channel to consumers. Strengthening our consumer food presence, FamilyMart has an e-commerce platform which allows online ordering and delivery to our customers for further convenience.

Read more on page 24.

Chairman's Statement



Chairman's Statement

DR. CHIA SONG KUN
Executive Chairman

Revenue rose 5.5% year-on-year to **RM4.38 billion**

Profit before tax improved up **40.9%**

QL valued at **RM14.75 billion**

Dividend of **3.50 sen per share**

The pandemic caused extensive upheaval globally as countries introduced containment measures to combat the virus. In Malaysia, the various phases of Movement Control Order (MCO) implemented helped curb the spread of the pandemic. While manufacturers and those involved in the food value chain were classified as essential businesses and allowed to operate under a strict set of safety protocols, disruption to logistics and consumer demand added to the challenges.

QL Resources Berhad faced one of our toughest seasons yet. How we respond and set course will determine the trajectory in the short to medium term. QL reassessed our priorities to guide the business through the storm, whilst delivering on our promise of creating nourishing products from agro resources for the benefit of all. We quickly moved to protect and conserve the business by prioritising two non-negotiable areas. QL focused on the health and safety of our people and partners, and ensuring operational continuity for a stable supply of food items that are a dietary staple and meet the nourishment needs of Malaysians and many societies around the world.

Caring for our employees, we made COVID-19 mass testing mandatory for employees at our production bases, cost notwithstanding. Lives over profit, QL invested about RM5 million into the scheduled tests, sanitisation of premises, sequestered accommodation and provision of personal protective equipment to safeguard the well-being of our staff. We established and refined our Crisis Management Plan in the midst of such raging social and economic tempest.

STRATEGIC FOCUS

Our growing emphasis on sustainability initiatives as announced in our last annual report was timely. Never have Environmental, Social, and Governance (ESG), data analytics, artificial intelligence and automation, and talent management alongside an empowering work environment been more important for businesses to sustain and thrive. We believe these focuses will remain equally as critical post pandemic.

Putting action into words, we implemented the Group ESG organisation structure at business entity level to drive the initiatives group-wide. There is reinforced dedication to sustainability and environment focus within QL.

Consolidating our ESG position, we secured a controlling interest in Boilermech Holdings Berhad, a leading player in clean energy in particular from biomass and solar, and water treatment, in which we previously had a 44% stake. Along with this acquisition, we streamlined the Palm Oil Activities (POA) business pillar into Palm Oil and Clean Energy (POCE) to reflect this core focus going forward.

We innovated our interactions within and without the Group to respond to and capture new opportunities.

Financial Performance

The financial year ended 31 March 2021 (FY2021) was a period of proving the soundness of strategies and agility of our operations.

We adapted our operations and practices to evolve the business, remaining responsive to the market environment and consumer needs. This proved our resilience. It enabled us to continue our momentum of building sustainable growth and deliver on our promise, returning another consecutive profitable year against a global gross domestic product (GDP) contraction of 3.6% as reported by World Bank and Malaysia's 5.6% contraction.

Chairman's Statement (Continued)

QL's revenue rose 5.5% year-on-year to RM4.38 billion. Profit before tax (PBT) saw significant improvement, up 40.9% including a one-off remeasurement gain from our previous equity interest in Boilermech.

The performing star was the Marine Products Manufacturing (MPM) business pillar, which saw increased demand for value-added marine-based products during the MCO alongside good fish landing. Sub-sectors within MPM experienced favourable factors of good volume, demand and pricing.

Share Price Performance and Dividend

I am pleased that QL remained one of the five FTSE Bursa Malaysia KLCI reserve list stocks as well as an MSCI Global Index constituent. The recognition certainly heightened our portfolio of brands.

As a whole, QL was valued at RM14.75 billion as at the close of FY2021, up from the RM12.01 billion from the same date a year ago. QL rewarded loyal shareholders with one bonus share for every two existing ordinary shares held on 15 October 2020. The subsequent share price adjustment makes QL more affordable for participation by retail investors.

Beyond capital gain and bonus issue, QL is also committed to delivering shareholder value through dividend payout. For FY2021, the Board of Directors proposed a final single tier dividend of 3.50 sen per share that will amount to approximately RM85.2 million, a 16.7% increase against FY2020 payout despite the very challenging business climate.

KEY ACHIEVEMENTS

QL continued to expand sustainably, taking decisive actions.

To ensure that we are providing good quality products that meet market demand, we undertook a Consumer Satisfaction Study. The results showed an increase in excellent and good ratings for QL's nourishing products. The good market acceptance drove production increase, which in turn required more manpower. The formation of the Health and Nutrition Committee progressed us further towards our mission of creating nourishing products from agro resources.

Working towards a goal in our environment care, we have set greenhouse gas (GHG) emission reduction targets for the coming FY2022 to FY2026. Installation and utilisation of solar energy panels are being rolled out at QL's sites. This led to us successfully reducing GHG emissions by more than 27,200 tonnes of carbon dioxide equivalent (tCO_2e) and the generation of 11,500 MWh of green energy.

In addition to the solar energy initiatives, rainwater harvesting tanks were installed at various sites leading to 86,000 litres ($86m^3$) of rainwater harvested during the financial year. We also exercised due care to convert and recycle waste; 84% of the ILF manure were converted into organic fertiliser and 41% of non-hazardous waste were recycled.

On the social front, QL generated more than 2,360 opportunities for new hires across our operations, and across board conducted 99,845 hours of training. Our flagship Leader Enhancement and Development (LEAD) programme helped chart career progression for 267 employees.

Creating a conducive and safe work environment is of utmost importance to QL. Supporting this, the Group OSH Work Committee leads health and safety initiatives across the business units and WECARE, an Occupational Safety and Health (OSH) principles, was developed as a framework and reference for safety related decisions and actions.

QL has a no-compromise stand on integrity. To extend this value across the supply chain, QL introduced the Supplier Code of Conduct, which was signed by 1,322 of our suppliers. The Suppliers and Business Associates Code of Conduct was strengthened by incorporating Human Rights and Labour Standards Policy, aligning our business objectives with our stakeholders.

QL's strategic thrust of employing technology to provide deeper insights into customer preference and purchasing patterns resulted in our venture into e-commerce. This has yielded good results and we will continue to adapt and explore new touchpoints for customers to transact with us.

The greater production output, efficiencies and continuing market demand contributed to improved performance, resulting in revenue growth.

Corporate Governance

QL is committed to sustainable practices. Beyond our operations and how we conduct business, this extends to our reporting as well. As the next step in our corporate reporting evolution, the report this year marks our first Integrated Report to better communicate our strategy as well as utilisation of capitals and resources to create value over time, with cognisance of external environment.

We believe Integrated Reporting can enhance integrity, transparency, stewardship and trust, providing stakeholders with the necessary information to make better decisions for long-term value. It complements our corporate governance (CG) framework which is centred on the philosophy of stewardship.

In our endeavour to produce nourishing products from agro resources, we continuously refine our processes to enhance efficiency. Our performance is analysed regularly and serves as a benchmark for improvement.

To ensure QL continues to adopt the best CG practices, the Board holds annual reviews referencing the Malaysian Code of Corporate Governance 2017 (MCCG). The last two reviews were in June 2020 and May 2021. In our effort to attain good governance standards, the Board conducted a Gap Analysis Report on the departures and identified plans to remedy them.

As at 31 March 2021, QL applied 33 out of the total of 36 recommended MCCG practices. Explanations on departures are disclosed in the CG Report.

More details about QL's CG practices can be read on pages 80-86.

Prospects

Given the high number of COVID-19 cases in the country, Malaysia implemented MCO 3.0 which escalated to a total lockdown status. This threw a spanner into the improving domestic demand and budding economic recovery. Should the recent total lockdown persist, this may nip the nascent recovery.

A key to the recovery of economic activities is vaccination. The rollout of the National COVID-19 Immunisation Programme to create herd immunity is an encouragement in an otherwise uncertain year. The speed and effectiveness of the vaccine programme will have an impact on the business landscape. Collective efforts to encourage vaccination registration and overcome hesitancy is required and will be a great positive step forward. As a responsible corporate citizen, QL arranged for approximately 1,100 employees who did not have a vaccination appointment yet to be vaccinated via the government's Public-Private Partnership COVID-19 Industry Immunisation Programme (PIKAS) and the Selangor COVID-19 Vaccination Programme (SelVAX) as soon as possible.

QL has always believed in having the strategies and policies in place regardless of economic situation. We are confident in our ability to attain positive results with the policies developed. Our team is prudent and alert to the various business developments, and agile to capitalise on the opportunities that arise and mitigate impact during down cycles.

Acknowledgements and Appreciation

Continuing our track record of delivering uninterrupted positive results and creating value in bleak circumstances required agility, dedication and strategic decision making. Our long-held values of integrity, transparency and accountability served us well through a challenging period and we will continue to apply them moving forward.

On behalf of the Board of Directors, I would like to express our gratitude to our customers, vendors, business partners and shareholders for their unwavering belief and support in this volatile environment. To my fellow Board members, Management, and all employees, you have my sincere appreciation for your commitment, dedication and loyalty.

Proudly Malaysian, we are determined to continue our growth journey and help the nation's economy gain ground in earnest. QL will march forward in implementing our strategy, enabled by hard work and supported by strong fundamentals, deep roots and wide network to contribute to our nation's development. To this end, we prioritise value creation for all stakeholders and emphasise business sustainability, with feet planted on the ground and eyes always on the horizon.

Management Discussion and Analysis

Group
Managing
Director

MR. CHIA SONG KOOI

OVERVIEW

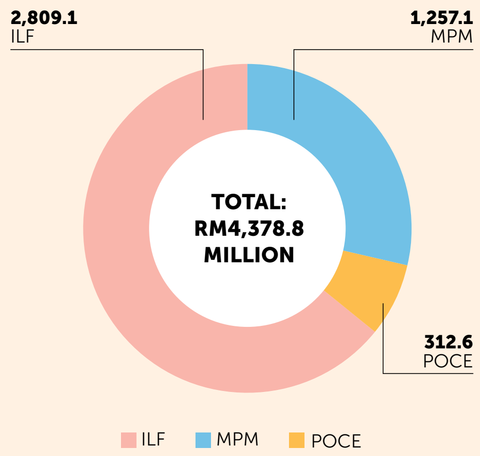
The past financial year of 1 April 2020 to 31 March 2021 (FY2021) presented the entire business community with a testing environment marked with uncertainties brought about by the pandemic.

To steer QL Resources Berhad through and sustain our growth trajectory in FY2021, the calibre of our management team proved essential to direct the implementation of our strategies towards being the preferred global agro-based enterprise. QL's philosophy of *quan li* and core values supplemented our core competencies as we charted our path towards value creation for all.

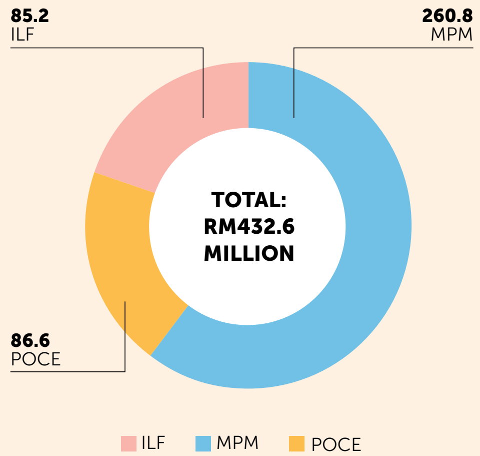
Against a national economy backdrop of -5.6% GDP, QL delivered a revenue growth of 5.5% to RM4.38 billion in FY2021 against RM4.15 billion in FY2020. This was achieved whilst navigating operational disruptions brought about by the pandemic, unfavourable weather conditions affecting palm oil productivity, windfall taxes and other challenges illustrated in the respective business review sections.

By strategically employing and allocating our resources, QL improved operational efficiencies to generate a profit before tax (PBT) of RM432.6 million. The PBT increase of RM125.6 million or 40.9% compared to FY2020, was also contributed by a RM79 million one-off remeasurement gain in the Palm Oil and Clean Energy (POCE) business pillar. Similarly, profit after tax and minority interests (PATAMI) grew by 30.3% or RM72.5 million to RM311.9 million.

FY2021 GROUP REVENUE



FY2021 GROUP PBT



QL is built on a strong entrepreneurial spirit. It was this essence within us that saw the team swinging into action in the face of the global health crisis that changed the business landscape.

As we transitioned from a challenging FY2020 into FY2021, the government-imposed MCO impacted our first quarter performance. Operations across our four complementary business pillars of Marine Products Manufacturing (MPM), Integrated Livestock Farming (ILF), Palm Oil and Clean Energy (POCE) and Convenience Store Chain (CVS) were temporarily disrupted even though being an essential service, we are permitted to operate at reduced workforce.

QL adapted to the standard operating procedures (SOPs), investing into health, safety and preventive measures to safeguard both employees and business. The COVID-19 care programme included routine mass testing and provided information in a timely manner for proactive prevention of the spread of virus.

Additionally, the Crisis Management Plan (CMP) was established, serving as a guide to assist our business units in responding to disruptions and resuming critical business operations in a timely and effective manner. The Crisis Management Structure is led by our Executive Chairman, Dr. Chia Song Kun with the Group Managing Director as his alternate. The Group Crisis Management Team comprises the Heads of the Crisis Team from ILF, MPM, POCE, and CVS. The CMP details out clearly the course of action, responsibility and incident severity level.

The years of astuteness and resilience in weathering external challenges have given us experience that enabled us to continue scaling and developing as an integrated agro-based business. We kept sight of our mission of producing convenient, attainable and nourishing sources of protein for the benefit of customers. This focus has resulted in us being recognised as a trusted brand, delivering quality products. For our stakeholders, it translated to exemplary growth and consistent performance in creating shared value.

The Group closed the financial year with the successful consolidation of Boilermech Holdings Berhad as a subsidiary, marking another extension to QL's value chain. With this consolidation, we now hold a leading clean energy and environmental technology specialist in Malaysia in our family of businesses. This is in addition to being the preferred poultry egg producer, Malaysia's largest fishmeal producer, largest surimi producer in Southeast Asia and one of the top 10 surimi-based producers in the world.

We continue on the strategic path to generate sustainable value creation while being cognisant of the dynamic risks and opportunities faced by and presented to our business.

Deeper discussions on the performance and outlook of our operations can be read at the Business Review on pages 18-25.

Management Discussion and Analysis (Continued)

VALUE CREATION STRATEGY

Value Creation Model

VISION: To be the preferred global agro-based enterprise

CAPITALS

Natural

QL considers the environment by responsibly using resources. Care is taken to ensure sustainable long-term value creation.
- Water consumed: 2.7 million m^3*
- Energy consumed: 0.8 million Gigajoule*

Manufactured

Implementation and utilisation of technology and best practices to produce safe, quality and nourishing sources of protein.
- > 30 operating entities
- Operating footprint in 3 countries

Intellectual

The pool of knowledge, experience, and systems are the cornerstone of QL's business growth and trusted reputation.
- Halal certified products
- Certification and best practices
- QL Poultry Centre of Excellence

Human

An inclusive workforce across 4 business pillars with an established platform for personal and career development.
- Over 12,300 employees

Social

QL builds strong relationship with business partners and the communities we operate in.
- Interest-free Fishermen Financial Assistance Scheme for the fishing communities
- Corporate philanthropy to support the broader community at large

Financial

Build sustainable, diversified and secure financial capital for growth, generating long-term shareholder value.
- Total equity: RM2.0 billion
- Total borrowings: RM1.3 billion

VALUE CREATION PROCESS

MISSION

Creating nourishing products from Agro resources, leading to benefit for all parties

Regional Replication, Value Chain Strengthening, and Downstream Integration

Integrating Technology

Governance Read more on pages 64-95

Material Matters Read more on page 32-33

Operational Environment Read more on pages 18-25

Integrated Livestock Farming

Palm Oil and Clean Energy

Convenience Store Chain

Marine Products Manufacturing

Outlook Read more on page 25

Risks & Opportunities Read more on page 15

Stakeholder Engagement Read more on pages 29-30

Sustainably Enhancing Performance

Empowering Talent

Read more about our strategy on pages 16-17.

Integrity — **Win-Win** — **Teamwork** — **Innovation**

CONSERVING THE ENVIRONMENT
- Established 3-year ESG roadmap:
  - GHG emissions intensity reduction target of 20% by FY2026
  - Operational efficiency improvement for energy, water and waste
  - Effective management of waste to minimise risk of environmental pollution
- Environmental awareness among our employees and communities
- Strategic partnership with established environmental organisation to enhance biodiversity

STRENGTHENING OPERATIONAL EFFICIENCY
- Farming Units Transformation & Refocusing Initiatives (FUTRI) as an approach towards improving ILF operational efficiency
- Artificial Intelligence and automation to enhance operational efficiency and production capacity
- Internal control systems focused on raising the quality and nutrition of products

ENHANCING MARKET REPUTATION
- Industry best practices and obtain licenses, certification and globally recognised accreditation
- Proactive continuous customer engagement to understand market expectations
- New touchpoints for customers

BUILDING LASTING RELATIONSHIPS
- Strengthen Human Capital Development policy, promoting a learning culture to develop a robust talent pool
- Occupational safety and health as an integral part of business culture
- Group-wide corporate philanthropy guideline that creates shared value and long-term impacts
- Local employment opportunities

RESPONSIBLE TOWARDS STAKEHOLDERS
- Adopt Integrated Reporting <IR> to enhance stakeholder communication
- Proactive investor relations as a form of open channel communication
- Prudent operating cash flow management and leveraging debt capital to optimise funding cost

VALUE CREATED

- Avoided over 27,200 tCO_2e GHG emissions*
- Over 11,500 MWh of renewable energy generated*
- 86 m^3 of rainwater harvested as part of efforts to reduce water withdrawal*
- Diverted 97% of waste generated from landfill and converted 84% of chicken manure to organic fertiliser*

- 2.2 billion eggs, 150,000 metric tonnes of fish and 18 million broilers per year
- Almost 100% score of "Fair to Excellent" for QL Eggs and MPM products in Consumer Satisfaction Survey
- Acquired controlling stake in Boilermech

- More than 10 accepted and trusted brands, RM4.38 billion in revenue (FY2020: RM4.15 billion)
- Holds halal and international certifications, export to more than 10 countries
- Established a Health and Nutrition Committee to drive food innovation

- Implemented robust HR policy providing a healthy and safe environment to support employee welfare and well-being; established OSH Guiding Principles – "WECARE"
- 99,845 hours of employee development
- 267 employees underwent LEAD
- Collaborated with over four institutions and supported government job initiatives for talent sourcing

- Financial assistance to over 970 fishermen (FY2020: 935)
- Over RM570,000 invested in corporate philanthropy initiatives (FY2020: RM530,000)
- Over 10,300 locals employed at our operation sites (FY2020: 9,700)

- Produced QL's first Integrated Report to promote better external communications and decision making
- Resilient business performance, PATAMI: RM311.9 million (FY2020: RM239.4 million)
- Total proposed dividend payment: RM85.2 million (FY2020: RM73.0 million)
- Cumulative shareholder return since listing in year 2000: 13000% ROI (FY2020: 10500%)
- Total finance cost: RM56.4 million (FY2020: RM67.0 million)

Produced 1.1 billion standard protein servings[1]
Produced 12.4 million meals for Malaysians[2]

QL's Business Philosophy: *quan li* – Benefit for All

1. Based on average protein serving of 26g. Average calculated according to recommended average daily protein intake by USDA Dietary Guidelines. Calculation is based on production for MPM and ILF businesses.
2. Based on average calories per meal per day. Average calculated according to recommended calories intake of 2,000 calories per day by the Ministry of Health Malaysia. Calculation is based on production from CVS business.

* Information pertains to subsidiaries reported within the Sustainability Statement.

Insights into materials issues are on pages 32-33.

Management Discussion and Analysis (Continued)

Across our business units, we are conscious of our ability to create, preserve, enhance or erode value. These are centred around the material issues that affect the capitals managed by QL.

The preservation and management of QL's key capital inputs are essential to promote sustainable long-term growth and provide continuous value creation to our stakeholders. The essence of our value creation is lived out every day through our very name, QL, which is the initialism of *quan li*, which means 'Benefit for All'. This foundation reminds us every day to create shared value for all, from suppliers to customers. It drives a multi-capital management approach enabling us to deliver our purpose to the benefit of all stakeholders.

Quan li is embedded into our deeply rooted culture throughout the organisation and forms a basis to monitor the material matters affecting our capitals - natural, manufactured, intellectual, human, social and financial. After the material matters are identified, we lay out the risks and opportunities and implement strategies to mitigate risks and exploit opportunities.

As QL envisions to be the preferred global agro-based enterprise, the material matters surrounding the business are weighted towards natural and manufactured capitals. Ensuring the longevity of our business, we strive to conserve the environment and produce nourishing protein products that are conveniently available to the masses.

Automated multi-head packing lines at QL Foods, Hutan Melintang, Perak.

A summary of the material matters affecting the capitals are as follows:

Capitals	Key Focus	Risks and Opportunities
Natural Capital	• Monitoring and minimising greenhouse gas (GHG) emissions, usage of electricity and water. • Creating sustainable renewable energy sources. • Responsibly dispose of waste. • Conserving and managing biodiversity.	**Risks** • Negative impacts on the environment due to our operations. • Shortage of natural resources may impact our operations. **Opportunities** • Use of environmental technology and solutions to maximise the efficient use of natural resources. • Leverage environmental education to raise awareness and enhance our performance.
Manufactured Capital	• Continuous improvement and streamlining of operational processes for greater efficiency. • Monitoring controls as biosecurity measures. • Enhancing procedures and systems to maintain optimal production.	**Risks** • Disease outbreaks adversely affect production output and quality. • Lack cost competitiveness due to inefficiency and obsolete technology. • Cyber security compromised leading to business disruptions. **Opportunities** • Investment in Artificial Intelligence (AI), automation and upgraded facilities to increase production capacity and efficiency. • Growth opportunities in new markets.
Intellectual Capital	• Maintaining and building QL's brand amongst customers and the public. • Maintenance of relevant certifications and licenses to operate. • Monitoring and upholding quality control and food safety.	**Risks** • Product quality and safety issue affecting goodwill and reputation. • Market share erosion with slow response to market trend and disruption. • Non-compliance with regulations impacting our license to operate. **Opportunities** • Focus on enhancing customer experience and better meet customer demand through innovation.
Human Capital	• Maintaining a conducive work environment. • Fostering professional and personal development for our workforce including career progression.	**Risks** • Labour shortages. • Non-compliance to regulatory requirements. • High turnover of employees. • Workplace accidents that could result in injuries or fatalities. • Epidemic and pandemic. **Opportunities** • Preservation of a safe and healthy work environment, and prevention of occupational illness or injury. • Improvement of workplace policies and practices to attract and retain talent. • Strategic partnerships and talent sourcing.
Social Capital	• Helping and developing communities. • Creating job opportunities for locals.	**Risks** • Reputational damage amongst the community. • Loss of goodwill arising from diminished trust in products. • Negative marketing strategies and impact of processed food. **Opportunities** • Contributing to the community through strategic and targeted initiatives. • Creating positive socio-economic development.
Financial Capital	• Delivering effective stakeholder communications. • Sustainable business performance to generate long-term growth for stakeholders.	**Risks** • Forex, interest rates and credit risks. • Fiscal policies (tax, incentives, etc). • Share price not reflective of the intrinsic value of the company. **Opportunities** • Enhanced and more transparent external communications. • Financial management to capitalise on growth opportunities.

Management Discussion and Analysis (Continued)

Creating Value, Powering Growth

QL continuously refines our laser-sharp focus in allocating resources to enhance, build and maintain efficiencies in our different business pillars.

Onto the outlined three-pronged strategy of regional replication, value chain strengthening, and downstream integration, we have added three major sustainability initiatives. Powering our growth going forward and delivering on our mission of creating nourishing agro-based products, QL directs resources to:

- **Regional Replication, Strengthening of Value Chain and Downstream Integration**
  Applying the 3C (Conserve, Continue and Core Focus) approach to identify expansion opportunities throughout our value chains.
- **Sustainably Enhancing Performance**
  Conserving the environment and natural resources via an emphasis on ESG.
- **Integrating Technology**
  Gaining invaluable insights and improving decision making through data analytics, AI, and cloud computing.
- **Empowering Talents**
  Nurturing employees through upskilling and talent development programmes towards creating a motivated, high-performance culture.

Regional Replication, Strengthening of Value Chain and Downstream Integration

Our three-pronged strategy strengthens and builds QL's capabilities to achieve sustainable business growth. Over the years, this strategy has helped QL entrench its roots in the staples industry and manoeuvre through challenging business climates by being agile.

The dynamic strategy implemented considers key economic developments, consumer demands and market indicators. The feasibility of regional replications, value chain strengthening and downstream integration activities across the four business pillars are assessed by key management before its strategic execution. The performance is monitored, and controls are implemented to ensure milestones are met.

The 3C approach of Conserve, Continue and Core Focus is a strategic tool that helps management identify opportunities of growth across our extensive value chain. By conserving our foothold of the business pillars with strong presence, continuous prudent investing, reinforcing our foundation through sustainable practices and focusing on downstream integration activities, QL efficiently deploys financial capital to maximise returns for our stakeholders.

Sustainably Enhancing Performance

In delivering value to stakeholders, we take measures to ensure that the returns are sustainable by paying close attention to the capitals. Our sustainability initiatives are cognisant of our impact on the environment and society across the value chain – from farm to table.

Taking strides into our emphasis on ESG, our operations will increasingly harness renewable energy, expand responsible waste water management, set up a Safety & Health Division, as well as continue to inculcate the upholding of QL's Code of Conduct and Anti-Bribery Policy.

Understanding the importance of certification, QL is undertaking the journey to obtain ISO45001, a globally recognised standard for occupational health and safety; starting with one of our companies in ILF. QL diligently adheres to sustainable practices in our operational activities by subscribing to best practices and standards-based requirements across our business pillars.

We expedited the use of renewable energy (RE) with the rollout of solar panels installation at operating sites. As QL operates regionally, this RE initiative is and will be replicated in the neighbouring countries where we have presence alongside the progress in Malaysia. This is bolstered by the acquisition of Boilermech. QL will maintain and highlight our green businesses including bioenergy, as part of our environmental stewardship.

What gets measured gets done. QL expanded the scope of monitoring with measurement devices being rolled out at selected operation sites. This more structured approach to monitor and manage sustainability performance will provide data to formulate remedial action where applicable, and supports the committees established at the business level to implement and monitor strategies set out by the Board of Directors.

Sustainably enhancing performance encompasses improving food quality, safety and nutrition of our various products. We established a Health and Nutrition Committee to spearhead QL's health and nutrition strategy. This committee is driven from the top down, by our Group Managing Director.

Being an agro-based food company, biosecurity management will always be at the forefront of our operations. Our teams keep abreast of the latest developments in animal care. Across board, QL is vigilant in upholding good farm management practices to ensure that flock health and biosecurity are optimal. We ensure that our farms are certified.

As part of our growth strategies, we support the communities in which we operate. We will perpetuate our hallmark Fishermen Financial Assistance Scheme, which has provided a lifeline to many families as they strive to improve their livelihoods.

Integrating Technology

With businesses that span entire value chains, QL embraces technology as an instrument to advance operational efficiency, improve data accuracy, and hasten workflow processes. The pandemic has only accelerated our technology integration and automation efforts. This will continue to be a focus moving forward.

A formulated Information Technology (IT) blueprint encompassing data analytics, AI, and cloud computing will guide QL in productivity, supply chain and performance management to provide data visibility to management.

We will continue to capitalise on technology disruptions and big data to deliver better services and products, enhancing our retail brand, touchpoints, infrastructure and customer engagement. The CVS business pillar led the path forward through the utilisation of online ordering and delivery platforms to promote top-line growth. QL sees an increasing role that data will play in the introduction of new products and services, complementing our 3C approach.

Empowering Talents

QL's senior management embodies our core corporate values - integrity, innovation and team spirit across our business pillars, leading by example and laying the foundation for a caring and progressive work culture. Our employees are an essential component to our continuous growth and stable operations.

Accountability and transparency are also promoted through policies such as our Anti-Bribery Policy and Whistleblower Policy which provide a communication channel for employees to voice their concerns.

To nurture our employees and help chart their career development, QL instituted the LEAD and Accelerated Learning Programme, which are dedicated skills enhancement and management training initiatives. Every year, a batch of identified employees with potential have the opportunity to fast-track their growth by equipping themselves through structured learning to help prepare them for business decision making.

QL believes in empowering our talent pool with professional and essential skills that are founded on values in a conducive and inspiring work environment to attract and retain high-performing talents.

QL will maintain our course of strategies with an eye on the horizon, monitoring any currents that could pose an obstacle towards achieving our vision. Our key focus is to protect and preserve what is important to us - people, community and shared value creation.

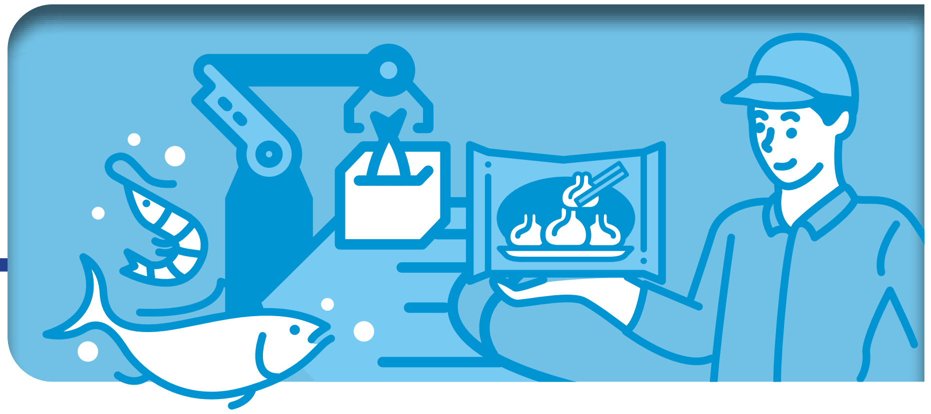
*Career talk for graduating students at Vocational College Teluk Intan, Perak.**

* *Training conducted in compliance with SOPs.*

Management Discussion and Analysis (Continued)

BUSINESS REVIEW

Marine Products Manufacturing (MPM)



Key Developments

- The planned 5,000mt cold-room facility in Endau has been completed.
- Prawn aquaculture expansion project on track at Kota Belud.
- The MPM business pillar continues to employ sustainable solutions throughout its operations. Solar energy generation projects were completed and operational at four sites namely Hutan Melintang, Endau, Kulai, and Kota Kinabalu.

Financial Performance

The MPM business pillar returned a sales of RM1.26 billion, an 8.4% increase year-on-year (YoY). This was translated to a PBT increase of 36.0% to RM260.8 million. Strong demand for fishmeal, surimi and surimi-based products drove the performance of this pillar. The wide variety of carefully identified surimi-based product mix catered to the appetite for convenient frozen seafood products.

Our investment into aquaculture six years ago also yielded positive returns with a strong contribution to our earnings. The increased efficiency and lower fuel prices were also a positive contributing factor to the MPM performance. These factors combined with economies of scale resulted in MPM's overall growth in revenue and profitability during the financial year.

Operational Review

MPM's businesses span the entire value chain starting from fishery to value-added products for consumers. The sub-pillars stretch from aquaculture farming and deep sea fishing to processing of raw materials into surimi, surimi-based products, snacks, and wholesome convenient marine-based products catering to modern lifestyles. The fishmeal production which also makes use of surimi by-products completes the processing chain and enhances our responsible resource use emphasis.

Upstream in our MPM value chain is the fishing unit with 29 teams of well-equipped purse seine fishing boats operating in the South China Sea. Advanced onboard radar and sonar technology enables effective, efficient and sustainable fishing methods. At the jetty, the fishes are redirected to factories for processing to be exported as frozen seafood or surimi, or into fishmeal.

The completion of the planned 5,000 metric tonnes cold-room facility expansion at our operations in Endau will further support our frozen fish business.

Providing quality nourishing products which are convenient for consumers is MPM's reason for being. Over at our surimi and surimi-based businesses, the production capacity is at 80%, contributing positively to our total sales. We continue to improve operational efficiencies for improved use of natural resources.

Our unit in Indonesia also continued its favourable performance. The good demand for our surimi-based products has spurred QL to progress with expansion to result in economies of scale for the operations. QL's expansion plan to increase its existing 3,000 metric tonnes production capacity is in progress, and is expected to be fully completed by end of FY2023.

QL's well-equipped purse seine fishing boats at Endau, Johor.

The growth of the MPM pillar was also supported by our aquaculture activities. Improved pond facilities and new culture methods comprising clean post larvae, clean water and clean pond enhanced our existing operations. This boosted overall farm efficiency and cost effectiveness. Demand for our live frozen and cooked frozen shrimp remained strong throughout FY2021, consolidating into the growth of the business pillar's revenue.

MPM upholds strict food safety systems and controls to ensure that our products are of the highest quality and safe to consume. Catering to the strong local and offshore demand, our downstream activities comply with international standards including Hazard Analysis and Critical Control Point (HACCP) certification, US Federal Department of Agriculture and EU regulations where applicable, as well as halal certification.

Challenges

As projected in last year's annual report, the fish landing was good but this was offset by a contraction in the market, leading to lower prices. This was followed by impact from the different phases of MCO and lack of manpower.

The surimi and fishmeal units trailed a similar path in tandem with the lower fish landing following decreased fishing activities.

QL's strict adherence to the COVID-19 SOPs affected output capacity throughout our value chain as we comply with physical distancing requirements, reducing workforce on site.

Outlook

Fishmeal prices are expected to stabilise. However, low sales volume due to low fish landing and production will adversely impact the performance. We have also implemented active hiring initiatives which are expected to stabilise the operations of the fishery units.

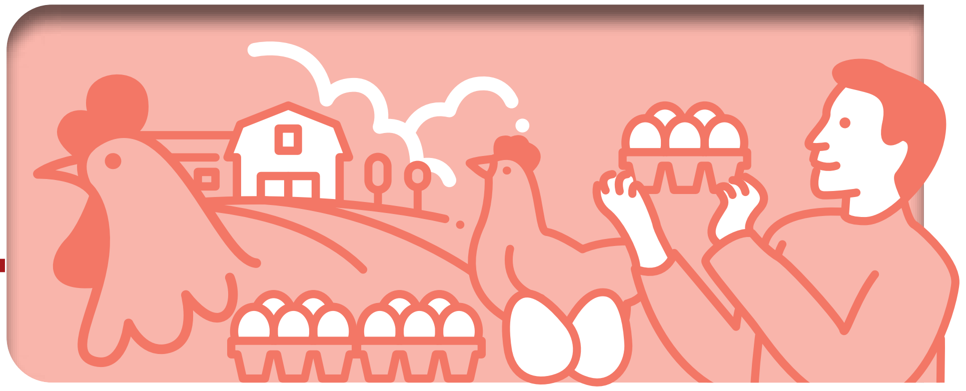
The demand for surimi and surimi-based products are forecasted to continue its upward trend. The lesser workforce allowed at any one time in the factory in compliance with SOPs and the lower fish landing might have an adverse impact on this sub-pillar.

We also take note that consumer sentiment is mixed across various countries. Working in MPM's favour are the vaccination programmes in our export destinations, which have given rise to positive consumer sentiment and improved consumption.

Considering these factors, we have a mixed to negative outlook for MPM for FY2022.

Management Discussion and Analysis (Continued)

Integrated Livestock Farming (ILF)



Key Developments

- Implemented Farming Units Transformation & Refocusing Initiatives (FUTRI) as an approach towards farming and operational excellence.
- Overall layer farm productivity increased; egg price continues its consolidation in Peninsular Malaysia.
- Vietnam layer operations produced 1.4 million eggs per day, up from last year's 850,000.
- Indonesian operations resumed layer capacity expansion after deferment due to the pandemic.
- Solar energy projects are ongoing at Pajam and Vietnam farms.

Financial Performance

In FY2021, ILF generated RM2.81 billion in sales, a growth of 2.5% from RM2.74 billion in FY2020. Against this, the bottom line came in at RM85.2 million, which was 23.3% lower YoY.

ILF's revenue was attributable to a prudent capacity development exercise, responding to the volatile demand brought about by COVID-19. The growth in revenue was on the back of strong demand for eggs in Vietnam and an excellent performance from the raw material trading division which experienced an uptrend of commodity prices during the financial year.

The ILF layer units in Malaysia and Indonesia were confronted with subdued demands, which were exacerbated by pressured egg prices. The disruptions arising from the different phases of MCOs created further challenges for this business pillar, leading to an overall contraction of PBT.

Operational Review

The ILF operations is a value chain comprising animal feed raw material, commercial feed milling, layer farming and broiler integration. These operations are spread across three geographic locations, Malaysia, Indonesia and Vietnam.

Striving for farming and operational excellence, we conceptualised the Farming Units Transformation & Refocusing Initiatives, better known as FUTRI. Utilising data analytics, we identified areas for cost management improvements and redirected sales and marketing activities strategically. Led by the QL Poultry Centre of Excellence, FUTRI was rolled out in a concerted manner across all our ILF farms.

In total, our ILF value chain produces 6 million eggs per day (with 8.0 million laying hens), 43 million day old chicks and 18 million broilers per annum. This is in line with our pursuit of producing affordable and quality sources of protein for the masses.

Our feed raw material operations experienced stable trading volume. Price-wise, it trended upwards after trading at a lacklustre range at the beginning of our financial year.

QL emphasises safe and quality products for consumption and underscores this by complying to recognised standards. Among the certifications held by our ILF operations are HACCP, Makanan Selamat Tanggungjawab Industri (MeSTI), Malaysian Good Agricultural Practices (MyGAP), Good Manufacturing Practice (GMP), halal certification from Jabatan Kemajuan Islam Malaysia (JAKIM), and ISO22000:2005.

We are pleased to report that our Raub farm has recovered from the low pathogen avian influenza (LPAI) outbreak situation noted in the last annual report.

Meanwhile, our new farm in Vietnam progressed well and this has contributed to QL meeting our target of collecting 1.3 million eggs per day collectively from the existing and new farms.

The Indonesian layer farms expanded its capacity to 900,000 eggs per day, up from the 800,000 reported last year. This operation site continues on its path towards laying 1.4 million eggs per day. The planned expansion is underway after an earlier deferment due to MCO.

Supplementing our electricity consumption with renewable energy, solar energy projects are ongoing at Pajam and Vietnam farms. Each has commissioned a solar project and works at the second solar project site is underway.

Challenges

The MCO imposed brought forth challenges in the ILF operations, particularly disruptions to the supply chain.

With the double whammy of weak egg prices and rising feed costs, ILF operations continued to be buffeted by challenges.

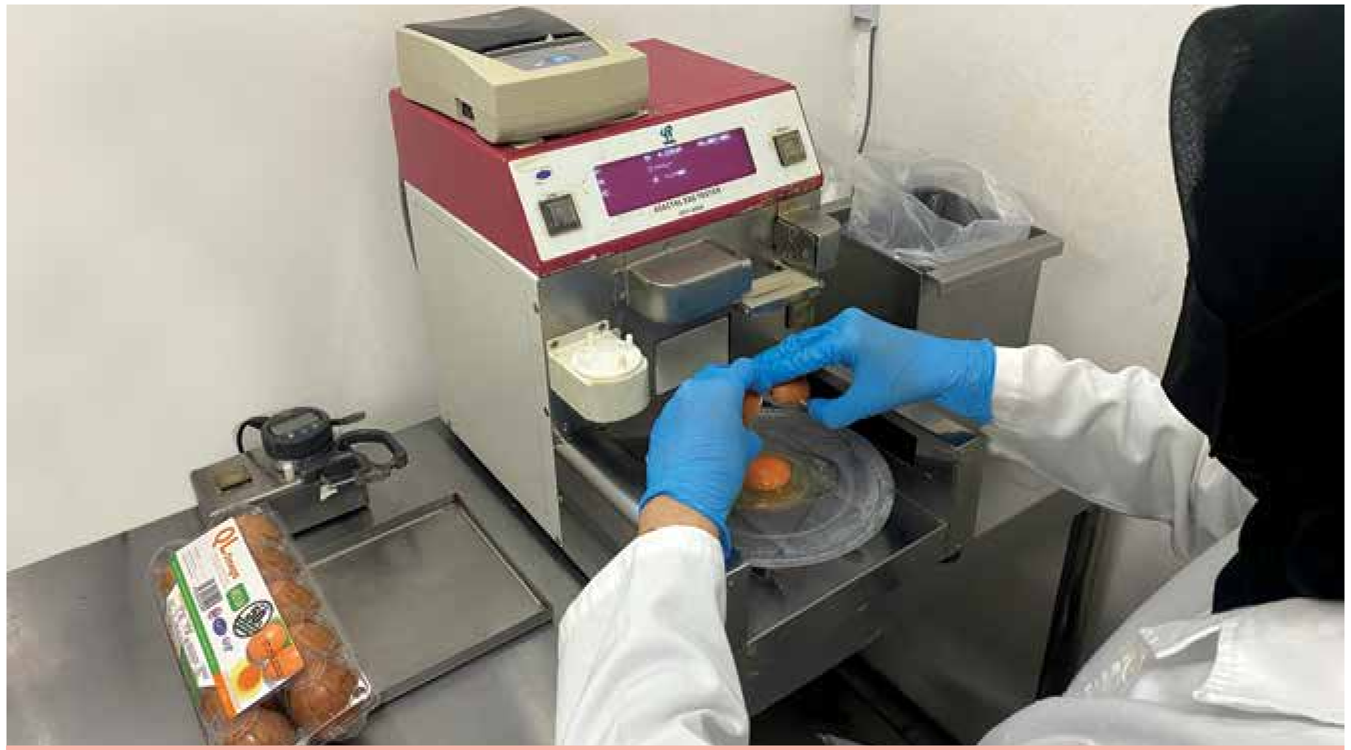
Outlook

Egg prices in Peninsular Malaysia are expected to remain on its consolidation path with an egg glut situation compounded by a sliding demand due to weaker consumption resulting from the pandemic.

Commodity prices are expected to stay extremely high and continue its pressure on farming operations.

QL's trading business is a favourable mainstay but volume is anticipated to decline due to the pandemic while commodity prices are projected to be manageable.

Overall, the challenges in ILF will be aplenty in FY2022, giving this pillar an outlook that is negative.



Egg sampling test for quality and freshness at on-site laboratory in QL Poultry Farms, Pajam, Negeri Sembilan.

Management Discussion and Analysis (Continued)

Palm Oil and Clean Energy (POCE)

Key Developments

- Acquired majority stake of 50.53%, Boilermech Holdings Berhad recognised as a subsidiary in Q4 FY2021.
- Streamlined the pillar from Palm Oil Activities into Palm Oil and Clean Energy in tandem with our sustainability strategy.
- Higher average CPO selling price in FY2021.

Financial Performance

The performance of POCE recorded an increase in revenue of 22.2% YoY. Revenue grew from RM255.9 million in FY2020 to RM312.6 million in FY2021 on the back of higher CPO prices and additional sales recognition from Boilermech in the fourth quarter (4Q) of FY2021.

The RM86.6 million PBT posted is mainly attributable to the consolidation of Boilermech and a one-off remeasurement gain under Malaysian Financial Reporting Standards (MFRS) 3 Business Combination. This resulted in an exceptional growth in PBT of the business pillar. The drastic Indonesian windfall tax ate into the profit for this pillar.

Operational Review

QL's Palm Oil Activities (POA) value chain has now evolved to include clean energy with our 50.53% controlling stake in Boilermech. The business pillar is now referred to as Palm Oil and Clean Energy (POCE) and includes activities in upstream and downstream palm oil activities, and clean energy engineering encompassing bioenergy, water treatment and solar energy.

Our palm oil plantation is grounded on good agriculture practice and we comply with the environmentally sustainable methods of the Indonesian Sustainable Palm Oil (ISPO) certification. Of QL's existing 16,000 hectares of estate holding, 9,000 hectares are cultivated while the remainder lies fallow. For the planted area, 8,300 hectares are mature.

In FY2021, the weather affected fresh fruit bunch (FFB) yield at our Indonesian estate, causing a poorer harvest and a lower oil extraction rate (OER). FFB production weighed in at 134,000 metric tonnes, sliding 5% down from FY2020's 141,000 metric tonnes. This rendered us unable to fully capitalise on the higher CPO prices.

At the same time, our milling-as-a-service business faced stiff competition for the FFB of smallholders, reducing our milling volume and economies of scale. This in turn caused operating costs to increase.

Gaining successful control of Boilermech, the leading clean energy engineering company also strengthens QL's green push. This complements our efforts on sustainable solutions to cater towards an increased awareness of ESG initiatives.

Rooftop solar panel installation at a customer's factory.

Challenges

The FFB production and OER were affected by adverse weather conditions and thus increasing processing costs. POCE saw a forward-selling strategy producing unfavourable results.

Additionally, despite the higher selling price of CPO, POCE's earnings were strained by Indonesian windfall tax, low yield, and stiff competition from other millers.

Outlook

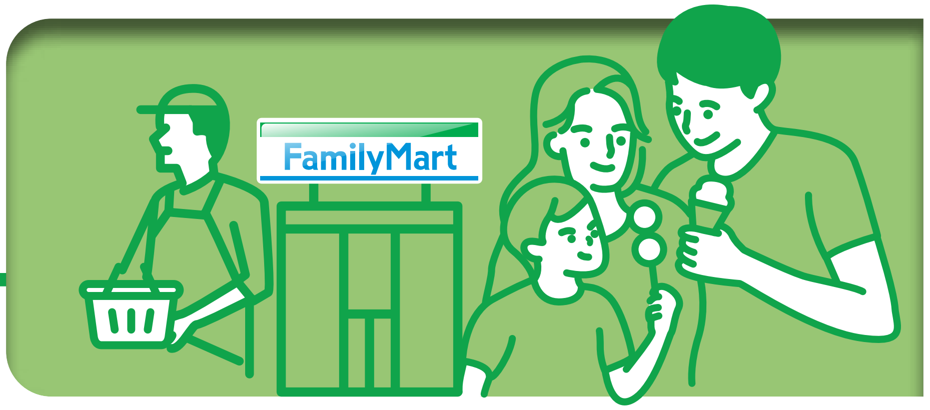
We anticipate FFB production to recover mainly due to the maturity profile of our plantations barring unforeseen weather conditions. We also expect CPO prices to be stable at current level. However, we may face windfall taxes imposed by the Indonesian government.

With concerns about the environment gaining deeper traction as more companies step up ESG efforts, we see the Clean Energy business having good prospects. The higher steel costs and tighter supply of solar panels may dampen the otherwise projected good progress.

POCE is anticipated to have a moderately positive outlook.

Management Discussion and Analysis (Continued)

Convenience Store Chain (CVS)



Key Developments

- The expanded QL Kitchen logistic and warehouse are now in operation. Further expansion on new production lines is on track.
- A total of 241 stores are now in operation as at the close of FY2021.
- Continued to introduce innovative range of ready-to-eat foods.

Operational Review

FamilyMart is a downstream scalable business focused on providing *konbini*, or convenience to meet the lifestyle of busy Malaysians with halal, ready-to-eat food. As footfall recovered with the easing of movement restrictions towards the second half of calendar year 2020, so did our sales.

The added capacity of last year's QL Kitchen expansion supported the growth of FamilyMart and provided better avenue to generate cost efficiencies.

Responding to changes in consumer behaviour, QL introduced our own online ordering and delivery system at the end of calendar year 2020. This has shown encouraging results. The system now runs parallel to our physical stores. In the effort to provide more options for customers to interact and transact with FamilyMart, we also collaborated with an established food delivery service provider to extend the reach.

Headwinds from MCO notwithstanding, FamilyMart continued on the charted course towards having 300 stores by FY2022. We are cautiously optimistic of achieving this target in view of the established momentum of opening new stores in locations nearer to customers who look forward to the convenience of our various products and services in particular the ready-to-eat range of foods.

The 241 stores as at 31 March 2021 included our first standalone drive-through outlet in Klang Valley and increased our market presence into the Northern states of Perak and Penang, where the expansion created job opportunities for locals.

Standalone drive-through FamilyMart store located in Klang, Selangor.

To accommodate the continuous growth of CVS, the central kitchen under QL Kitchen Sdn. Bhd. is further expanding its warehouse and logistics area. A new production line will be commissioned soon for the rolling out of more innovative range of ready-to-eat items. Upon completion, this expansion will better strengthen our ability to meet customers' demands for convenient and nourishing halal products.

Challenges

As the public were encouraged to stay home during the first MCO, footfall in malls, airports and public transportation went silent. The first quarter of FY2021 saw decreased sales, which then returned to near normal during the Conditional and Recovery MCO periods.

To flatten the curve, an array of physical distancing measures to mitigate the spread of infection were introduced. FamilyMart is cognisant of the risks and implemented SOPs to protect our workforce and customers as well as to help curb the spread of the virus. The SOPs remain in place for the foreseeable future.

Outlook

As the number of COVID-19 cases rose alarmingly high towards the last quarter of FY2021, the normalisation of daily sales per outlet seems challenging.

Our good mix of store types and locations together with the online order and delivery system will help mitigate an overtly detrimental impact.

In response to the unabating uncertainties of the market, the management team is also actively assessing the feasibility of new touchpoints to provide more convenient sales channels to customers, further strengthening the *konbini* concept of our FamilyMart stores.

The CVS business is expected to maintain its growth trajectory at a slightly modest rate.

GROUP OUTLOOK

Developments surrounding the pandemic, implementation of containment measures, and decision to allow economic sectors to operate will shape economic recovery and growth outlook.

The World Bank projects global economy to expand at 5.6% this year. Global inflation has rebounded after declining in the first half of calendar year 2020. It is projected to continue rising in 2021. Inflationary pressures are on the back of supply chain disruptions and increased demand. Additionally, China, the top corn and soybean importer in the world, has been increasing its purchases and this could put more pressure on production cost.

Bank Negara Malaysia forecasts the country's economy to be at the lower end of the 6% - 7.5% growth range as it is met with obstacles. A recent World Bank report projects this growth to be 4.5% in 2021.

Changing lockdown phases and increased logistic challenges could prove to be a hurdle for economic recovery. Locally, the improving consumer sentiments and consumer spending have been forecasted to slow down as the public remains cautious responding to the recent COVID-19 developments and future uncertainties.

The high number of COVID-19 cases and stricter measures have affected growth expectations in FY2022. New SOPs implemented by the government may create operational difficulties as orders may be met with limited production capacities.

The first half of FY2022 is shaping up to be an overall tough period for businesses where the economic recovery fell short of anticipation. This could see an upturn in the second half of the financial year as the local vaccination programme continues to accelerate, giving rise to recovery.

QL continues to keep a close eye on our surrounding business environment and respond accordingly.

FY2022 will be another year of navigating through rough seas. It is essential to remember that a smooth sea never made a skilled sailor. We have laid the foundation for strategic growth for the group in the coming years and our assets and resources are in place. The anticipated negative outlook for MPM and ILF will be slightly offset by the cautiously positive prospects for POCE and CVS. QL has sailed through crises over the last 33 years of our operations. We will continue to have our hand firm on the helm with eyes on the horizon to do so again through this tempest and strive to deliver another year of revenue growth and hopefully bottom line growth as well.

Sustainability Statement

ABOUT THIS STATEMENT

Preparation of This Statement

This Sustainability Statement (the "Statement") aims to communicate QL's commitment to sustainability, activities and progress to our stakeholders.

This Statement is prepared in accordance with the Sustainability Reporting Guides and Amendments issued by Bursa Malaysia Securities Berhad under Main Market Listing Requirements. This year, we enhanced our reporting approach by preparing this statement with reference to the Global Reporting Initiative Standards ("GRI Standards") and adopting the content elements of the International Integrated Reporting <IR> Framework, in line with Bursa Malaysia's recommendation.

Reporting Scope and Period

This statement discloses the activities and performance for QL's identified material matters for the financial period of 1 April 2020 to 31 March 2021, unless stated otherwise. The scope of this statement covers QL's 12 main subsidiaries located in Malaysia.

INTEGRATED LIVESTOCK FARMING (ILF)

- QL Poultry Farms Sdn. Bhd.
- QL Breeder Farm Sdn. Bhd.
- QL Feed Sdn. Bhd.
- QL Ansan Poultry Farm Sdn. Bhd.

MARINE PRODUCTS MANUFACTURING (MPM)

- QL Foods Sdn. Bhd.
- QL Endau Marine Products Sdn. Bhd.
- QL Endau Deep Sea Fishing Sdn. Bhd.
- QL (Figo) Johor Sdn. Bhd.

PALM OIL AND CLEAN ENERGY (POCE)

- QL Plantation Sdn. Bhd.
- QL Tawau Biogas Sdn. Bhd.

CONVENIENCE STORE CHAIN (CVS)

- QL Maxincome Sdn. Bhd.
- QL Kitchen Sdn. Bhd.

Feedback

We are committed to listening to your valued feedback in our efforts to continuously improve our sustainability performance and approach. Please direct any questions, comments or feedback to esg@ql.com.my.

FY2021 AT A GLANCE

Environmental Responsibility

- Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020
- Generated over **11,500 MWh** of renewable energy
- Avoided over **27,200 tCO_2e** of GHG emissions from renewable energy generation
- Diverted **97%** of non-hazardous waste generated from landfill
- Achieved over **84%** of composting rate for manure conversion to organic fertiliser

Social Responsibility

- Established a **Health and Nutrition Committee**
- Over **RM570,000** invested into the local community
- Provided over **RM23.8 million** of interest-free financial assistance to **974 fishermen**
- Established a **Group OSH Work Committee**
- Established **Migrant Workers' Recruitment and Treatment Guidelines**

Governance

- **100%** of operations assessed for risk related to corruption
- **Zero** whistle blowing cases reported
- **1,322** suppliers signed QL's Suppliers and Business Associates Code of Business Ethics[3]

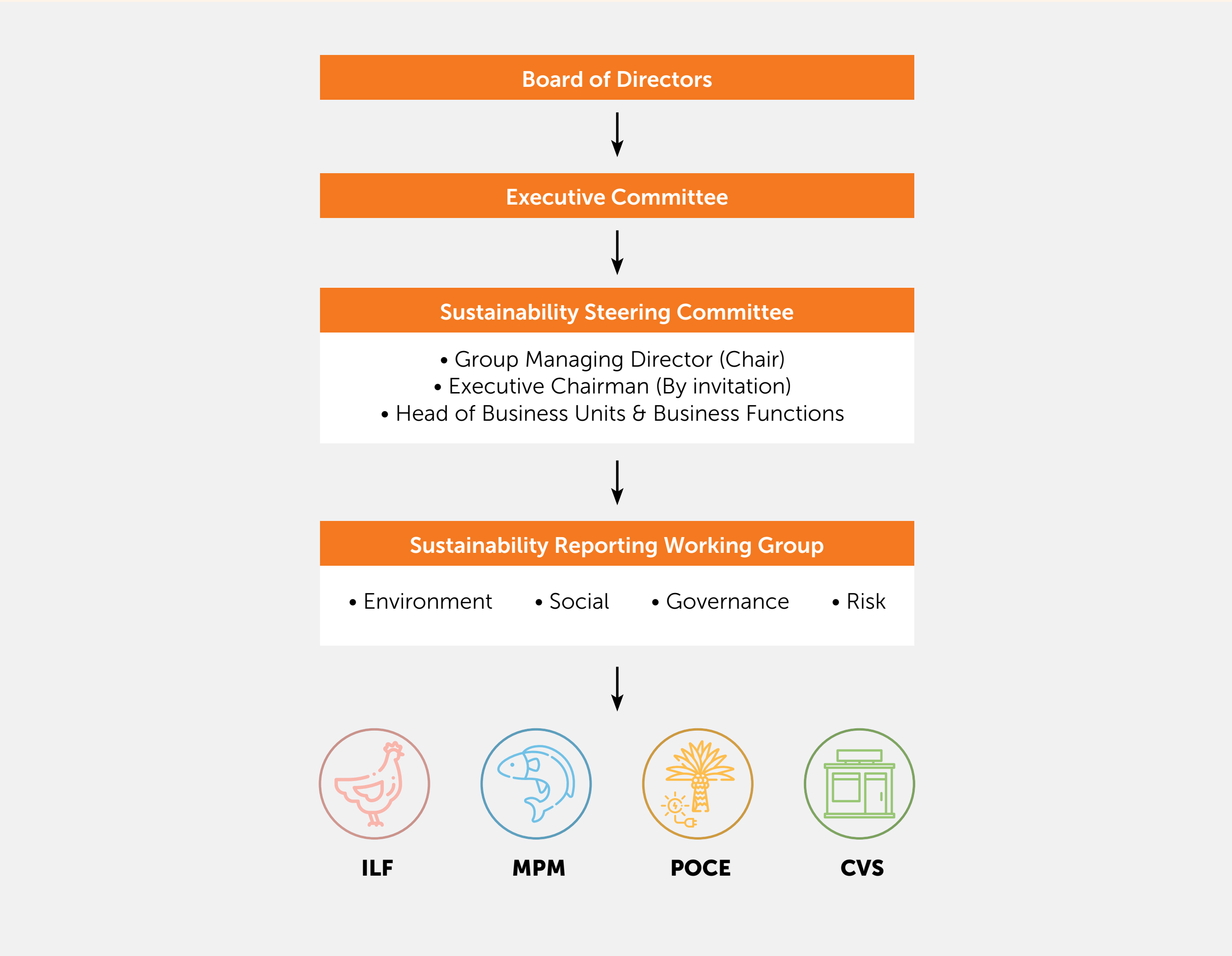
[3] *Number of suppliers as at 31 March 2021.*

OUR SUSTAINABILITY APPROACH

Sustainability Governance

At QL, a strong foundation, driven from the highest level of management will drive transformation and deliver our sustainability commitments and vision. QL's sustainability governance structure is critical to ensure that our approach is underpinned by strategic risk and opportunity management as well as guided by sustainable principles and industry best practices.

QL's Board of Directors (the "Board") plays an active role in setting the sustainability direction for the Group. A Sustainability Steering Committee ("SSC"), chaired by QL's Group Managing Director and comprises Head of Business Units and Business Functions supports the Board in steering the Group's sustainability efforts. The SSC is assisted by the Sustainability Reporting Working Group ("SRW") to guide and monitor QL's sustainability performance across businesses. In addition, the business units have established their own governance structures with working Groups to lead the implementation of sustainability initiatives within their businesses.



Stakeholder Engagement

Stakeholder expectations and concerns evolve over time. Regular engagements with our stakeholders enable QL to identify key sustainability issues, as well as emerging priorities. We formulate our approach to develop strategies for sustainable value creation and facilitate continuous improvement based on engagement with our stakeholders. The table below summarises our key stakeholders and engagement methods.

Stakeholder Groups	Focus Areas	How Do We Respond?	Engagement Channels	Frequency of Engagement
Investors and shareholders	• Financial performance • Good corporate governance • Responsible & value creation in business management	• Refer to *Management Discussion and Analysis* ("MD&A") (pg 10) • Refer to *Social Responsibility* (pg 41)	• Annual General Meeting • Analyst briefings & investor presentations & meetings • Financial results • Press releases • Corporate website	• Annual • Regular meetings with investors & analysts • Quarterly • As needed • Throughout the year
Employees	• Respect for human rights • Learning & development • Safe & healthy workplace • Supportive welfare • Continuous business growth	• Refer to *Environmental Responsibility* (pg 34) and *Social Responsibility* (pg 41)	• Workshop discussions • Induction training • Learning & development programmes • Employee performance appraisal	• As needed • As needed • Throughout the year • Annual
Customers	• Safe, nutritious & quality products • Good governance practices • Regulatory compliance • Food certifications	• Refer to *Environmental Responsibility* (pg 34) and *Social Responsibility* (pg 41)	• Feedback survey • Face-to-face interactions • Online platform (Facebook, mobile apps) • Customer Careline	• Annual • As needed • Throughout the year • Throughout the year
Vendors and suppliers	• Business continuity • Regulatory compliance	• Refer to MD&A (pg 10) • Refer to *Social Responsibility* (pg 41) and *Governance* (pg 57)	• Interviews • Face-to-face interactions	• As needed • Throughout the year
Regulators and Non-Govermental Organisations (NGOs)	• Regulatory compliance • Responsible business practices • Indirect economic contribution • Industry trends & standards	• Refer to MD&A (pg 10) • Refer to *Environmental Responsibility* (pg 34) and *Social Responsibility* (pg 41) • Participate in NGOs as member, board or committee member	• Participation as Council Member in the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor, member of Federation of Malaysian Manufacturers, Sabah Livestock Association, Federation of Livestock Farmers Association of Malaysia, etc.	• Throughout the year

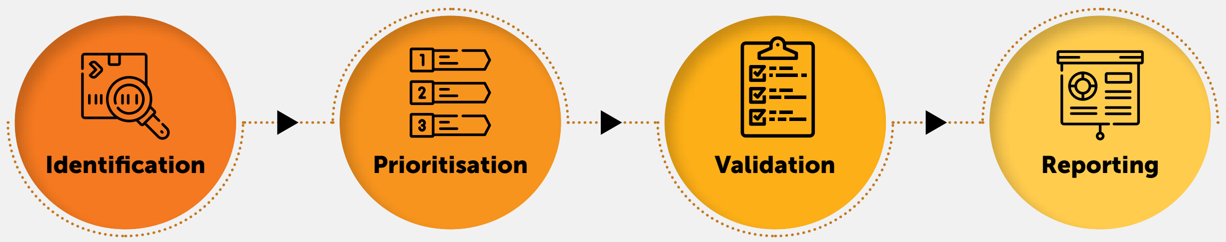
Sustainability Statement (Continued)

Stakeholder Groups	Focus Areas	How Do We Respond?	Engagement Channels	Frequency of Engagement
Community	• Direct & Indirect economic contribution • Responsible environmental management & contributions to the society	• Refer to *Environmental Responsibility* (pg 34) and *Social Responsibility* (pg 41)	• Corporate philanthropy activities • Corporate website	• Throughout the year • Throughout the year
Media	• Business strategy & business growth • Food quality & safety • Indirect economic contribution • Regulatory compliance • Environmental management • Workplace management	• Refer to MD&A (pg 10) • Refer to *Environmental Responsibility* (pg 34) and *Social Responsibility* (pg 41)	• Press conferences & events • Media releases • Media interviews	• As needed • Throughout the year • As needed

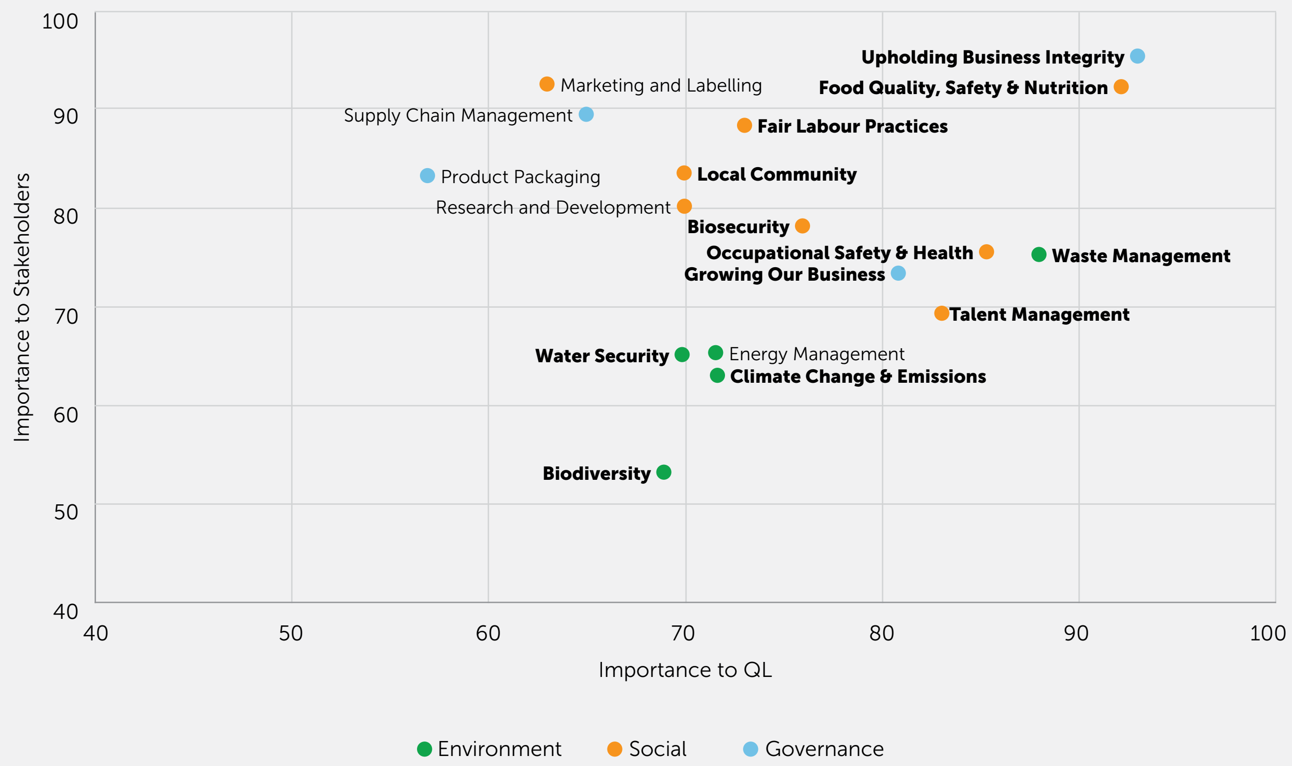
Materiality Assessment

With numerous sustainability matters concerning the society today, we focus on the matters most material to our business and where we have the most impacts through our business relationships. In FY2021, we conducted a materiality assessment to review the relevance of our material matters by engaging with both internal and external stakeholders. We sought their views in relation to the Environmental, Social and Governance ("ESG") topics important to QL. To ensure that our material matters consider external factors, we conducted gap analyses against FTSE4Good Index, RobecoSAM and MSCI ratings. In addition, a discussion was held with the SSC and key internal stakeholders to evaluate and determine the importance of the identified material matters to QL. From the reviews, we concluded that our 17 material matters remain relevant with 12 priorities. The remaining material matters are recognised as fast emerging matters and are addressed as part of the 12 priorities. To better reflect the current activities carried out by QL, several material matters were renamed.

The summary of our approach to our material matters for FY2021:



MATERIALITY MATRIX



Material matters in bold are QL's priorities

Sustainability Statement (Continued)

Materiality Boundary

Pillar	Material Matter	Why is it material to QL?	QL's Response to Material Matters	Links to Our Capitals	Boundary	SDGs Supported by QL
Environmental Responsibility	Climate Change & Emissions	Manufacturing and distribution activities are sources of GHG emissions. It is key to maximise our energy efficiency to manage our carbon footprint in order to minimise our climate impacts.	Invest in renewable energy to manage consumption and reduce GHG emissions.	Natural	• QL	7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action
	Water Security	Water is a valuable resource for our business and the communities. Water efficiency and prevention of water pollution is critical to prevent stress on the water ecosystem.	Conserve water resources through efficient water use and effective wastewater management.	Natural	• QL	6 Clean Water and Sanitation; 13 Climate Action
	Waste Management (Previously Waste & Effluent Management)	Our operations generate waste. Effective use of resources curbs waste and avoids negative impacts to the environment.	Optimise use of resources, increase recycling rates and ensure proper management of waste disposal.	Natural	• QL • Suppliers • Customers	12 Responsible Consumption and Production; 13 Climate Action
	Biodiversity	Biodiversity is critical in maintaining a balanced ecosystem and mitigating climate change.	Support nature conservation and biodiversity protection through partnerships.	Natural, Social	• QL • Community	13 Climate Action
Social Responsibility	Food Quality, Safety & Nutrition (Previously Food Quality & Safety)	As a food manufacturer, it is vital that we produce food that are high quality, safe and nutritious.	Enhance food safety, quality and nutrition through research and development, third-party certification and quality-control.	Human, Social, Intellectual	• QL • Suppliers • Customers	3 Good Health and Well-Being; 12 Responsible Consumption and Production
	Biosecurity	Our poultry farms are core to our business and supply chain. Healthy and hygienic poultry are integral to ensure undisrupted operations.	Promote good farm management practices and invest in a QL Poultry Centre of Excellence.	Natural, Human, Intellectual, Manufactured	• QL • Suppliers • Customers	12 Responsible Consumption and Production
	Growing Our Business (Previously Business Growth)	Sustainable business growth is key to deliver long-term economic performance to our stakeholders.	Develop the business strategically with consideration of financial, environmental and social impacts to future-proof our business.	Human, Manufactured, Intellectual, Social, Financial, Natural	• QL	8 Decent Work and Economic Growth
	Local Community	QL and the community are mutually dependent to create long-term shared values. It is important to support the vulnerable groups and the development of a thriving community.	Support the local communities where we operate through corporate philanthropy activities, financial assistance and job creation.	Human, Social	• QL • Suppliers • Community	1 No Poverty; 2 Zero Hunger; 4 Quality Education; 8 Decent Work and Economic Growth
	Fair Labour Practice	Our workforce is the heart of our operations. It is our priority to ensure that our employees are fairly treated and respected at work.	Uphold fair employment practices and commitment to fair remuneration.	Human, Social	• QL • Suppliers	10 Reduced Inequalities
	Occupational Safety & Health ("OSH")	Good health and safety measures significantly reduce risk of accidents. A safe and healthy workplace leads to increased productivity and work satisfaction.	Embed OSH culture across the Group by promoting and reviewing the safety & health performance regularly.	Human, Manufactured	• QL	3 Good Health and Well-Being
	Talent Management (Previously Talent Attraction & Retention)	As the business continues to grow, a skilled and equipped workforce led by progressive leadership team is central to QL's success.	Invest in attracting and developing talents and promoting leadership skills throughout our employees' employment with QL.	Human, Manufactured, Intellectual, Social	• QL	8 Decent Work and Economic Growth
Governance	Upholding Business Integrity	To build and strengthen the trust of our stakeholders and to serve them effectively, good corporate governance practice must be embedded across the organisation.	Conduct business with adherence to good corporate governance and raising awareness on ethical conduct for all employees.	Human, Financial, Social	• QL • Suppliers	12 Responsible Consumption and Production

Financial Manufactured Human Intellectual Natural Social

Sustainability Statement (Continued)

MANAGING SUSTAINABILITY

Environmental Responsibility

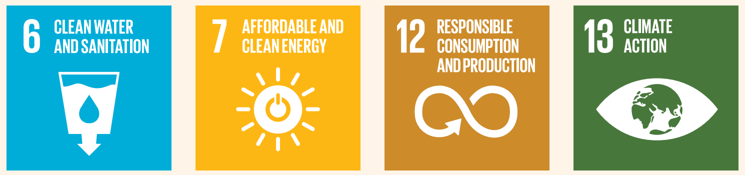
Climate change poses a major risk to the sustainability and long-term success of our business as our operations are highly dependent on the climate. As an agro-based company, QL is committed to growing the business in a responsible manner, with consideration of our impacts to the environment while inculcating responsible behaviours within our organisation. This year, we focused on managing and expanding our renewable energy generation and improving on management of energy, water and waste. We believe that these initiatives will set a strong foundation for QL's commitment to mitigate climate change and safeguarding our business.

KEY HIGHLIGHTS

- Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020
- Diverted **97%** non-hazardous waste generated from landfill
- Generated over **11,500 MWh** of renewable energy from solar and biogas
- Achieved over **84%** of composting rate for manure conversion to organic fertiliser
- Avoided over **27,200 tCO_2e** of GHG emissions from renewable energy generation

Material Matters	Progress Across the Years FY2020	FY2021
Climate Change & Emissions	• Started installation and use of solar energy	• Set GHG emissions intensity reduction target to be achieved by FY2026
Water Security	• Started tracking water withdrawal from sites	• Installed rainwater harvesting tanks at selected sites • Progressive installation of more water meters for water withdrawal and consumption at production sites • Started tracking and monitoring water withdrawal by source
Waste Management	• Completed construction of Wastewater Treatment Plant for QL Foods	• Started tracking and monitoring waste generation and disposal • Identified key waste streams for waste diversion from landfill
Biodiversity	• Collaborating with a strategic partner for mangrove conservation programme	

Supporting the SDGs



CLIMATE CHANGE & EMISSIONS

Performance

- Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020
- Generated over **11,500 MWh** of renewable energy from solar and biogas
- Avoided over **27,200 tCO_2e** of GHG emissions from renewable energy generation

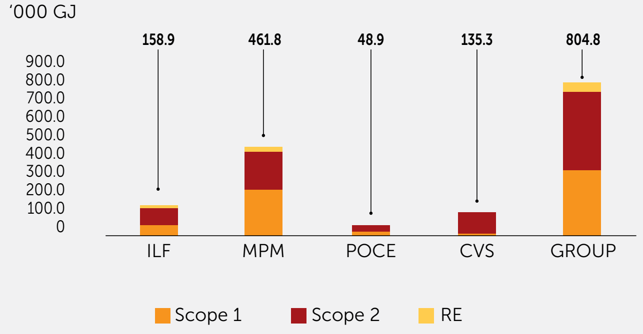
Our Approach

Climate change is one of the key challenges faced by our business, from sourcing of raw materials to production. QL recognises that our business operations have contributed towards GHG emissions and we are committed towards reducing our climate impacts. QL proactively monitors and manages our energy use across all businesses to improve energy efficiency and increase the use of renewable energy. The Group has set a GHG emissions intensity reduction target of 20% by FY2026 from baseline year FY2020.

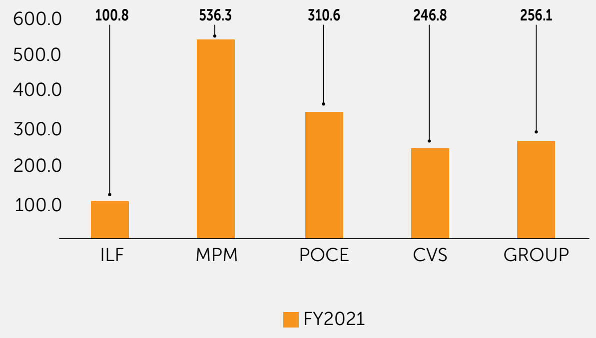
Managing Our Energy Consumption and GHG Emissions

The Group's total energy consumption[4] in FY2021 is estimated at 804,819 Gigajoule ("GJ") and correspondingly, the energy intensity stands at 256.1 GJ/million ("mil") RM revenue. The total GHG emissions[5] amounted to 105,909 tCO_2e, equivalent to intensity of 33.7 tCO_2e/mil RM revenue. The GHG emission intensity increased by 4.2%, attributed by the increase in production by ILF and MPM and business expansion by CVS. GHG emissions from other sources such as chicken manure[6] and palm oil mill effluent ("POME") totalled 4,339 tCO_2e, a reduction of 39% from FY2020.

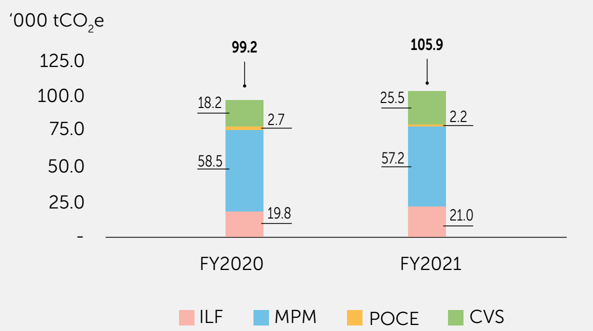
TOTAL ENERGY CONSUMPTION (SCOPE 1, 2 & RENEWABLE ENERGY)



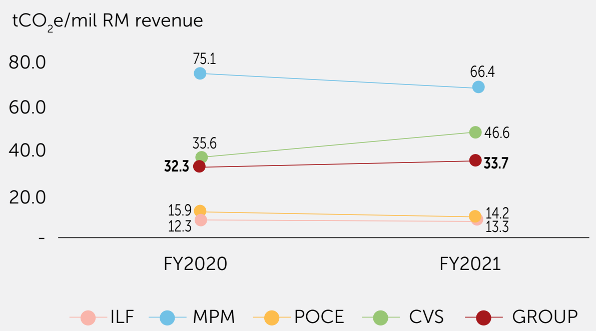
ENERGY INTENSITY (SCOPE 1, 2 & RENEWABLE ENERGY)



TOTAL GHG EMISSIONS (SCOPE 1 & 2)



GHG EMISSIONS INTENSITY (SCOPE 1 & 2)



[4] *Total energy consumption = Non-renewable Energy Consumption + Renewable Energy + Electricity Consumption.*
[5] *Total GHG emissions = Scope 1 + Scope 2. Total GHG emissions and GHG emissions intensity in FY2020 have been restated. GHG emissions from manure and palm oil mill effluent are disclosed separately.*
[6] *Read more about reduction of chicken manure under the Waste Management section.*

Sustainability Statement (Continued)

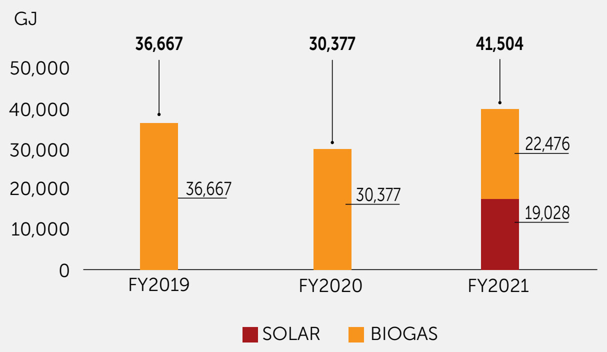
CLIMATE CHANGE & EMISSIONS (Cont'd)

Harnessing Renewable Energy

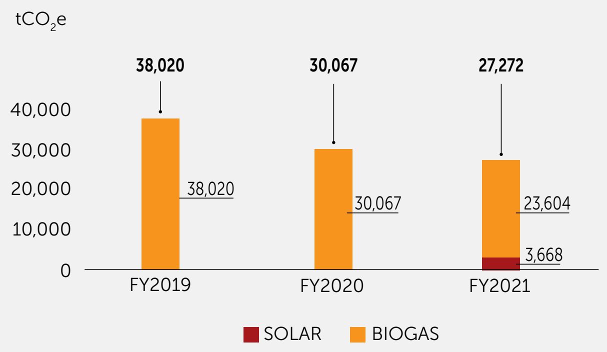
As part of QL's strategic decision to reduce consumption of fossil fuel based energy, QL actively installed a total of 7 Megawatt ("MW") of solar panels at our ILF and MPM sites in FY2021. Approximately 5,286 MWh of electricity was generated for use on-site, resulting in 3,668 tCO_2e of GHG emissions avoided. In the coming year, other sites have been identified in the pipeline to install solar panels, increasing the proportion of the Group's renewable energy use.

QL Plantation operates a biogas plant which uses methane captured to generate power for on-site operations with excess power sold to the local grid. In FY2021, the biogas plant generated a total of 6,244 MWh of electricity, with approximately 27% used on-site. From the biogas plant operation, a total of 23,604 tCO_2e GHG emissions were avoided.

TOTAL RENEWABLE ENERGY GENERATED



TOTAL GHG EMISSIONS AVOIDED FROM RENEWABLE ENERGY



Solar panels installed on the roof of our plant at Endau, Johor.

WATER SECURITY

Performance

- Harvested **86 m³** of rainwater for non-potable uses
- **Installed more water meters** to monitor water withdrawal and consumption at production sites

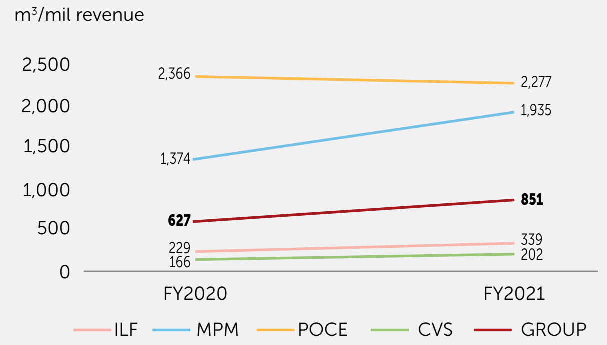
Our Approach

Water is a scarce resource and water shortage is a key environmental issue globally. Recognising this, QL is committed to safeguard water resources at all sites. All our sites have established water monitoring systems to track withdrawal, consumption trends and improve water efficiency. Furthermore, we treat and monitor wastewater discharge to prevent the depletion of water quality.

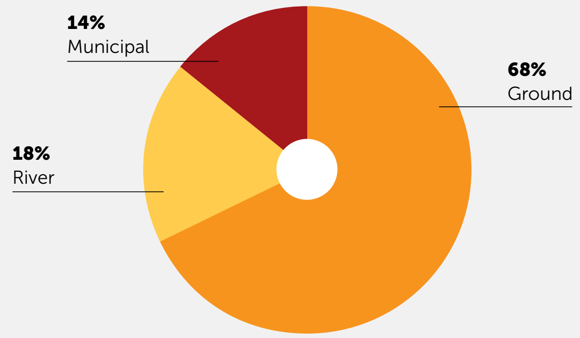
Effective Water Management

In FY2021, the Group's water withdrawal intensity amounted to 851 m^3/mil RM revenue compared to 627 m^3/mil RM revenue in FY2020. The increase in withdrawal was mainly brought about by increased monitoring of water withdrawal across all sites. Similar to energy, increased production by ILF and MPM and business expansion in CVS required higher water use.

WATER WITHDRAWAL INTENSITY



WATER WITHDRAWAL BY SOURCE



Water Saving Initiatives

Across the Group, our sites are continuously identifying water reduction initiatives to reduce consumption. During the year, QL Breeder installed a rainwater harvesting tank and captured 86 m^3 of rainwater for use on-site. Furthermore, other sites have progressively installed more water meters at production sites to monitor water consumption trends which will enable the sites to make informed decisions to maximise water use efficiency. In the coming year, QL Figo is looking to invest in a new auto vegetable washer and has identified food process changes to improve our water use efficiency.

Managing Our Effluents

We are aware of the risks associated with wastewater pollution. We take strict measures in ensuring wastewater produced from our sites are safe and compliant with the regulatory requirements stipulated by the Department of Environment ("DOE") before being discharged to the environment.

Sustainability Statement (Continued)

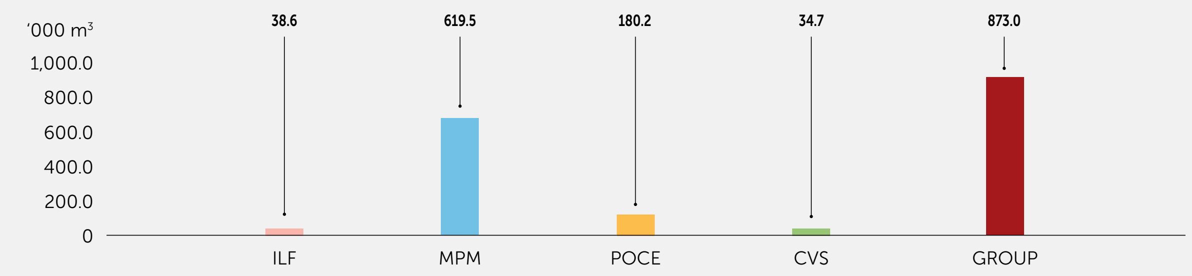
WATER SECURITY (Cont'd)

In FY2021, an estimated total of 873,023 m³ of wastewater[7] was generated from our sites and the wastewater was treated and tested for water quality before discharge.

Wastewater from production is sent to the Wastewater Treatment Plants ("WWTP") before being discharged to the environment. The wastewater is monitored and regularly tested for its quality, including tests for Biochemical Oxygen Demand ("BOD"), Chemical Oxygen Demand ("COD"), Total Suspended Solids ("TSS") and Oil and Grease.

The POME generated from processing of Fresh Fruit Bunches ("FFB") at our palm oil mills is also closely monitored with regular quality testing. The results are then submitted to the DOE. In FY2021, a total of 166,340 m³ of POME was generated from our mills, with average BOD concentration of 18 mg/L, below the regulatory stipulation of 20 mg/L.

TOTAL WASTEWATER GENERATED



Upgrading Our Wastewater Treatment Plant

As our business expanded with new production lines, the volume of wastewater generated from our processes increased. To manage the increase in wastewater volume, QL Food upgraded its WWTP to increase its capacity from 1,200 m³/day to 2,400 m³/day. In addition, QL Poultry Farms recently completed the construction of its wastewater treatment plant in May 2021.

Waste Water Treatment Plant at QL Foods, Hutan Melintang, Perak.

[7] *Total wastewater generated includes POME.*

WASTE MANAGEMENT

Performance

- Recycled over **181,600 tonnes** of non-hazardous waste
- Diverted **97%** of non-hazardous waste from landfill
- Composted **84%** of chicken manure to organic fertiliser

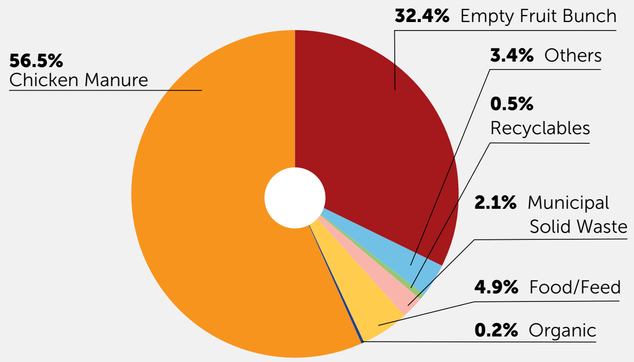
Our Approach

As a food producer, waste is generated from our processes. To improve on our waste management practices, key waste streams have been identified to facilitate recycling and waste reduction efforts. In support of a more circular economy, we repurpose chicken manure into organic fertiliser at our poultry farms. We are exploring opportunities to further reduce waste generation across our value chain.

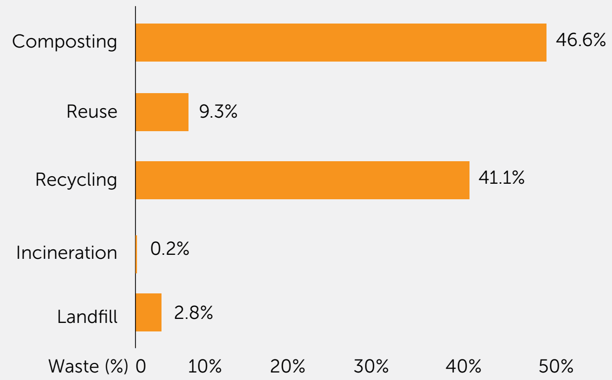
Enhancing Waste and Recycling Practices

In FY2021, an estimated 186,900 tonnes of non-hazardous waste and 27 tonnes of hazardous waste were generated from our business operations. We successfully diverted 181,600 tonnes of non-hazardous waste from the landfill through recycling, reuse and composting, achieving a diversion rate of 97%. Our recycling rate stands at 41% Group-wide. The waste generated, both hazardous and non-hazardous were disposed in accordance with local regulations through licensed waste contractors.

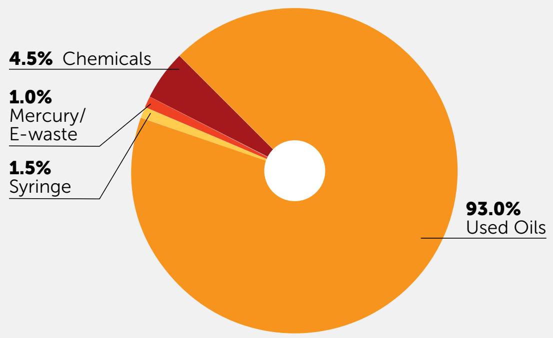
TYPES OF WASTE (NON-HAZARDOUS) AND COMPOSITION



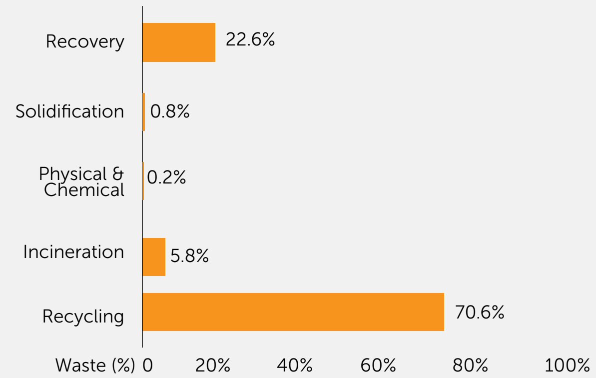
WASTE DISPOSAL METHODS (NON-HAZARDOUS)



TYPES OF WASTE (HAZARDOUS) AND COMPOSITION



WASTE DISPOSAL METHODS (HAZARDOUS)

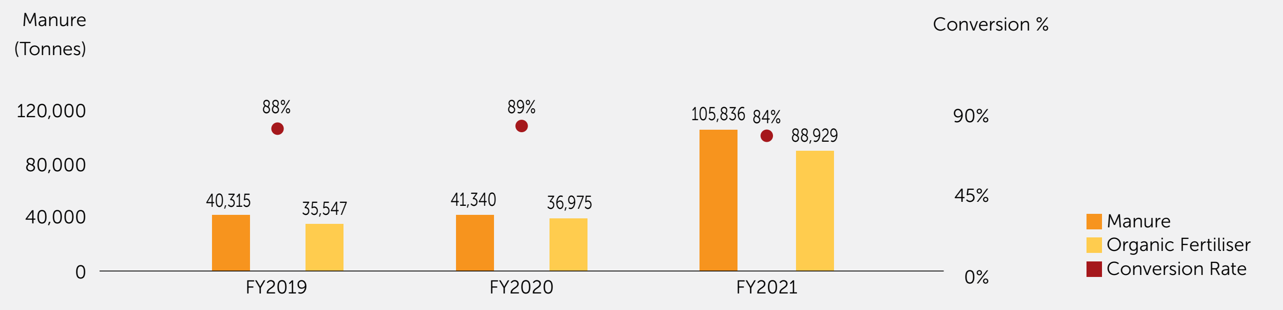


Sustainability Statement (Continued)

WASTE MANAGEMENT (Cont'd)

At our poultry farms, an estimated 105,836 tonnes of chicken manure was generated from chicken farming activities and 84% was converted into organic fertiliser through composting. As chicken manure biodegradation is a source of GHG, the conversion of chicken manure to organic fertiliser contributes towards reduction of GHG emissions. The poultry farms are continuously working towards increasing the composting rates every year.

TOTAL CHICKEN MANURE & ORGANIC FERTILISER GENERATED



BIODIVERSITY

Performance

- Collaborating with **Wetlands International** as mangrove conservation programme strategic partner

Our Approach

Rapid globalisation and industrialisation such as forest clearing, overfishing and excessive groundwater withdrawal has led to negative impacts on biodiversity. QL is aware of the deep impacts of these issues on the balance of the ecosystem. As a Group, we are dedicated to playing a role in restoring this balance, through regeneration and enhancement of biodiversity.

Mangrove Conservation Programme

Mangrove forests are key to supporting a myriad of flora and fauna and ecosystem services while providing economic value to the community. Mangrove forests also play an important role in mitigating climate change[8]. QL has identified Wetlands International as a strategic partner to roll out a mangrove reforestation and rehabilitation programme in Malaysia. Unfortunately, the programme has been delayed due to disruption caused by the COVID-19 pandemic.

[8] *United Nations Environment, 2017.*

MANAGING SUSTAINABILITY (Cont'd)

Social Responsibility

People are at the core of QL's business. QL advocates for and respects diversity, fair labour practices and the well-being of our people and the communities in the locations which we operate. As one of the largest agro-based companies in the region, we are aware of our role in creating positive impacts for all our stakeholders. We are committed to empower and build our human capital capacity and extend support to the communities, especially the vulnerable groups.

KEY HIGHLIGHTS

- Established a **Health and Nutrition Committee**
- Established a **Group OSH Work Committee**
- Over **RM570,000** invested into the local community
- Established **Migrant Workers' Recruitment and Treatment Guidelines**
- Provided over **RM23.8 million** of interest-free financial assistance to 974 fishermen

	Progress Across the Years	
Material Matters	**FY2020**	**FY2021**
Growing Our Business	• Year-on-year increase in investing based on strategic business objectives	
Food Quality, Safety and Nutrition	• ILF, MPM and CVS processes are certified to locally and internationally recognised standards	• Established a Health and Nutrition Committee
Biosecurity	• Biosecurity practices in place	• Enhanced biosecurity audits to strengthen biosecurity practices
Fair Labour Practices	• Established the Human Rights and Labour Standards Policy	• Established Migrant Workers' Recruitment and Treatment Guidelines • Incorporate the Human Rights and Labour Standards Policy into the Suppliers and Business Associates Code of Conduct
Talent Management	• Completed pioneer batch of Accelerated Learning Process Programme	• Commenced second batch of Accelerated Learning Process Programme • Enhanced LEAD Programme framework
Occupational Health and Safety	• Established Group OSH Policy	• Established Group OSH Work Committee • Established "WECARE", OSH Guiding Principles
Commitment to Our Communities	• Conducted corporate philanthropy activities throughout the year	• Embarked on journey to establish a corporate citizenship and philanthropy guidelines

Supporting the SDGs

Sustainability Statement (Continued)

GROWING OUR BUSINESS

Performance

- Invested **RM365 million** to grow the business

Our Approach

With various challenges stacking up against the agro-based business, QL continues to pursue growth with prudent measures when undertaking and implementing expansion plans. We make informed and strategic decisions to invest in areas of potential growth while leveraging on our six capitals – Natural, Manufactured, Intellectual, Human, Social and Financial to create long-term value for our stakeholders.

Value Creation Strategy can be found on page 12 of this report.

Our Growth Performance

In FY2021, we have generated economic value in multiple ways. Please refer to the full audited financial statements for more information. The Management Discussion and Analysis reviews the current challenges faced by QL business units, providing a comprehensive overview of our economic and operational performance.

For more details about Audited Financial Statements, refer to pages 97-211.
For more details about Management Discussion and Analysis, refer to page 10.

FOOD QUALITY, SAFETY AND NUTRITION

Performance

- ILF, MPM and CVS processes are **certified to locally and internationally recognised standards**
- Established a **Health and Nutrition Committee** to spearhead QL's health and nutrition strategy

Our Approach

QL places great emphasis on producing high quality, safe and nutritious food for our consumers. From food processing through to packaging, the relevant business units implement strict food safety control and meet national and international food safety standards.

Producing Quality and Safe Food

Our ILF, MPM and CVS business units practise stringent quality controls and promote food safety to ensure that our products meet the highest food quality and safety requirements. The processes in the production plants are accredited by national and international food safety standards. To further strengthen the culture of food quality and safety, employees involved in food processing are required to undergo training on safe food handling every year. To ensure compliance, internal reviews are regularly conducted. We also received periodic visits and audits from our local and overseas customers.

FOOD QUALITY, SAFETY AND NUTRITION (Cont'd)

Local and International Certifications received by the Group:

Business	Local Certification	International Certification
Integrated Livestock Farming	• Makanan Selamat Tanggungjawab Industri ("MeSTI") (in English: Food Safety is the Responsibility of the Industry) • Malaysian Good Agricultural Practices "MyGAP") for poultry farming • Halal Certificate of Authentication	• Hazard Analysis and Critical Control Points ("HACCP") for production of washed and chilled shell eggs • Good Manufacturing Practice ("GMP") • ISO 22000:2005 for production of washed and chilled shell eggs
Marine Products Manufacturing	• Makanan Selamat Tanggungjawab Industri ("MeSTI") (in English: Food Safety is the Responsibility of the Industry) • Halal Certificate of Authentication	• Hazard Analysis and Critical Control Points ("HACCP") • Food Safety System Certification 22000 ("FSSC 22000")
Convenience Store Chain (Central Kitchen)	• Halal Certificate of Authentication	• Hazard Analysis and Critical Control Points ("HACCP")

Commitment to Develop Healthy and Nutritious Products

Consumers are becoming increasingly conscious of their health and demand for healthy food choices. It is important to pivot and respond to our consumers by offering products that are healthy and nutritious. During the year, a Health and Nutrition Committee, chaired by the Group Managing Director was set up to spearhead QL's health and nutrition strategy. The committee is responsible for identifying the key products to develop a healthy and nutritious product range and establishing a Research and Development team to support this effort.

Customer Satisfaction, A Reflection of Our Products

Customer satisfaction is a key driving factor to maintain our industry leadership and business success. QL conducts and tracks customer satisfaction annually through an external consultant to gain insight of customer perception and satisfaction towards our products – eggs and MPM products.

From this year's customer satisfaction survey, the overall satisfaction level of QL Eggs increased by 12% compared to FY2020, with almost 100% of the responses falling under rating categories of Fair to Excellent. QL Eggs' Customer Careline were also rated good and excellent by consumers who made a call in FY2021.

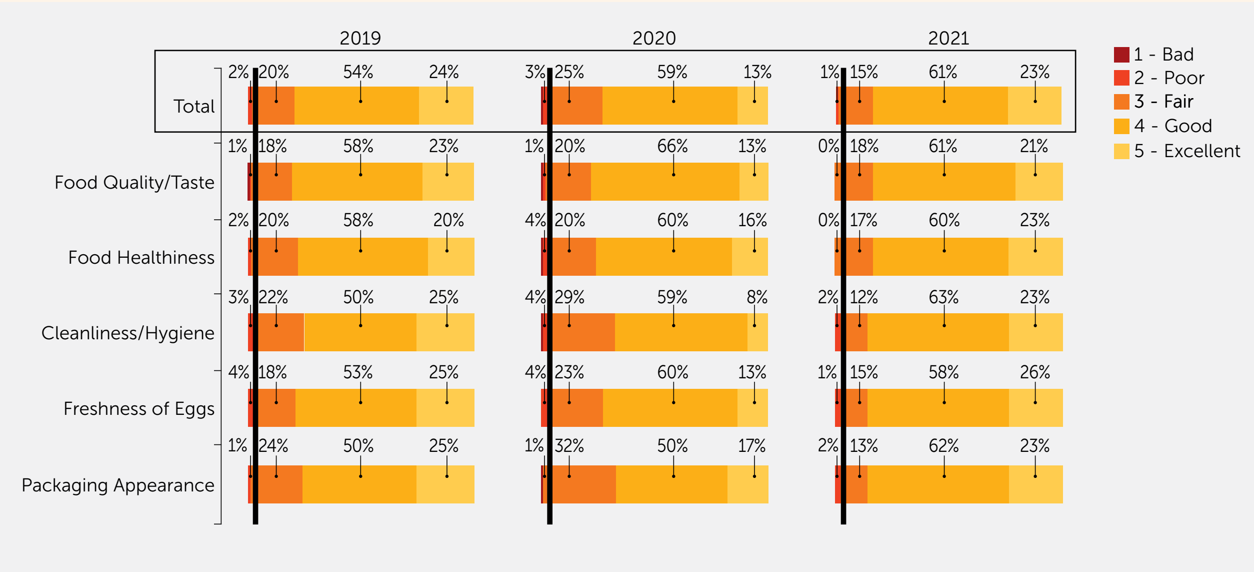
The customer satisfaction level for Mushroom brand is comparable to FY2020, with almost 100% for rating categories of Fair to Excellent. Customer satisfaction for food quality, hygiene and packaging also improved year-on-year.

In summary, almost 100% of consumers have high levels of satisfaction with our products. Our consumers have rated our products between Fair, Good and Excellent for all five criteria – Food Quality and Taste, Food Healthiness, Cleanliness/Hygiene, Freshness and Packaging.

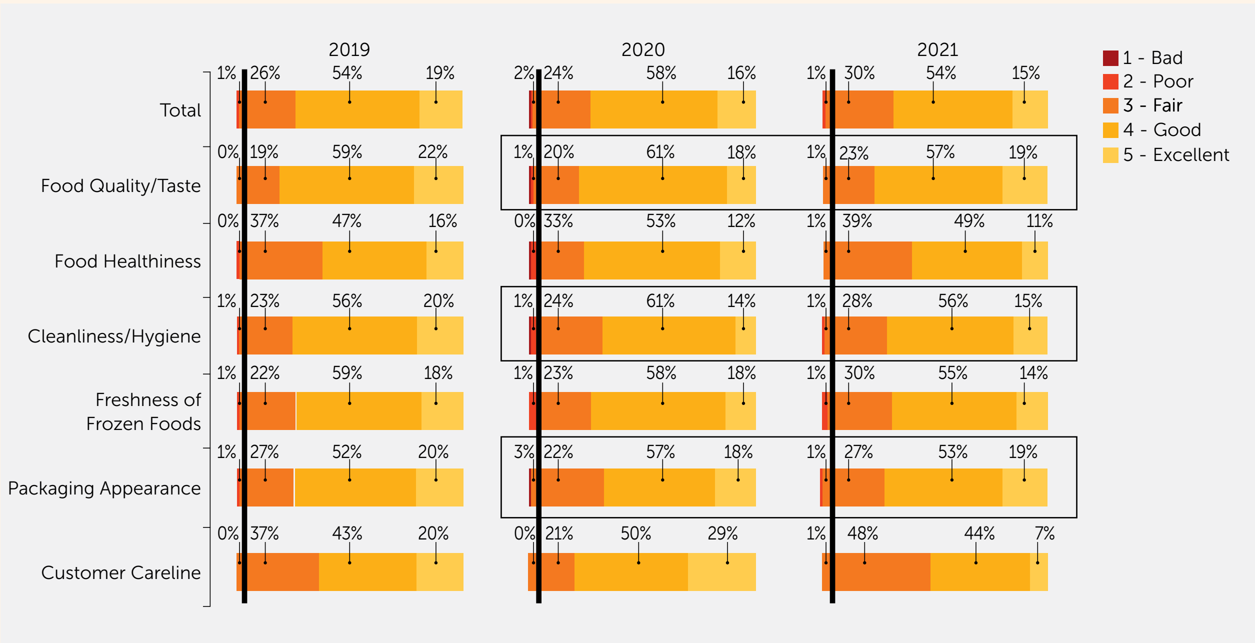
Sustainability Statement (Continued)

FOOD QUALITY, SAFETY AND NUTRITION (Cont'd)

Customer Satisfaction Rating for QL Eggs from FY2019 to FY2021.



Customer Satisfaction Rating for Mushroom Brand from FY2019 to FY2021.



Furthermore, we have started tracking the number of customer feedback lodged through our customer feedback channels. In FY2021, we received a total of 1,029 customer feedback, all of which were addressed and resolved. QL strives to improve our customer care with a more strategic and responsive approach as well as improve accessibility of feedback channels for consumers.

BIOSECURITY

Performance

- **Biosecurity scores improved** across all poultry farms

Our Approach

Biosecurity is of utmost importance at our farms and QL is committed to ensure that our poultry are healthy and safe, free from diseases at all farms. This is achieved through the practice of rigorous biosecurity management programmes at our poultry farms, supported by our dedicated QL Poultry Centre of Excellence ("QLPCOE").

Preventing Diseases at Our Poultry Farms

To ensure that our poultry is safe from disease outbreaks, we have established the following preventive measures:

- ***Risk Rating System***

  Implemented a risk rating system to manage risk of introduction of pathogens into the poultry farms. Control measures in relation to access restriction, worker movement and disinfection procedures vary according to the risk levels assigned to the farms. We also take into consideration threat of pathogens from the local surrounding areas when determining the risk level of each farm.

- ***Hygienic Farm Environment***

  Invested in Closed House System ("CHS") with biosecurity system equipped with auto-sensors regulated ventilation, humidity and temperature control system to ensure chickens are raised in a more hygienic and controlled environment. CHS also isolates the birds from other animals such as wild birds or rodents which may be disease-carriers.

- ***MyGap Certified Farm***

  All farms operate according to strict processes based on good farm management practices in compliance with MyGap, a local certification granted by the Ministry of Agriculture and Agro-based Industry Malaysia. The processes cover security access and visitation, staff physical movement, vaccination programmes, good hygiene and animal husbandry practice, waste management and pest management.

- ***Experienced and Skilled Farm Management***

  QL employs experienced veterinarians to be in-charge of farm operations, especially in the area of animal welfare and flock health.

- ***QLPCOE***

  Established a special unit called QLPCOE comprising experienced veterinarians, microbiologists and nutritionists, supported by a dedicated laboratory. The team focuses on four key areas namely flock health, disease control and surveillance, nutrition and audit. QLPCOE has put in place various technical training courses and on-the-job training programmes to strengthen the capabilities and technical skills of our farm management team and workers.

- ***Biosecurity Audit***

  Compliance audits are regularly conducted by the QLPCOE team and reported to the farm management. Any significant risk and concern will be included in the Risk Management Report for deliberation by the Risk Committee. In FY2021, a biosecurity audit was conducted at QL Ansan Poultry Farm in Kulim. The farm received a score of 77%, an improvement from last year. Due to movement restrictions during the COVID-19 pandemic, biosecurity audits for other farms were postponed during the financial year.

Sustainability Statement (Continued)

FAIR LABOUR PRACTICES

Performance

- **874** employees attended the human rights and labour standards policy briefing
- **Incorporated the Human Rights and Labour Standards Policy** into the Suppliers and Business Associates Code of Conduct
- Established the **Migrant Workers' Recruitment and Treatment Guidelines**

Our Approach

QL is dedicated to ensuring that fair labour practices are ingrained within the company and our people are treated with respect and dignity at the workplace. We continuously evolve our practices to elevate the working standards for our people, underpinned by our commitment to comply with relevant laws and regulations pertaining to human rights and fair labour standards.

Enhancing Our Labour Practices

In line with the Group's commitment to enhance our labour practices, a QL group legal register comprising relevant laws and regulations relating to human rights and labour standards compliance was established during the year. Each business unit was encouraged to conduct a self-assessment to understand the current level of compliance, laying the foundation of our plans to carry out formal audits in the coming year.

Furthermore, as part of the Group's commitment to step up efforts in relation to recruitment and fair treatment of migrant workers, the Migrant Workers' Recruitment and Treatment Guidelines was established. One of the key guidelines stipulated is to ensure that all foreign workers recruited are not charged any recruitment fees. All recruitment related costs shall be borne by QL. We also focused on enhancing the housing welfare of our workers. Several initiatives were implemented by our business units, including construction of new hostels for workers. The new accommodations comply with the requirements stipulated by the regulations[9].

Newly-built workers' hostel in Endau, Johor.

[9] *Employees' Minimum Standards & Housing, Accommodations and Amenities Act 1990 and Employees' Minimum Standards & Housing, Accommodation and Amenities (Accommodations and Centralised Accommodations) Regulations 2020.*

FAIR LABOUR PRACTICES (Cont'd)

Embedding a Culture of Respect and Support for Human Rights

To create a workplace with good labour practices, it is critical that our employees are aware of their basic rights and well versed with QL's stance on human rights and labour standards. In FY2021, a total of 874 employees[10] participated in the Human Rights and Labour Standards Policy internal briefing. The policy is also made easily accessible to all employees and external stakeholders through QL's website[11].

QL's stance on human rights and labour standards have also been incorporated into the Suppliers and Business Associates Code of Business Ethics to align our expectations of our suppliers.

Grievance and Harassment Management

A two-way communication with our employees is key to inculcating a workplace culture that is open and transparent. Managers play a pivotal role in fostering this workplace culture by practicing an open-door policy. However, in any event that any employee should need to escalate any grievances beyond their direct superior, a formal grievance and harassment procedure is in place. In the reporting year, four cases of harassment have been lodged. These reported misconduct cases have been thoroughly investigated, leading to domestic inquiries and disciplinary actions taken. To empower and protect our employees, we continue to raise awareness and educate our employees on their rights to formally raise any grievances encountered through the grievance and harassment procedures.

TALENT MANAGEMENT

Performance

- Employed over **2,360 new hires** across all business pillars
- Conducted the first employee engagement pulse survey with **over 1,750 FamilyMart employees** participating
- Over **52,900 hours** spent on upskilling employees
- **267 employees** participated in the LEAD[12] programme

Our Approach

QL recognises that our workforce is the heart of our operations and QL's continued success lies in our people and their unwavering commitment to perform their best each day at the workplace. Acquiring, nurturing and retaining a skilled and equipped workforce led by progressive leadership team continue to be our focus.

Diversity, the Core of Our Workforce

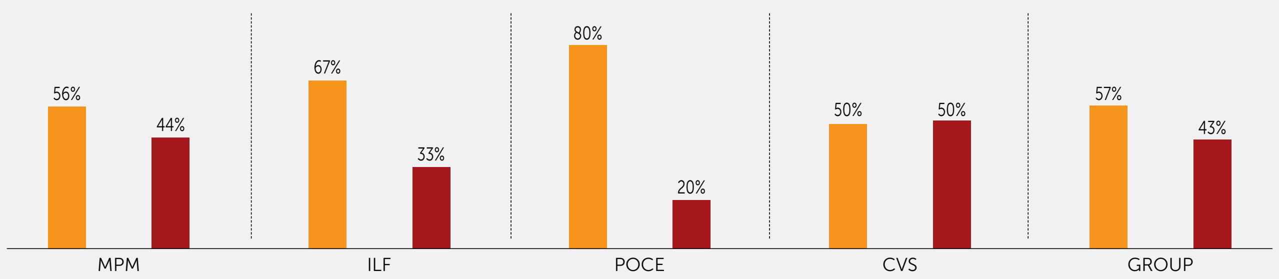
As an industry leader, our strength lies within the diversity of our people. A diverse workforce brings about a myriad of knowledge, skills and perspectives to the workplace which we are able to leverage to drive the business towards its vision and goals. During the year, our workforce amounted to 5,295[13] employees with 57% male and 43% female employees. Of the total, 4,445 employees are permanent employees with the remaining 850 employees being contract workers.

[10] *Employees refer to full-time permanent employees.*
[11] *Read more about the Human Rights and Labour Standards Policy at https://ql.com.my/corporate-governance/.*
[12] *LEAD: Leader Enhancement And Development Programme.*
[13] *Employees refer to employees under the Sustainability Reporting scope.*

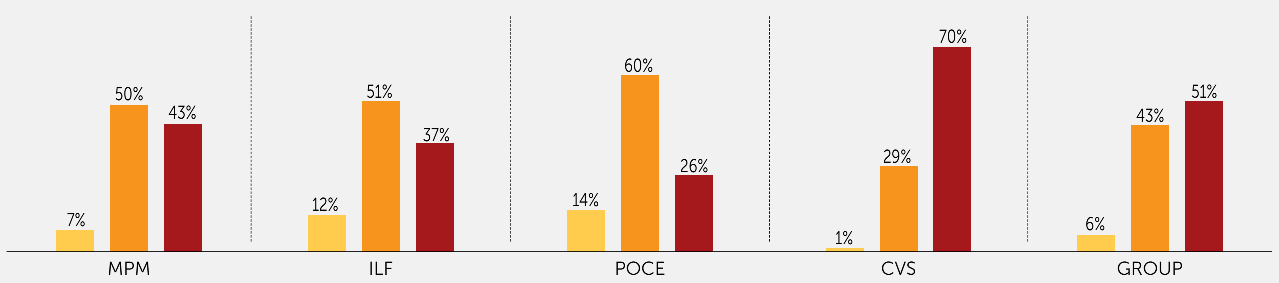
Sustainability Statement (Continued)

TALENT MANAGEMENT (Cont'd)

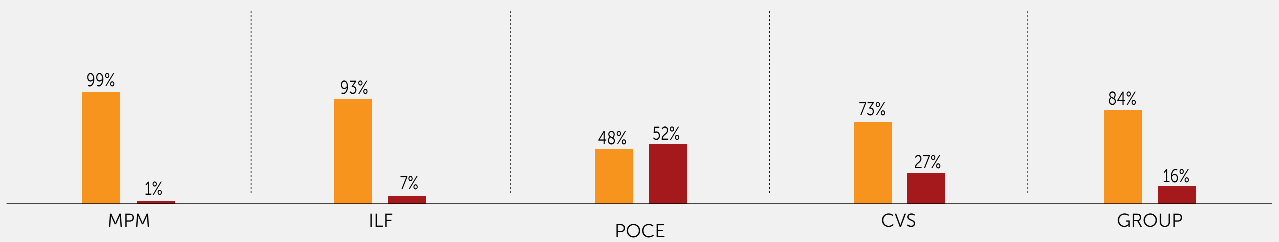
FY2021 WORKFORCE BY GENDER



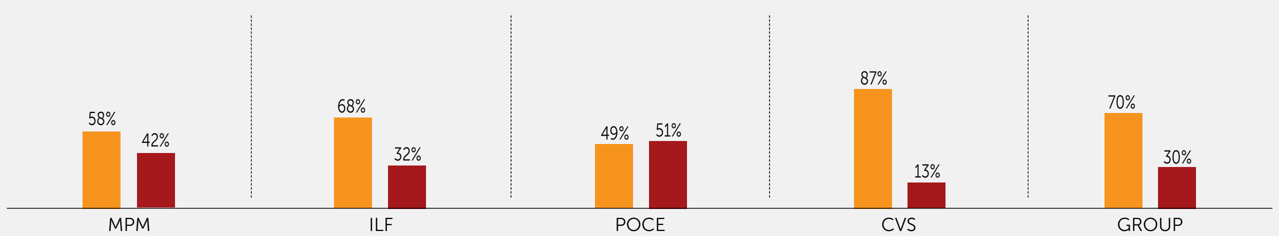
FY2021 WORKFORCE BY AGE



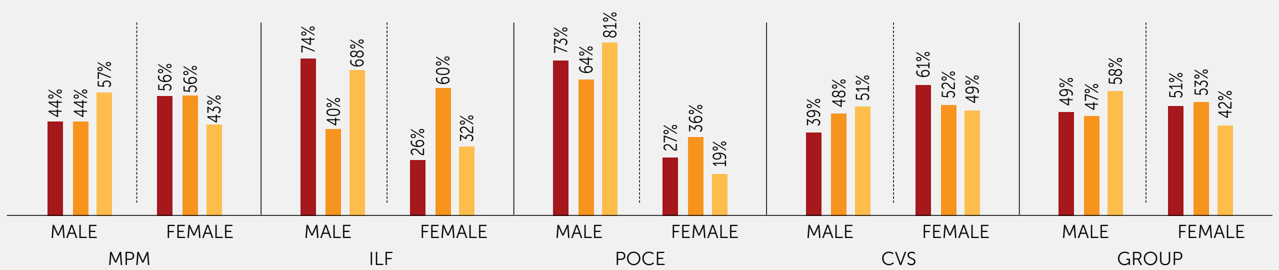
FY2021 WORKFORCE BY EMPLOYMENT TYPE



FY2021 RATIO OF LOCAL & FOREIGN EMPLOYEES



FY2021 WORKFORCE BY JOB BAND AND GENDER

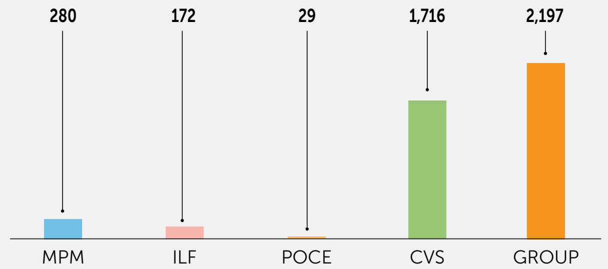


TALENT MANAGEMENT (Cont'd)

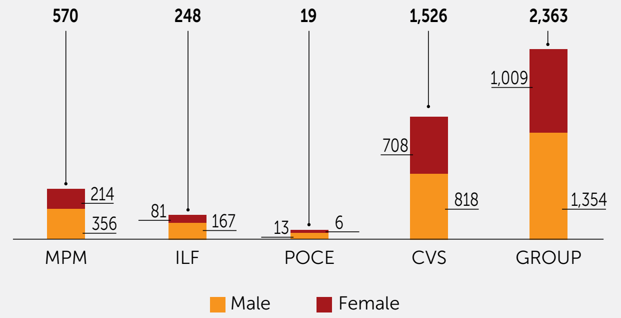
Strategising Our Talent Attraction and Retention Approach

Overall, a total of 2,363 new hires were employed across our various business units of which 43% were women in FY2021. This reflects a hiring rate[14] of 45%. The high hiring rate was due to the rapid growth of FamilyMart which hired over 64% of the new hires. Our voluntary turnover rate[15] stands at 39%, lower than that of our hiring rate.

FY2021 VOLUNTARY TURNOVER



FY2021 NEW HIRES



As part of our talent acquisition strategy, QL continues to enhance our talent pipelines, in particular undergraduate and postgraduate talents. QL successfully signed Memorandum of Understandings with several higher learning institutions and established partnerships with colleges across Malaysia, paving the way of creating impactful opportunities for the students. Additionally, across the Group, a total of 130 internship placements were offered to students to gain hands-on work experience in preparation for entering the workforce after graduation.

Throughout the year, QL actively participated in external career fairs and recruitment drives to further build on our talent pipeline. CVS and MPM, in collaboration with PERKESO[16], participated in career fairs and resulted in the onboarding of more than 25 new talents. Internally, CVS conducted several career fairs in Penang, Malacca and Negeri Sembilan and successfully employed over 60 job seekers.

University Malaysia Kelantan Dean and Deputy Dean visited QL Headquarters in Shah Alam, Selangor.

Collaboration with PERKESO Seremban Palm Mall, Seremban, Negeri Sembilan.

[14] *The hiring rate is based on number of new hires against total number of employees.*
[15] *The turnover rate is based on number of voluntary turnover against total number of employees.*
[16] *PERKESO is Malaysia's National Social Security Organisation.*

Sustainability Statement (Continued)

TALENT MANAGEMENT (Cont'd)

Career satisfaction is a key motivation factor for long-term commitment with QL. To gain better insights, FamilyMart conducted its first employee engagement pulse survey with a total of 1,758 respondents across 215 stores. The survey covered four key areas, Leadership Accountability, Employees' Well-being, Internal Communication, and Organisational Change (Policy, Leadership and Organisational Practices). An action plan has been developed for execution in view of the survey outcome.

Caring for Our Employees

QL views employee satisfaction beyond career progression. In looking after employee well-being, QL offers a comprehensive range of welfare benefits to all eligible employee across all businesses, such as insurance coverage, medical benefits and health screening.

During the COVID-19 outbreak, QL extended care to employees beyond the standard welfare benefits and spent approximately RM5 mil on COVID-19 control management, aligned with the recommended guidelines from the regulators. In FY2021, QL implemented the following measures:

- Implemented no pay cut policy at all our business sites;
- Proactive close contact tracing and bearing the costs of COVID-19 tests conducted periodically at our sites;
- Provided free meals to employees on-site and assisted migrant workers with purchasing of their daily necessities;
- Practiced robust management of foreign workers' hostels including ensuring hygiene standards, disinfection of the premises and adequate personal hygiene items such as masks and hand sanitisers are available;
- Reorganised foreign workers' hostels with proper segregation and setting up internal quarantine spaces to isolate and monitor suspected cases;
- Supported migrant workers and senior employees to register for MySejahtera and the vaccination programme; and
- Provided COVID-19 information periodically to all employees. Pictorial posters printed in our migrant workers' native language were used to ensure better comprehension and raise their awareness to prevent the spread of COVID-19.

Upskilling Our Workforce

QL prides ourselves with having capable, engaged and empowered workforce as the key to our business success. As such, QL places emphasis on nurturing a culture of Growth and Learning amongst our employees. Employees are provided with relevant trainings, ranging from leadership, soft skills, technical, functional and industry related skills to equip them with best practices, knowledge and skills in the market and industry.

In FY2021, QL invested over RM164,000 to upskill our employees[17]. Our employees completed a total of 52,937 hours of training, averaging 9.25 hours per employee. Due to the restrictions and challenges caused by COVID-19, the majority of our trainings were delivered by our internal subject matter experts. The talent team continued to execute the training and development plans tapping on the use of technology. Aligned with QL's sustainability commitments, the training and development activities also focused on raising awareness and understanding of the Group's policies relating to Environment, Social and Governance, including the roles they play in achieving QL's objectives.

[17] *Investment related to external trainings.*

TALENT MANAGEMENT (Cont'd)

Governance	i) Code of Business Ethics and Conduct ii) Anti Bribery Policy iii) Whistle Blower Policy	Total Sessions Conducted: **14**	Total Participants: **666**
Environment & Social	i) QL's Environmental Policy ii) QL's Social Policy - Human Rights and Labour Standards and OSHE Policy	Total Sessions Conducted: **7**	Total Participants: **850**
Safety and Health Induction	i) Safety Induction	Total Sessions Conducted: **4**	Total Participants: **182**

Performance and Career Development Review

At QL, employees are rewarded based on performance. An annual performance appraisal is conducted for all employees at the end of the financial year[18]. Managers conduct open and constructive conversations with team members to assess their performance and identify areas for improvement for the coming year.

Developing Leaders and Talents of the Future

The Accelerated Learning Process Programme of grooming key talents endorsed by the Talent Council remains as one of the cornerstone talent development programmes in QL. Now in its second year, the programme focused on developing people and business management skills supported by one-on-one coaching sessions and virtual Network Cafés. These sessions serve as a platform to assist the participants in post-course learnings and building rapport amongst the participants. Twenty key talents comprising General Managers and Managers completed the programme this year. Seeing that the Accelerated Learning Process Programme has proven to positively impact the participants and QL, the Management set out a roadmap to grow another 20 key talents in the coming year.

The LEAD (Leaders Enhancement and Development) Programme is another key programme with the objective of developing employees' leadership competencies, helping employees to better manage self, others and the business. This year, a total of 267 participants participated in various LEAD courses that aimed to enhance their leadership competencies, work skills and strengthening their fundamental values.

[18] *Employees refer to confirmed employees at time of annual performance review.*

Sustainability Statement (Continued)

OCCUPATIONAL SAFETY AND HEALTH

Performance

- Established **Group OSH Work Committee**
- Established **"WECARE", OSH Guiding Principles**
- Safety resourcing **increased by 42%** across the Group

Our Approach

QL pledges to uphold the safety and health of our employees, contractors and communities by building and fostering a safe work culture within the organisation. A safe and healthy workplace leads to increased productivity and work satisfaction while reducing accidents at the workplace. To realise this objective, it is pivotal to embed the Occupational Safety and Health ("OSH") culture across the Group, supported by globally recognised health and safety management and monitoring processes. To start, we are committed to obtaining ISO 45000 for our ILF business unit in the coming year.

Leading Health and Safety Practices

This year, a Group OSH Work Committee was established to lead and drive the safety and health initiatives across the Group. QL increased the number of safety resource team members by 42% to improve effective implementation. The Group OSH Committee meets quarterly, with the aim of creating a platform for the team to collectively review the Group safety performance and set progressive action plans to address rising safety and health risks. Further sub-committees have been formed to support the Group OSH Work Committee to focus on key safety topics. Monthly OSH sessions have also been set up with attendance by all safety personnel and representatives from each business unit.

Elevating Our Safety Practices

Following the roll out of the Groups' Occupational Safety and Health Policy last year, QL continues to embark on our commitment to build greater safety awareness and adoption of good Occupational Safety, Health and Environment ("OSHE") practices. A standard OSHE induction programme was developed with trainers identified from all four business units. With this in place, we are aiming to have all our employees undertake the safety awareness training by FY2022.

Underpinning our Occupational Safety and Health Policy is our safety principles, "WECARE" which was created to provide a framework for safety related decisions and actions.

OSH Guiding Principles - "WECARE"

- **W** – **W**orking Safely is a Condition of Employment
- **E** – **E**mployee Involvement is Essential
- **C** – **C**ontinuous Training of Employees to Work Safely is Essential
- **A** – **A**ll Injuries Can Be Prevented
- **R** – **R**ole Modelling & Management Accountability is Important
- **E** – **E**xposures To Operational Hazards Can Be Safeguarded

All Accidents, Injuries & Unsafe Conditions Must Be Reported To Your Supervisor Immediately

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

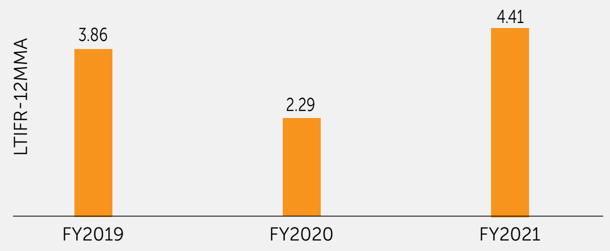
Managing Our Safety Performance

Upholding our belief that "All Injuries Can Be Prevented", we conduct hazard identification, risk assessment and risk controls at our workplaces to anticipate potential hazards and mitigate the risks. In the event of an accident, an investigation will be conducted to establish its underlying causes and corresponding control measures will be implemented. In FY2021, we enhanced the reporting process with additional parameters to monitor and measure our safety performance. Incident and Accident Database has also been reviewed and revised to enable better analysis.

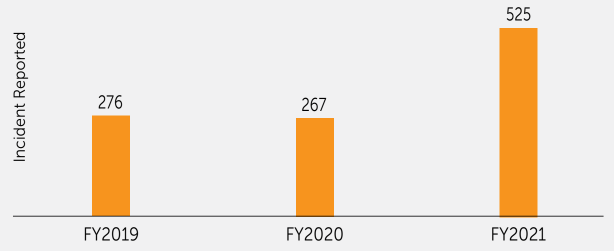
During the year, the number of lost time injuries ("LTI") increased by 106.1% compared to last year. This corresponds to the increase in Lost Time Injury Frequency Rate[19] ("LTIFR") by approximately 92.6%, equivalent to 4.41 LTI per million hours. The number of incidents reported has also increased by approximately 96.3%, reflecting the heightened awareness and involvement of employees in safety, specifically on the reporting of near-miss and non-compliance incidents. Further investigations revealed that the 67 LTI incidents are mainly due to supervision, awareness and human errors, and the hazards are mainly slip and fall, laceration, and nip and pinch.

To encourage continuous performance improvement, the business units have set up safety programmes that are part of the Group OSH improvement strategy, with risk management and behaviour-based safety being our key focus. In FY2022, ILF will be implementing ISO 45001 to reinforce the health and safety management system and practices at one of its sites. We also continue to encourage proactive reporting of accidents and incidents, especially near-misses to identify the underlying cause for risk mitigation.

GROUP LTIFR PERFORMANCE
(Lost Time Injury Frequency Rate)



GROUP SAFETY PERFORMANCE
(Total Incidence Reported)



GROUP SAFETY PERFORMANCE

	Fatality	Lost Time Injury	Non Lost Time Injury	Occupational Illness/ Occupational Poisoning and Occupational Disease	Near Misses/ Significant Safety Occurrences	Non Compliance
FY2019	0	42	234	0	0	0
FY2020	1	32	233	0	1	0
FY2021	1	67	428	1	25	3

[19] *LTIFR is calculated based on number of Lost Time Injuries against hours worked.*

OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

It is with deep regret that in FY2021, a fatal incident occurred where an employee drowned at one of our unmanned settlement ponds. A thorough investigation was conducted, and corrective actions were implemented to mitigate the identified underlying causes. All other business units have also been advised of the unfortunate incident, including the corrective actions to be taken. QL has also provided the necessary support to assist the family of the deceased.

Occupational Safety and Health Training

Ongoing training and awareness are essential to ensure that our employees continue to work safely. Training programmes are strategically delivered, based on employees' work exposures, as well as risks identified through safety and health monitoring. In FY2021, on-the-job trainings and safety awareness trainings were increased. The following shows the breakdown of the safety and health related trainings that were conducted.

Types of Trainings	Number of Sessions	Examples of Common Training Topics
Safety related trainings	150	• Safety Awareness in Workplace • HIRARC Training • Radiation Safety Training • Forklift Management Training • Use of Fire Extinguisher at the Workplace • Basic Occupational First Aid Training • Hearing Conservation Programme Training • Crisis Management • Working at Heights Training • Confine Space Training • Safe Operating Machineries (e.g X-ray, Blender, Colour Mixing, Salmon Cutting)
SOPs related to work procedures trainings	190	• Machine on the Job Training • Waste Water Treatment and Waste Management • Emergency Response (e.g Oil Spillages, Electrocution)
COVID-19 related briefings	24	• COVID-19 Prevention at Workplace • COVID-19 Monitoring Implementation • COVID-19 Preventive Measures Leaders Foreign Workers' Brief

Fire extinguisher training at QL Kitchen, Shah Alam, Selangor.

COMMITMENT TO OUR COMMUNITIES

Performance

- Created employment for **2,264 local individuals**
- Invested **over RM570,000** with an estimated **5,000 beneficiaries** on corporate philanthropy activities
- Over **RM23.8 million** provided to fisherman as interest-free financial assistance in FY2021

Our Approach

QL operates with a large footprint in various regions in Malaysia and is aware of the key role that QL holds in the community. QL firmly believes that we have a responsibility towards supporting our communities and ensuring that the communities progress hand-in-hand with us. We deliver our commitment by supporting the community with employment and through corporate philanthropy activities.

Creating Employment Opportunities Within the Local Communities

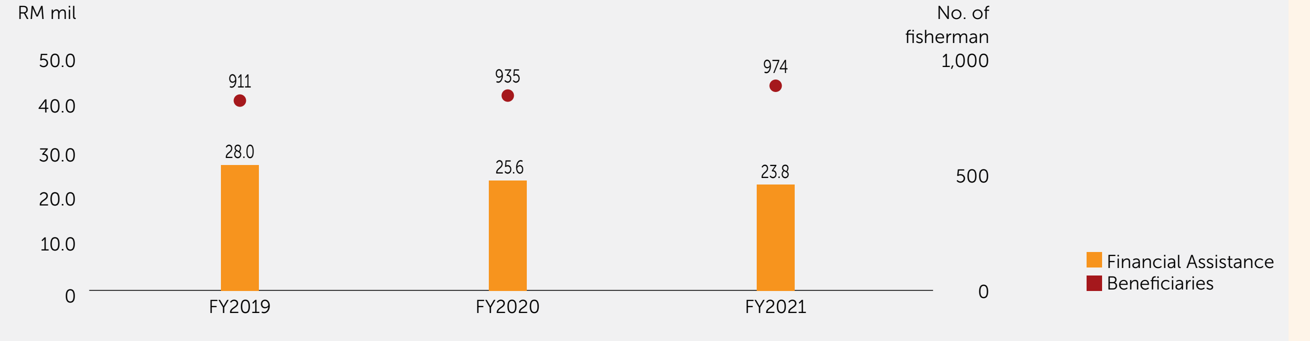
Despite a challenging year of navigating through COVID-19 pandemic, QL created a total of 2,264 jobs for the local communities, representing 95.8% of our total new hires.

Supporting Our Local Fisherman

QL continues to provide financial assistance to the fishing communities in Malaysia through our interest-free Fishermen Financial Assistance Scheme. The financial scheme supports the fishermen in building, upgrading and modernising their fishing fleet, enabling the fishermen to enhance their fishing capabilities, alleviating their financial constraints and contributing to the overall communities' income and welfare.

In FY2021, a total of 974 fishermen benefited from this scheme, with over RM23.8 million of interest-free financial assistance provided.

TOTAL FINANCIAL ASSISTANCE AND NUMBER OF BENEFICIARIES



Sustainability Statement (Continued)

COMMITMENT TO OUR COMMUNITIES (Cont'd)

Caring for the Community

In FY2021, QL invested over RM570,000 on corporate philanthropy activities with an estimated 5,000 beneficiaries.

QL focused on supporting activities that enhanced the school environment for children. We channelled funds to upgrade facilities in schools to enable the students to conduct their activities in a more comfortable and conducive environment. We funded the construction of a multipurpose activity centre with a capacity to house 1,300 persons in a school in Sekinchan, Selangor, and the construction of a stage platform for a school located in Tuaran, Sabah.

QL's community activities in FY2021 also focused on supporting the underprivileged groups. All business units contributed in cash and in-kind to various organisations such as old folks and orphanage homes. Recognising that health and nutrition are important to the development of children and youth, CVS distributed food supplies including QL products to a refugee learning centre located in Klang, Selangor. CVS also partnered with the Pit Stop Community Café to distribute essential items to communities impacted by the COVID-19 pandemic.

Multipurpose Activity Centre for SMJK Yoke Kuan, Sekinchan, Selangor.

Food distribution in collaboration with Pit Stop Community Café, Kuala Lumpur.

MANAGING SUSTAINABILITY (Cont'd)

Governance

Good corporate governance practices builds the confidence and strengthens the trust of all our stakeholders in QL, driving sustainable growth in a constantly evolving business environment. Anchored by our Code of Business Ethics and Conduct, we strive to continuously enhance our business conduct with high standards of integrity, transparency and accountability.

KEY HIGHLIGHTS

100% of operations assessed for risk related to corruption

1,322 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics

Zero whistle-blowing cases reported

	Progress Across the Years	
Material Matters	**FY2020**	**FY2021**
Upholding Business Integrity	• Implemented Anti-Bribery Policy • Updated Whistleblower Policy	• Implemented Supplier and Business Associates Code of Business Ethics • Established a Crisis Management Plan

Supporting the SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainability Statement (Continued)

UPHOLDING BUSINESS INTEGRITY

Performance

- **100% of operations** assessed for risk related to corruption
- **1,322 suppliers accepted** QL's Suppliers and Business Associates Code of Business Ethics
- **Zero whistle-blowing cases** reported

Our Approach

Integrity, one of QL's four core values, is deeply embedded into QL's organisational culture, from the management through to our employees. We have enacted robust policies to guide our business activities and relationships and in compliance with the relevant laws and regulations. Our values and culture are communicated across our supply chain to manage end-to-end supply chain risks and strengthen business resilience.

Standing Against Bribery and Corruption

In June 2020, QL established an Anti-Bribery Policy ("ABP") as a testament to QL's commitment to conducting our business with integrity. The ABP outlines our expectations of our employees as well as our suppliers and business associates in complying with the relevant anti-bribery legislations and reinforces our stance against bribery and corrupt practices. The Whistleblower Policy was also updated to encourage reporting of suspected wrongdoings. It is key to create a confidential channel for our employees and stakeholders to raise genuine concerns about unethical behaviour or non-compliance with regulatory requirements without fear of reprisal. A fair and reasonable mechanism is in place to manage and respond to any disclosure received through the channel, with reporters having direct access to the Executive Chairman, Group Managing Director, prescribed Independent Director or Audit Committee Chairman. In FY2021, there were no whistleblowing cases reported.

Crisis Management for Business Continuity

Cognisant of the increasing occurrence of business disruptions in the current unprecedented pandemic landscape, QL has ramped up efforts to implement a crisis management plan during the year. The plan is a key element to ensure business continuity and maintain credibility, providing direction on communication, staffing and resources in the face of any crisis.

Aligning QL's Values Along the Supply Chain

Effective corporate governance extends beyond QL's operations. As a company that engages a diverse group of suppliers, it is important that our suppliers' operations are aligned with our ESG expectations. QL announced a Suppliers and Business Associates Code of Business Ethics to strengthen the resilience of our supply chain while driving value creation for all stakeholders. The Suppliers and Business Associates Code of Business Ethics sets out QL's expectations on topics such as anti-bribery and corruption, human rights, workplace health and safety and environment. As at 31 March 2021, a total of 1,322 suppliers have accepted the Suppliers and Business Associates Code of Business Ethics. We endeavour to have all our active suppliers accept the Suppliers and Business Associates Code of Business Ethics moving forward. In parallel, we are formulating processes to manage risks associate with our suppliers.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures	**Organisational Profile**		
	102-1	Name of the organisation	QL Resources Berhad
	102-2	Activities, brands, products, and services	Principal Activities, pg. 4
	102-3	Location of headquarters	Corporate Information, pg. 64
	102-4	Location of operations	Principal Activities, pg. 4
	102-5	Ownership and legal form	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-6	Markets served	Principal Activities, pg. 4
	102-7	Scale of the organisation	Value Creation Strategy, pg. 12
	102-8	Information on employees and other workers	Talent Management, pg. 47 Value Creation Strategy, pg. 12
	102-9	Supply chain	Stakeholder Engagement, pg. 29 Upholding Business Integrity, pg. 58
	102-10	Significant changes to organisation and its supply chain	Chairman's Statement, pg. 6 Business Review, pg. 22
	102-11	Precautionary principle or approach	QL does not specifically refer to the precautionary approach when managing risk. QL's management approach is risk-based guided by our internal audit framework.
	102-12	External initiatives	QL supports the UNSDGs. Materiality Boundary, pg. 32
	102-13	Membership of associations	Stakeholder Engagement, pg. 29
	Strategy		
	102-14	Statement from senior decision-maker	Chairman's Statement, pg. 6
	102-15	Key impacts, risks and opportunities	Value Creation Strategy, pg. 12
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Value Creation Strategy, pg. 12
	102-17	Mechanisms for advice and concerns about ethics	Corporate Governance Overview Statement, pg. 80 Upholding Business Integrity, pg. 58
	Governance		
	102-18	Governance structure	Key Senior Management, pg. 79 Sustainability Governance, pg. 28
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Stakeholder Engagement, pg. 29
	102-41	Collective bargaining agreements	QL does not have collective bargaining in place
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement, pg. 29
	102-43	Approach to stakeholder engagement	Stakeholder Engagement, pg. 29
	102-44	Key topics and concerns raised	Stakeholder Engagement, pg. 29

Sustainability Statement (Continued)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures	**Reporting Practice**		
	102-45	Entities included in the consolidated financial statements	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-46	Defining report content and topic Boundaries	Reporting Scope and Period, pg. 26
	102-47	List of material topics	Materiality Assessment, pg. 30 Materiality Boundary, pg. 32
	102-48	Restatements of information	Climate Change & Emissions, pg. 25 Restatement due to change of measurement methods for manure emissions and normalisation factor.
	102-49	Changes in reporting	Materiality Assessment, pg. 30
	102-50	Reporting period	1 April 2020 – 31 March 2021
	102-51	Date of most recent report	August 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Feedback, pg. 26
	102-54	Claims of reporting in accordance with GRI Standards	Preparation of This Statement, pg. 26
	102-55	GRI content index	GRI Content Index, pg. 59
	102-56	External assurance	QL has not sought external assurance on the data presented in this statement. QL intends to seek external assurance in the future.
Topic Specific Standards			
Business Growth			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Financial Statements, pg. 97-211 Commitment to Our Communities, pg. 55
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	
Upholding Business Integrity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Upholding Business Integrity, pg. 58
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruptions and actions taken	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Climate Change & Emissions			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Climate Change & Emissions, pg. 35
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Water Security			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Water Security, pg. 37
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents (2018)	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
Biodiversity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Biodiversity, pg. 40
	103-3	Evaluation of the management approach	
GRI 304: Biodiversity	304-3	Habitats protected or restored	
Waste Management			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Waste Management, pg. 39
	103-3	Evaluation of the management approach	
GRI 306: Waste (2020)	306-3	Waste generated	
	306-4	Waste diverted from disposal	

Sustainability Statement (Continued)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Occupational Safety & Health			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Occupational Safety & Health, pg. 52
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety (2018)	403-1	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	
Talent Management			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Talent Management, pg. 47
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	
Fair Labour Practices			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Fair Labour Practices, pg. 46
	103-3	Evaluation of the management approach	
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	
Local Community			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Commitment to Our Communities, pg. 55
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	
Food Quality, Safety & Nutrition			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Food Quality, Safety & Nutrition, pg. 42
	103-3	Evaluation of the management approach	
NA	NA	Performance measure based on QL specific performance indicator	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Biosecurity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Biosecurity, pg. 45
	103-3	Evaluation of the management approach	
NA	NA	Performance measure based on QL specific performance indicator	

Corporate Information

Board of Directors

Dr. Chia Song Kun
Executive Chairman

Mr. Chia Song Kooi
Group Managing Director

Mr. Chia Seong Fatt
Executive Director
(Appointed on 1 April 2021)

Mr. Chia Mak Hooi
Executive Director
(Appointed on 1 April 2021)

Mr. Cheah Juw Teck
Executive Director
(Appointed on 1 April 2021)

Mr. Chia Seong Pow
(Alternate Director to Chia Seong Fatt)
(Appointed on 1 April 2021)

Mr. Chia Song Swa
(Alternate Director to Chia Mak Hooi)
(Appointed on 1 April 2021)

Mr. Chia Lik Khai
(Alternate Director to Cheah Juw Teck)
(Appointed on 1 April 2021)

Mr. Low Teng Lum
Senior Independent Non-Executive Director

Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris
Independent Non-Executive Director

Ms. Kow Poh Gek
Independent Non-Executive Director

Ms. Chan Wai Yen, Millie
Independent Non-Executive Director

Ms. Cynthia Toh Mei Lee
Independent Non-Executive Director

Mr. Wee Beng Chuan
Independent Non-Executive Director
(Appointed on 1 July 2020)

Mr. Tan Bun Poo, Robert
Independent Non-Executive Director
(Resigned on 30 June 2020)

COMPANY SECRETARY

Ms. Ng Geok Ping
(MAICSA 7013090)

AUDITORS

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor

REGISTERED OFFICE

No. 16A, Jalan Astaka U8/83
Bukit Jelutong
40150 Shah Alam
Selangor
Tel : 03-78012288
Fax : 03-78012228
Website : www.ql.com.my

REGISTRARS

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-27839299
Fax : 03-27839222

Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: QL
Stock Code: 7084

INVESTOR RELATION

Mr. Freddie Yap
Tel : 03-78012288
Fax : 03-78012222
Email : freddieyap@ql.com.my

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad
AmBank (M) Berhad
RHB Bank Berhad
Bank of Tokyo-Mitsubishi UFJ Berhad
DBS Bank Limited

Scan here to know more about QL Resources Berhad

Board of Directors' Profile

DR. CHIA SONG KUN

Executive Chairman

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Member of Risk Management Committee**

71, Male
Malaysian

Dr. Chia Song Kun, aged 71, male, Malaysian, was appointed as the Group Managing Director of QL Resources Berhad on 3 January 2000 and re-designated as the Executive Chairman on 1 April 2018. He is also a member of the Risk Management Committee.

Dr. Chia was born and raised in Sungai Burong, an impoverished fishing village on the northern coast of Selangor. He graduated with a Bachelor of Science (Honours) degree majoring in Mathematics from the University of Malaya in 1973 and obtained a Master in Business Administration in 1988 from the same university. He started his career as a tutor and subsequently joined University Teknologi Mara as a lecturer where he served for 11 years until 1984.

After his lecturing years, Dr. Chia, along with his brothers and his brothers-in-law, began trading in fish meal and feed meal raw material. The business they founded was subsequently incorporated as QL Resources Berhad. Today QL is a sustainable and scalable multinational agro-food corporation with interests in Integrated Livestock Farming, Marine Products Manufacturing and Palm Oil And Clean Energy. The company has a market capitalisation of approximately fourteen billion ringgit.

Dr. Chia is a founding member of INTI Universal Holdings Berhad, which operates one of the leading private university colleges in Malaysia. On 5 July 2008, he was conferred the honorary degree of Doctor of Laws (Hon LLD) by the Honorary Awards Board of the University of Hertfordshire in recognition of his outstanding contribution to the development of business and education in Malaysia. He is also the Chairman of Boilermech Holdings Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad on 5 May 2011, which then transferred to the Main Market on 4 December 2014.

Dr. Chia's leadership has been recognised by a number of noted organisations. In 2005, *The Edge* selected him as one of '20 CEOs We Admire'. In July 2011, Dr. Chia led the Group to new heights when QL Resources won the prestigious *The Edge* Billion Ringgit Club Company of the Year award. In 2012, Dr. Chia was awarded the Ernst & Young Entrepreneur of the Year Award 2012 for Malaysia. In October 2018, Dr Chia was awarded the Sin Chew Business Lifetime Excellence Achievement Award 2018. In September 2019, Dr Chia won *The Edge* Billion Ringgit Club Value Creator: Outstanding CEO of Malaysia and QL Resources won The AsiaMoney Awards 2019 for Most Outstanding Company in Malaysia – Consumer Staples Sector.

Dr. Chia Song Kun is the brother of Mr. Chia Song Swa and Mr. Chia Song Kooi. He is the brother-in-law of Mr. Chia Seong Pow and Mr. Chia Seong Fatt and also Mr. Chia Lik Khai's father. He is the Director and beneficial shareholder of CBG (L) Pte Ltd via CBG (L) Foundation, a major shareholder of QL.

He attended all seven board of directors' meetings held for the financial year.

Dr. Chia has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MR. CHIA SONG KOOI

Group Managing Director

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Member of Risk Management Committee**

61, Male
Malaysian

Mr. Chia Song Kooi, aged 61, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. He was re-designated as the Deputy Managing Director of the Company on 21 November 2016 and then as the Group Managing Director on 1 April 2018. He is also a member of the Risk Management Committee.

He holds a bachelor of Agricultural Science from University Putra Malaysia (1985). In 2005 he has completed the Premier Business Management Program which was aimed to equip business leaders with the skills and competencies necessary for navigating uncertainty, adversity and to lead change in the global economy.

Mr. Chia began his career as a Marketing Executive for agro-chemical products with Ancom Berhad, a company listed on the Main Market of the Bursa Malaysia Securities Berhad and eventually headed the Product and Market Development Division in 1987.

Mr. Chia joined QL Feedingstuffs Sdn. Bhd. as an Executive Director on 21 September 1988. He has more than 20 years of experience in farm management and in trading of raw materials for farm use, as well as more than 10 years of experience in marine products processing. He was the Deputy Chairman of Sabah Livestock Poultry Association from 2012 to 2016. In view of the restructuring of the QL Group, he has resigned as a Director of QL Feedingstuffs Sdn. Bhd. and has been re-appointed in year 2017. Prior to being the Group Managing Director, he was overall in charge of the group's operations in Kota Kinabalu since 1990 to 2016.

Mr. Chia Song Kooi is the brother to Dr. Chia Song Kun and Mr. Chia Song Swa.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR. CHIA SEONG FATT

Executive Director

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Nil**

65, Male
Malaysian

Mr. Chia Seong Fatt, aged 65, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. He resigned as an Executive Director of the Company and was appointed as an Alternate Director to Chia Seong Pow on 1 April 2019. Thereafter, he resigned as an Alternate Director to Chia Seong Pow and was appointed as an Executive Director of the Company on 1 April 2021.

He obtained his B.Sc. Honours Degree in Chemistry from University of London in 1979. He practised as an industrial chemist for 3 years before he pursued further studies in University Malaya.

In 1984, he graduated from University of Malaya with a Master degree in Business Administration.

He served for seven years as Managing Director in Sri Tawau Farming Sdn. Bhd., a company involved in layer farming.

In 1991, he was appointed as Managing Director of QL Farms Sdn. Bhd., a subsidiary of QL overseeing its operations in Tawau. In January 1996, he was appointed as an Executive Director of QL Feedingstuffs Sdn. Bhd. in charge of layer farm and Crude Palm Oil ("CPO") milling operations. In view of the restructuring of the QL Group, he has resigned as a Director of QL Feedingstuffs Sdn. Bhd. However he is still in charge of layer, broiler farm and CPO milling operations in Tawau. From 2017 onwards, he is the Director overseeing all farming operations in Sabah.

He is also an Alternate Director in Boilermech Holdings Berhad, a company listed in the ACE Market of Bursa Malaysia Securities Berhad on 5 May 2011, which then transferred to the Main Market on 4 December 2014.

He is the elder brother to Mr. Chia Seong Pow. Both of them are brothers-in-law to Dr. Chia Song Kun. He is the Director and beneficial shareholder of Farsathy Holdings Sdn. Bhd., a major shareholder of QL.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia Seong Fatt has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MR. CHIA MAK HOOI

Executive Director

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Nil**

56, Male
Malaysian

Mr. Chia Mak Hooi, aged 56, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. He resigned as an Executive Director of the Company and was appointed as an Alternate Director to Chia Song Swa on 1 April 2019. Thereafter, he resigned as an Alternate Director to Chia Song Swa and was appointed as an Executive Director of the Company on 1 April 2021.

He graduated from Arizona State University, USA with a Degree in Accounting and Finance in 1988.

He started his career in 1989 as an Assistant Accountant at Concept Enterprises Inc. In 1991, he joined QL Feedingstuffs Sdn. Bhd. as Finance Manager where he was mainly responsible for the accounts, tax and audit planning, and cash management and liaised with bankers for banking facilities. In 1996, he was appointed Finance Director of QL Feedingstuffs Sdn. Bhd., and was involved in the proposed listing of the Company on the Second Board of Bursa Malaysia Securities Berhad.

Currently, he is actively involved in group corporate activities and strategic business planning and also group integrated livestock business expansion programmes both locally and overseas.

Mr. Chia Mak Hooi is the director of EITA Resources Berhad ("EITA") and Group, a company listed on the Main Market of the Bursa Malaysia Securities Berhad on 9 April 2012. EITA is principally an investment holding company and provider of management services to its subsidiaries. EITA Group's business activities are in the marketing and distribution of E&E components and equipment, design and manufacture of Elevator and Busduct systems as well as maintenance of Elevator systems and provision of electrical and security system solutions as well as manufacture of E&E components and equipment namely Centralised Dimming Systems, Ballasts and connectors.

He is the nephew to Dr. Chia Song Kun, Mr. Chia Song Swa and Mr. Chia Song Kooi.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia Mak Hooi has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR. CHEAH JUW TECK

Executive Director

Date of Appointment:
1 June 2011

Board Committee Membership:
- **Nil**

52, Male
Malaysian

Mr. Cheah Juw Teck, aged 52, male, Malaysian, was appointed as an Executive Director of the Company on 1 June 2011. He resigned as an Executive Director and was appointed as an Alternate Director to Chia Lik Khai on 1 April 2019. Thereafter, he resigned as an Alternate Director to Chia Lik Khai and was appointed as an Executive Director of the Company on 1 April 2021.

He holds a Degree in Food Technology from University Putra Malaysia (1993).

Prior to joining QL Group in 1994, he was involved in quality control in S & P Foods Bhd as quality control executive. In 1994, he joined QL Group as operations manager to set up the surimi and surimi-based products business and subsequently was appointed as a Director of QL Foods Sdn. Bhd. in 1997. He is also the director in charge of the surimi and surimi-based products division in QL Group as well as the expansion programmes in overseas.

Mr. Cheah Juw Teck is the nephew to Dr. Chia Song Kun, Mr. Chia Song Swa and Mr. Chia Song Kooi.

He attended all seven board of directors' meetings held for the financial year.

Mr. Cheah has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MR. CHIA SEONG POW

Alternate Director to Chia Seong Fatt

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Nil**

65, Male
Malaysian

Mr. Chia Seong Pow, aged 65, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. Thereafter, as the Alternate Director to Chia Seong Fatt from 1 April 2018 to 1 April 2019 and was re-appointed as an Executive Director of the Company on 1 April 2019. He resigned as an Executive Director of the Company and was appointed as an Alternate Director to Chia Seong Fatt on 1 April 2021.

He graduated from Tunku Abdul Rahman College with a Diploma in Building Technology in 1982.

He is one of the founder members of QL Group. He joined CBG Holdings Sdn. Bhd. as Marketing Director in 1984. He has more than 25 years of experience in the livestock and food industry covering layer farming, manufacturing, trading and shipping.

Currently, Mr. Chia Seong Pow is mainly in charge of layer farming, regional merchanting trade in food grains as well as new business developments.

Majority of the Group's new expansion programmes were initiated by him.

Mr. Chia Seong Pow was appointed as a Director of EITA on 1 March 2017, a company listed on the Main Market of the Bursa Malaysia Securities Berhad on 9 April 2012. Thereafter, as an Alternate Director to Chia Mak Hooi on 1 November 2018. EITA is principally an investment holding company and provider of management services to its subsidiaries. EITA Group's business activities are in the marketing and distribution of E&E components and equipment, design and manufacture of Elevator and Busduct systems as well as maintenance of Elevator systems and provision of electrical and security system solutions as well as manufacture of E&E components and equipment namely Centralised Dimming Systems, Ballasts and connectors.

He is the younger brother to Mr. Chia Seong Fatt. Both of them are brothers-in-law to Dr. Chia Song Kun. He is the Director and beneficial shareholder of Farsathy Holdings Sdn. Bhd., a major shareholder of QL.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia Seong Pow has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR. CHIA SONG SWA

Alternate Director to Chia Mak Hooi

Date of Appointment:
3 January 2000

Board Committee Membership:
- **Nil**

61, Male
Malaysian

Mr. Chia Song Swa, aged 61, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. Thereafter, as the Alternate Director to Chia Mak Hooi from 1 April 2018 to 1 April 2019 and was re-appointed as an Executive Director of the Company on 1 April 2019. He resigned as an Executive Director of the Company and was appointed as an Alternate Director to Chia Mak Hooi on 1 April 2021.

He holds a Degree in Chemistry and Statistics from the University of Campbell, USA.

He began his career at Genting Berhad, a company listed on the Bursa Malaysia Securities Berhad as a Management Trainee in 1984 and served for 2 years.

In 1987 he joined QL Feedingstuffs Sdn. Bhd. as a sales executive and was appointed as a director of QL Feedingstuffs Sdn. Bhd. on 22 June 1987. In line with the transfer of business from QL Feedingstuffs Sdn. Bhd. to QL Feed Sdn. Bhd., he was appointed as the director in charge of sales and trading function at QL Feed Sdn. Bhd. As a result of his vast experience in feed raw material distribution, he has helped the Company to establish a very strong distribution network.

He is the brother to Dr. Chia Song Kun and Mr. Chia Song Kooi.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia Song Swa has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MR. CHIA LIK KHAI

Alternate Director to Cheah Juw Teck

Date of Appointment:
21 November 2016

42, Male
Malaysian

Board Committee Membership:
- **Nil**

Mr. Chia Lik Khai, aged 42, male, Malaysian, was appointed as an Executive Director of the Company on 21 November 2016. Thereafter, as the Alternate Director to Cheah Juw Teck from 1 April 2018 to 1 April 2019 and was re-appointed as an Executive Director of the Company on 1 April 2019. He resigned as an Executive Director of the Company and was appointed as an Alternate Director to Cheah Juw Teck on 1 April 2021.

He graduated from the MBA programme of Wharton Business School, University of Pennsylvania, United States where he focused on Entrepreneurship and Corporate Finance. He also received his Master of Science and Bachelor of Science in Electrical Engineering from University of Michigan, Ann Arbor, United States.

Prior to joining QL Resources Berhad and Group, he was with McKinsey & Company in Shanghai, where he was an affiliate of Global Energy & Materials and High-Tech practice. During his tenure there, he focused on serving global clients in renewable energy, consumer products and high-tech sectors on strategy, mergers and acquisitions as well as sales and marketing. He also possesses extensive management experience in high-tech, telecommunications and internet commerce. He spent eight (8) years in the semiconductor industry with Agilent and Avago Technologies in Silicon Valley, where he assumed multiple roles as R&D staff, New Product Manager and Marketing Manager.

He subsequently joined QL Resources Berhad as Group Corporate Development Director and was appointed as the Executive Director of a few subsidiaries of QL Resources Berhad in 2009. He oversees the group strategic business planning and expansion.

Mr. Chia Lik Khai held the position as the Deputy Managing Director of Boilermech Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, from 25 February 2015 to 28 February 2021. On 1 March 2021, he was redesignated as Joint Managing Director of Boilermech Holdings Berhad.

He is the son of Dr. Chia Song Kun, nephew to Mr. Chia Song Swa, Mr. Chia Song Kooi, Mr. Chia Seong Pow and Mr. Chia Seong Fatt.

He attended all seven board of directors' meetings held for the financial year.

Mr. Chia Lik Khai has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR. LOW TENG LUM

Senior Independent Non-Executive Director

Date of Appointment:
30 August 2019

67, Male
Malaysian

Board Committee Membership:
- **Chairman of Audit Committee**
- **Chairman of Risk Management Committee**
- **Chairman of Nominating Committee**
- **Chairman of Remuneration Committee**

Mr. Low Teng Lum, aged 67, male, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 30 August 2019. He is also a Chairman of the Audit, Nominating, Remuneration and Risk Management Committees. He was then appointed as the Senior Independent Non-Executive Director on 25 February 2021.

Mr. Low obtained his qualifications from the Association of Chartered Certified Accountants and Institute of Chartered Secretaries and Administrators, both of the United Kingdom, in 1977. He attended the Applied Management Program of Swedish Institute of Management in 1990. In 1996, he obtained his Master in Public Administration from the John Fitzgerald Kennedy School of Government, Harvard University.

He is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow member of the Association of Chartered Certified Accountants ("ACCA") and a Fellow member of the Institute of Chartered Secretaries and Administrators.

He has been a member of the Taxation and Trade committees of the Malaysian International Chamber of Commerce and Industry since 2002 and 2005 respectively. He was a founding committee member of Confederation of Malaysian Brewers.

Over the course of his career, he has held various accounting and financial positions in Arthur Young & Company (presently known as Ernst & Young), Guthrie Malaysia Holdings Berhad, Palmco Holdings Berhad, Guinness Anchor Berhad and General Corporation Berhad. During his 14 year tenure with Southern Steel Berhad, he was promoted from Finance Manager to General Manager (Commercial), Senior General Manager (Rod Division) and Chief Operating Officer (Steel Business Unit). He retired from Guinness Anchor Berhad (presently known as Heineken Malaysia Berhad) in April 2011, as both the Finance Director and member of the Board of Director, after 10 years of service.

He has served as a member of the Task Force on the formation of an Audit Oversight Board chaired by the Securities Commission (SC).

Mr. Low currently sits on the Board of Salutica Berhad.

He attended all seven board of directors' meetings held for the financial year.

Mr. Low does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

PROFESSOR DATIN PADUKA SETIA DATO' DR. AINI BINTI IDERIS

Independent Non-Executive Director

Date of Appointment:
1 January 2016

68, Female
Malaysian

Board Committee Membership:
- **Member of Audit Committee**
- **Member of Risk Management Committee**

Professor Datin Paduka Setia Dato' Dr. Aini Binti Ideris, aged 68, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 January 2016. She is also a member of the Audit and Risk Management Committees.

She graduated with Doctor of Veterinary Medicine (DVM) degree in 1979 from Universiti Pertanian Malaysia - UPM (currently, Universiti Putra Malaysia) and received her Masters in Veterinary Science (MVSc) Degree in Avian Medicine in 1981 from University of Liverpool, England. She was awarded PhD Degree in 1989 by UPM. She continued to do post-doctoral training at University of California Davis, USA and was awarded Asian Development Bank Fellowship in 1993 for further post-doctoral training at Cornell University, USA.

Professor Aini is actively involved as Council Member of Malaysian College of Veterinary Specialists (MCVS), Member of Board of Governance of International Medical University (IMU) and International Medical College (IMC), Council member of Academy of Sciences Malaysia, Member of Board of Trustees Yayasan Inovasi Malaysia (YIM), Council Member of Malaysian Cancer Research Institute (MCRI) and EXCO Member of National Cancer Council (MAKNA). She was a Member of Board of Directors of Yayasan Putra Business School, the Founding Chairman, Board of Directors of UPM Holdings Sdn. Bhd., Board Member of UPM Holdings Sdn. Bhd. and Board Member of UPM Holdings Education & Training. In December 2013, she was appointed as member of International Advisors of Women Issues, under the Minister at Prime Minister's Department.

She held various administrative positions in UPM, such as Chairman of Veterinary Teaching Hospital, Deputy Dean Faculty of Veterinary Studies, Dean School of Graduate Studies, Deputy Vice Chancellor (Academic and International), the Founding Director for Corporate Strategy & Communications Office, and the Vice-Chancellor of Universiti Putra Malaysia. She is the Coordinator for the National Centre of Excellence for Swiftlets, under MOA, member of Investigating Tribunal Panel for the Advocates and Solicitors Disciplinary Board of the Bar Council, Malaysia, President of the World Veterinary Poultry Association (WVPA) (Malaysia) and was the Vice President of WVPA (World Body). She retired from UPM on 1 January 2021.

She attended all seven board of directors' meetings held for the financial year.

Professor Aini has no family relationship with any director and/or major shareholder of the Company. She is the Independent Non-Executive Director of Malayan Flour Mills Berhad. Besides this, she has no other conflict of interest with the Company. She has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS. KOW POH GEK

Independent Non-Executive Director

Date of Appointment:
1 April 2018

63, Female
Malaysian

Board Committee Membership:
- **Member of Audit Committee**
- **Member of Risk Management Committee**
- **Member of Nominating Committee**
- **Member of Remuneration Committee**

Ms. Kow Poh Gek, aged 63, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 April 2018. She is also a member of the Audit, Risk Management, Nominating and Remuneration Committees.

She graduated with a Diploma In Commerce (Cost & Management Accounting) from Tunku Abdul Rahman College and a fellow member of The Chartered Institute of Management Accountants, UK.

Ms. Kow started her career as a Financial Assistant in April 1982. She has more than 35 years of experience in finance and management accounting, financial reporting, taxation, treasury, budgetary control, internal control systems and risk management within the investment holding, banking, hotel and resorts, direct selling, manufacturing and trading/services sectors. In January 2010, she joined EITA Holdings Sdn. Bhd. (now known as EITA) as the Finance cum Investors Relation Manager. She was later designated as the Chief Financial Officer in EITA in January 2012, a position she held till 31 December 2017.

During her tenure in EITA, she was involved in the preparation of EITA prospectus for its listing on the Main Board of Bursa Malaysia Securities Berhad in April 2012, formulation and documentation of accounting standard operating procedures, evaluation of financial position of companies targeted for merger and acquisition, overseeing the company's financial reporting and entire accounts department, investor relations and risk management functions.

She is also an Independent Non-Executive Director of GDB Holdings Berhad since 14 December 2017.

She attended all seven Board of Directors' meetings held for the financial year.

Ms. Kow Poh Gek has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and she has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MS. CHAN WAI YEN, MILLIE

Independent Non-Executive Director

Date of Appointment:
1 April 2018

65, Female
Malaysian

Board Committee Membership:

- **Member of Audit Committee**
- **Member of Risk Management Committee**

Ms. Chan Wai Yen, Millie, aged 65, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 April 2018. She is also a member of the Audit Committee and Risk Management Committee.

She graduated with a Bachelor of Laws Degree with First Class Honours from the University of Malaya, 1980.

Ms. Chan was admitted as an Advocate and Solicitor to the High Court of Malaya in 1981. She commenced legal practice in Maxwell, Kenion, Cowdy & Jones, a law firm in Ipoh. In 1984, Ms. Chan co-founded the legal firm W Y Chan & Roy, and continued to practice law in Malaysia until 2007.

Ms. Chan's practice focus in Malaysia during the first seven years of practice was in civil and commercial litigation. In the following 2 decades, her practice concentrated on corporate securities and finance, and commercial matters.

In 2010, Ms. Chan was admitted to the Law Society of British Columbia, Canada. She practiced in the Vancouver office of Borden Ladner Gervais (BLG), a national law firm in Canada, and was a member of BLG Tax Group and the Corporate & Commercial Group. She was also BLG Senior Consultant for Asia Pacific Market. She advises high net worth families, particularly business families in Asia, in the area of holistic global estate planning, involving inter-generational wealth transfer, asset protection, and capital preservation. In addition, she assists families to establish strategies and processes to promote family governance, maintain family unity, and uphold family identity and integrity. She works with an extensive contact base of financial institutions and offshore service providers for trust, foundations, and corporations.

Ms. Chan applied to be a non-practicing lawyer in British Columbia in 2018 in order to concentrate on consulting with business families and individuals, particularly in Asia, in the area of holistic global estate planning under Legacy 127 Consulting Inc. She remains the Senior Consultant for BLG. In April 2019, Ms. Chan is appointed a Consultant of Shearn Delamore & Co, a legal firm in Malaysia.

She attended all seven board of directors' meetings held for the financial year.

Ms. Chan Wai Yen has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and she has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS. CYNTHIA TOH MEI LEE

Independent Non-Executive Director

Date of Appointment:
1 April 2018

47, Female
Malaysian

Board Committee Membership:

- **Member of Audit Committee**
- **Member of Risk Management Committee**

Ms. Cynthia Toh Mei Lee, aged 47, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 April 2018. She is also a member of the Audit and Risk Management Committees.

She graduated with a Bachelor of Commerce from Monash University in 1994 and Bachelor of Laws from Monash University in 1996.

Ms. Cynthia Toh is an Advocate & Solicitor of the High Court of Malaya. She is a partner of the law firm, Messrs. Wong Beh & Toh since 2002.

In 1997, she completed her pupillage at Messrs Presgrave & Matthews and was admitted as an advocate and solicitor in the High Court of Malaya in the same year. She worked as a legal assistant at Messrs Presgrave & Matthews until 2002 when Messrs Wong Beh & Toh was set up. She is one of the founding partners of Messrs Wong Beh & Toh.

She practices in the areas of equity corporate finance, mergers and acquisitions as well as private company advisory work. She is also involved in various other corporate and commercial matters.

She has been involved in both domestic and cross-border transactions. Her experience includes, debt and equity securities offerings, corporate restructurings of insolvent companies, takeovers, mergers and acquisitions of companies and businesses, initial public offerings, venture and development capital financing, unit trusts and investment funds, foreign direct investment, placement and underwriting arrangements, franchising and commercial and intellectual property transactions.

She attended all seven Board of Directors' meetings held for the financial year.

Ms. Cynthia Toh has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and she has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Board of Directors' Profile (Continued)

MR. WEE BENG CHUAN

Independent Non-Executive Director

58, Male
Malaysian

Date of Appointment:
1 July 2020

Board Committee Membership:

- **Member of Audit Committee**
- **Member of Risk Management Committee**
- **Member of Nominating Committee**
- **Member of Remuneration Committee**

Mr. Wee Beng Chuan, aged 58, male, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 July 2020. He is also a member of the Audit, Nominating, Remuneration and Risk Management Committees.

Mr. Wee obtained his qualifications from the Association of Chartered Certified Accountants in 1988 and commenced his professional training in an audit firm in London, England in 1989. He joined KPMG Malaysia in 1993 upon his return to Malaysia and was admitted as an audit partner of KPMG Malaysia in 2003 until his retirement from the firm on 31 December 2017.

He has been the partner in charge of KPMG Malaysia Sabah region covering offices in Kota Kinabalu, Sandakan, Tawau and Labuan; thereafter he was the partner in charge of KPMG Malaysia Southern region covering offices in Johor Bahru and Melaka. He was also a member of KPMG Malaysia Executive Committee from 2014 to 2016.

He is a member of the Malaysian Institute of Accountants and a Fellow member of the Association of Chartered Certified Accountants.

Mr. Wee has extensive experience in the audit of a wide range of companies which include public listed companies and multinationals in various industries, including manufacturing of industrial products, consumer products and services, plantation, property development and construction, transportation and logistics. He is also an experienced reporting accountant who has worked on numerous Initial Public Offerings and various fund raising exercises in the Capital Market.

He is also a Director of Tuju Setia Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad on 19 May 2021.

He attended six out of six board of directors' meetings held for the financial year since his appointment.

Mr. Wee does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Key Senior Management

DR. CHIA SONG KUN

Executive Chairman

Please refer to Directors' Profile on page 65.

MR. CHIA SONG KOOI

Group Managing Director

Please refer to Directors' Profile on page 66.

MR. CHIA SEONG FATT

Executive Director

Please refer to Directors' Profile on page 67.

MR. CHIA MAK HOOI

Executive Director

Please refer to Directors' Profile on page 68.

MR. CHEAH JUW TECK

Executive Director

Please refer to Directors' Profile on page 69.

MR. CHIA SEONG POW

Alternate Director to Chia Seong Fatt

Please refer to Directors' Profile on page 70.

MR. CHIA SONG SWA

Alternate Director to Chia Mak Hooi

Please refer to Directors' Profile on page 71.

MR. CHIA LIK KHAI

Alternate Director to Cheah Juw Teck

Please refer to Directors' Profile on page 72.

MR. CHIA SONG KANG

Executive Director

Mr. Chia Song Kang, aged 70, male, Malaysian, joined QL Group as a Director in January 1987. He was appointed as EXCO member of QL in December 2004. He is overall in charge of the operations in Endau, Johor.

He is the brother to Dr. Chia Song Kun, Mr. Chia Song Kooi and Mr. Chia Song Swa.

Mr. Chia Song Kang has no conflict of interest with the Company and he has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MS. CHIA JUAK SUI

Executive Director

Ms. Chia Juak Sui, aged 45, female, Malaysian, joined QL Group as an Executive Director in January 2013. She was appointed as an EXCO member of QL in December 2020.

She graduated with a Bachelor of Pharmacy from University of Queensland, Australia in 1996 and obtained a Master in Business Administration in 2001 from the same university. She is also a Certified Financial Analyst from CFA Institute.

Prior to joining QL Group, she was involved in pharmaceutical industry from 1996 to 2002. In 2008, she joined QL Resources Berhad as Finance & Business Development Manager focusing on finance administration, development of palm based bio-energy and human resource administration. Subsequently, she was promoted as the Head of Finance & Treasury/ Executive Assistant to Group Managing Director in 2015 and was appointed as the Executive Director of a few subsidiaries of QL Resources Berhad since 2013.

She is the daughter of Dr. Chia Song Kun, niece to Mr. Chia Song Kooi, Mr. Chia Song Swa, Mr. Chia Seong Pow, Mr. Chia Seong Fatt and sister to Mr Chia Lik Khai.

Ms. Chia Juak Sui has no conflict of interest with the Company and she has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Corporate Governance Overview Statement

The Board of Directors of QL Resources Berhad is pleased to present the Corporate Governance ("CG") Overview Statement, providing stakeholders with a fair, meaningful and useful disclosure of the Company's CG practices during the financial year ended 31 March 2021 (FY2021). This overview takes guidance from the three key principles set out in the Malaysian Code on Corporate Governance 2017 ("MCCG").

To ensure the Company continues to adopt the best CG practices, the Board reviews of practices annually with reference to the MCCG. The review was conducted in May 2019, June 2020 and subsequently in May 2021. In our effort to attain good governance standards, the Board conducted a Gap Analysis Report on the departures and identified plans to remedy them.

As at 31 March 2021, the Company applied 33 out of the total of 36 recommended MCCG practices. Explanations on departures are disclosed in the CG Report.

This statement is to be read together with the Company's CG Report. The Company's detailed application of each practice is disclosed therein and is available on QL's website: https://ql.com.my/corporate-governance/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for formulating and reviewing the Group's strategic plans and key policies, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Board ensures that the strategic direction is aligned with QL's vision and mission statements, balancing between short-term objectives, long-term growth and sustainable value creation for customers, investors and wider stakeholders. The Board actively incorporates environmental, social and governance (ESG) considerations into QL's strategy, governance and decision making to address ESG risks and opportunities.

To ensure orderly and effective discharge of its functions and responsibilities, the Board delegates specific responsibilities to relevant Board Committees, Executive Chairman and the Group Managing Director ("GMD"), all of which have their terms of reference to govern their respective scopes and responsibilities.

Members of the Board and Board Committees have discharged their roles and responsibilities in FY2021 through their attendance at various Board of Directors and Committee meetings. This is disclosed in the table below:-

	Board of Directors	Audit Committee	Risk Management Committee	Nominating Committee	Remuneration Committee
Non-Independent Executive Director					
Dr. Chia Song Kun (Executive Chairman)	7/7	-	4/4	-	-
Chia Song Kooi (Group Managing Director)	7/7	-	4/4	-	-
Chia Seong Pow	7/7	-	-	-	-
Chia Song Swa	7/7	-	-	-	-
Chia Lik Khai	7/7	-	-	-	-
Alternate Director					
Chia Seong Fatt	7/7	-	-	-	-
Chia Mak Hooi	7/7	-	-	-	-
Cheah Juw Teck	7/7	-	-	-	-
Independent Non-Executive Director					
Low Teng Lum[1]	7/7	5/5	4/4	3/3	2/2
Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris	7/7	5/5	4/4	-	-
Kow Poh Gek	7/7	5/5	4/4	3/3	2/2
Chan Wai Yen, Millie	7/7	5/5	4/4	-	-
Cynthia Toh Mei Lee	7/7	5/5	4/4	-	-
Wee Beng Chuan[2]	6/6	4/4	3/3	2/2	1/1
Tan Bun Poo, Robert[3]	1/1	1/1	1/1	1/1	1/1

Notes:
[1] *He was appointed as Chairman of Audit, Nominating, Remuneration, Risk Committee on 1 July 2020 and as a Senior Independent Director on 25 February 2021.*
[2] *He was appointed as an Independent Director, Audit, Nominating, Remuneration and Risk Committee member on 1 July 2020.*
[3] *He has resigned as an Independent Director, Chairman of Audit, Nominating, Remuneration and Risk Committee on 30 June 2020.*

The positions of Chairman and GMD are held by different individuals with clear division of responsibilities to ensure accountability and a balance of authority and power. Their roles and responsibilities are defined in QL's Board Charter. It also sets out the roles and responsibilities of the Board, the Individual Directors as well as the Senior Independent Director.

In August 2019, the Board also reviewed and approved amendments to the Board Charter whereby the service of the Independent Director should not exceed a cumulative term limit of 9 years in accordance with Step Up 4.3 MCCG 2017. Further details pertaining to the Board Charter and Code of Conduct are set out in the CG Report and are available on the Company's website.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duty effectively. The Company Secretary is qualified to act under the Companies Act 2016.

II. Board Composition

The Nominating Committee comprises three Independent Non-Executive Directors. The Committee conducts an annual review of its size and composition, mix of skills, experience, assessment of Independent Directors, succession plans, and boardroom diversity; oversees training courses for Directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the performance, commitment, ability and contribution of each individual Director. The Board of QL comprises 36% female representation who actively discharge their roles and responsibilities in the respective committees.

During the financial year, the Nominating Committee met three times to review and assess the following:

- appointing additional Independent Non-Executive Director;
- terms of reference of Nominating Committee and Board diversity policy;
- succession planning and gaps in skill for the Board and Board Committees;
- Board, individual Directors, Committee's evaluation and Independent Directors Self-evaluation;
- appointing additional Executive Committee Member;
- Board rotation of Executive Directors; and
- trainings attended by Directors.

Corporate Governance Overview Statement (Continued)

On 25 February 2021, Mr. Low Teng Lum was appointed as Senior Independent Non-Executive Director in place of Mr. Chieng Ing Huong, Eddy who retired on 29 August 2019.

The Group continues to remain cognisant and dedicated in attracting, developing and retaining capable, engaged and empowered employees. Aside, continuing to partner with our existing training provider, we have also enhanced the partnership with other training providers to further evolve our talent management and learning development process and initiatives.

In FY2021, the Board comprised six Independent Non-Executive Directors, five Executive Directors and three Alternate Directors to Executive Directors. Of the six Independent Directors, four were women.

With the current composition, the Board feels that its members have the appropriate mix of skills, knowledge, experience, and competence to enable them to discharge their duties and responsibilities effectively and achieve the Company's objectives and goals.

During the financial year, the Directors attended various training programmes, seminar and briefings on topics relevant to the industry and their roles:

Seminar/Course	Organiser
Introduction to Integrated Reporting	Malaysian Institute of Accountants
2nd Malaysian Anti-Corruption Forum: Restoring Trust and Building A Culture of Integrity	International Strategy Institute
Global Leadership Masterclass for Profit Maximization 2020	Corporate World Intelligence
How Useful Are Sustainability Matters Reported in Influencing Investment Decision?	Securities Industry Development Corporation ("SIDC")
Fraud Risk Management - Workshop for Directors of listed companies	Bursa Malaysia Berhad
Understanding Board Decision-Making Process	Asia School of Business
Virtual POC2021 Palm & Lauric Oils - Price Outlook Conference	Bursa Malaysia Derivatives
U.S. Grains and Soy Buyers Conference 2020	U.S. Grains Council
Virtual Grain Exchange 2020	U.S. Grains Council
3rd Agriculture Supply Chain Asia 2021	U.S. Grains Council
Delivering Business Resilience in Transformative Times - Setting an Efficient Growth Framework	Malaysian Institute of Corporate Governance
Why Digitisation & Modernisation Matters - Riding the Next Wave of Growth Resurgence Post Pandemic	Federation of Malaysian Manufacturers
Data Analysis and Interactive Dashboard Reporting in Excel	OTC Training Centre Sdn Bhd
Business Foresight Forum (BFF) 2020: Evolutionary Change to Revolutionary Impact	SIDC
Ride on the Market Trend with Futures Trading	Phillip Futures Sdn Bhd
Charting the Singapore Market & Gold/Silver Market Outlook	CIMB Bank
The China Series: Creating a Golden Ticket in Semiconductors	Star Media Group
Exploring SGX Rubber Trading Opportunities	Phillip Futures Sdn Bhd
An Indepth Understanding of Crude Palm Oil & Market Outlook	Phillip Futures Sdn Bhd
Where is the Global Market Heading?	CIMB Bank
The Edge-Citigold Wealth Webinar Series 2020	The Edge
Asia Sustainability Report Summit 2020	CSR Works Singapore

Seminar/Course	Organiser
Independent Wealth Managers-Embracing Digital Tools	Hubbis
Invest 360	Share Investor
Corporate Directors Programme Fundamental 3.0	Companies Commission of Malaysia ("CCM")
Companies Act 2016. Practical Guide for Company Directors	CCM
Cybersecurity & Work-From-Home Security Challenges Amidst COVID-19 Pandemic	Asia School of Business
Corruption Risk Management	Asia School of Business
KPMG Tax and Business Summit	KPMG Tax Services Sdn Bhd

Scan here to read the QL CG Report.

III. Remuneration

The Remuneration Committee reviewed and approved the Board Remuneration Policy. It is designed to provide the remuneration packages necessary to attract, retain and motivate Directors of calibre to manage the Company.

The remuneration packages of the Executive Directors are structured to commensurate with the experience, knowledge and professional skills of the Executive Directors and are also structured to link rewards with corporate and individual performance.

The Directors' remuneration is also designed to balanced the motivation of Directors to achieve short-term and long-term success and promotion of business sustainability, value creation and growth.

In line with MCCG practices, the Board had, in its Board meeting held in July 2018, established a remuneration policy for Directors and Senior Management.

The remuneration breakdown of individual Directors which includes fees, salary, bonus, benefits-in-kind and other emoluments for FY2021 is set out below:

Executive Director	Salary (RM'000)	Bonus (RM'000)	Directors' Fees (RM'000)	Allowance (RM'000)	Benefits-in-kind (RM'000)	Total* (RM'000)
Dr. Chia Song Kun	1,618	2,182	185	4	23	4,012
Chia Song Kooi	1,035	1,419	247	1	32	2,734
Chia Seong Pow	806	687	174	1	21	1,689
Chia Song Swa	623	771	118	-	32	1,544
Chia Lik Khai	667	308	96	-	53	1,124

Corporate Governance Overview Statement (Continued)

Alternate Director	Salary (RM'000)	Bonus (RM'000)	Directors' Fees (RM'000)	Allowance (RM'000)	Benefits-in-kind (RM'000)	Total* (RM'000)
Chia Seong Fatt	789	852	147	-	28	1,816
Chia Mak Hooi	627	681	64	-	24	1,396
Cheah Juw Teck	666	1,648	89	13	-	2,416
Non-Executive Director						
Low Teng Lum	-	-	112	7	-	119
Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris	-	-	90	7	-	97
Kow Poh Gek	-	-	90	9	-	99
Chan Wai Yen, Millie	-	-	90	7	-	97
Cynthia Toh Mei Lee	-	-	90	7	-	97
Wee Beng Chuan (appointed as Director on 1 July 2020)	-	-	68	6	-	74
Tan Bun Poo, Robert (resigned as Director on 30 June 2020)	-	-	30	3	-	33

Note:
- *Directors' fees include amounts received from QL and its subsidiaries.*
- *Allowance include meeting allowance and general allowance received from QL and its subsidiaries.*
- *Benefits-in-kind include car, private mileage, petrol and driver received from QL and its subsidiaries.*

* *Total remuneration is excluding EPF.*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee ("AC") comprised six Independent Non-Executive Directors and is chaired by Mr. Low Teng Lum, Senior Independent Non-Executive Director.

In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad as well as obtaining declaration of independence from the external auditors.

The roles and activities undertaken by the AC is available at pages 87 and 88.

II. Risk Management and Internal Control

The Board fulfills risk governance and oversight responsibilities through its Risk Management Committee ("RMC") in order to manage overall risk exposure of the Group. The RMC assessed and monitored the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls were reviewed by the AC in relation to internal audit function for the Group.

In November 2017, RMC was set up consisting of majority Independent Non-Executive Directors supported by Risk Management Unit which comprised Executive Committee members, Chief Financial Officer and Risk Management Manager.

In February 2020, the RMC reviewed the Anti-Bribery Framework. The revised Whistleblower Policy and Anti Bribery Policy were subsequently approved by the Board and are available on QL's website. Trainings on QL's Code of Business Ethics & Conduct are ongoing by the Human Resource division for the Board and QL employees located in Malaysia, Indonesia and Vietnam. At the same time, QL's Code of Business Ethics for its Suppliers and Business Associates was also rolled out.

The Board is of the view that the risk management and internal control systems that are in place is adequate and effective to safeguard shareholders' investment and the Group's assets, and the interest of customers, employees and other stakeholders. The Statement on Risk Management and Internal Control of this Integrated Annual Report has more details of the framework.

The roles and activities undertaken by the RMC is available at page 91.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

The Company recognises the importance of engaging and communicating with its shareholders and does this through the Annual Report, Annual General Meeting ("AGM") and announcements via Bursa Malaysia Securities Berhad to enable comprehensive, timely and accurate disclosures to stakeholders.

The Company has set up a website, https://ql.com.my/ to facilitate dialogue with its investors and shareholders with the intention of giving investors and shareholders a clear and complete picture of the Company's performance and position, its policies on governance, the environment and social responsibilities.

QL's investor relations activities serve as an important communication channel with shareholders, investors, and the investment community, both in Malaysia and internationally. The activities allowed them to make informed decisions with respect to QL's business, governance, environment and social responsibility.

A total of 52 engagements with the investment community were carried out in FY2021. All communications were undertaken through online platforms and virtual briefings. No participation in overseas roadshows as well as visit to plant and factories were conducted in accordance with QL's strict compliance with and upholding of the COVID-19 SOPs.

Stakeholder engagements in FY2021	Number of activities
Briefing to Analysts and Fund Managers	20
Participating in Investor Conferences organised by Investment banks for domestic as well as foreign fund managers	8
ESG Engagement	4
In-house Investor meetings	10
Engagement with other stakeholders	10
Total	**52**

The Board aims to present a balanced and understandable assessment of the Company's and the Group's position and prospects in the various financial and non-financial information to shareholders, investors and regulatory authorities.

II. Conduct of General Meeting

The AGM is the principal forum for dialogue between the Company and its shareholders and investors. At the AGM, the Board briefs shareholders on the status of the Group's businesses and operations. The GMD presents the overall performance of the Group. Shareholders are given the opportunity to raise questions on the Group's activities and prospects as well as to communicate their expectations and concerns to the Company. Extraordinary General Meetings are held as and when shareholders' approvals are required on specific matters through Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") Online website at https://tiih.online.

The 23rd AGM of the Company held on 29 September 2020 was conducted entirely through live streaming and online remote voting via remote participation and voting facilities ("RPV"). RPV enabled remote shareholders' participation and online remote voting by leveraging technology in accordance with Section 327(2) of the Companies Act, 2016 and Clause 72 of the Company's Constitution. The digital AGM was attended by 148 shareholders and the Board of Directors answered questions submitted by shareholders prior and during the AGM.

The Company conducted poll voting on all the resolutions proposed at its 23rd AGM in accordance with Paragraph 8.29A of the MMLR of Bursa Malaysia Securities Berhad. TIIH was appointed as the poll administrator to conduct the polling voting electronically, and Messrs. Deloitte Enterprise Risk Services Sdn. Bhd. as an independent scrutineer, verified the poll results.

The scrutineer upon verification of the poll results, announced the results for the resolutions which included votes in favour and against, upon which the Chairman of the Meeting declared whether the resolutions were carried. The poll results were also announced by the Company via Bursa LINK on the same day for the benefit of all shareholders.

The Board has deliberated, reviewed and approved the Corporate Governance Overview Statement on 27 July 2021.

Audit Committee Report

The Audit Committee was established on 15 January 2000 by the Board of Directors to assist the Board in safeguarding the quality and reliability of financial reporting and fulfilling its fiduciary responsibilities relating to internal control. The Audit Committee is guided by its terms of reference as set out in the Company website.

MEMBERSHIP

The Audit Committee consists of six (6) members, all of whom are Independent Non-Executive Directors. The list of Audit Committee members in the financial year under review (FY2021) is available in the Corporate Governance Overview Statement at page 81.

The Audit Committee members are financially literate, competent and possess a wide range of necessary skills necessary to discharge their duties. Three (3) of the Audit Committee members are members of the Malaysian Institute of Accountants (MIA), meeting Paragraph 15.09 (1)(c)(i) of the Listing Requirements.

ATTENDANCE AT MEETINGS

During FY2021, the Committee held a total of five (5) meetings. Details of attendance of the Committee members are available in the Corporate Governance Overview Statement at page 81.

The Executive Chairman, Group Managing Director, Finance Director, Head of Investor Relations & Corporate Communications, Chief Financial Officer and Risk Management Manager were present by invitation in all the meetings. The Secretary to the Committee is the Company Secretary.

In the financial year under review, the Audit Committee held two (2) meetings with the External Auditors without the presence of the executive board members and management, to allow the auditors to discuss any issues arising from the audit assignment or any other matter, which the External Auditors wish to highlight.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (AC)

In accordance with the terms of reference of the AC, the following were the activities undertaken by the AC during the financial year:-

A) FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

Reviewed and recommended the Quarterly and Annual Financial Statements of the Company and Group (including announcements to Bursa) for the Board's approval, focusing particularly on:

- the appropriateness and relevance of accounting policies and practices adopted and their application;
- any significant changes to the basis of preparation of the financial statements or new accounting standards adopted during the year which impacted the results or financial position of the Group;
- the compliance with financial reporting standards and other regulatory or legal requirements;
- amendments to the Main Market Listing Requirements and Companies Act 2016, if any;
- disclosure of related party transactions; and
- significant accounting matters involving management's judgments or estimates, unusual events or transactions during the year or subsequent to year-end.

Reviewed recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries to ascertain that these transactions were undertaken on normal commercial terms and within the mandate given by shareholders.

Reviewed and recommended the Board's approval of the Circular to Shareholders in respect of the proposed shareholders' mandates for recurrent related party transactions and proposed new mandates for additional recurrent related party transactions of revenue or trading nature.

Reviewed non-recurrent related party transactions to ascertain that it was undertaken at arm's length and was in the best interest of the Company.

Reviewed and recommended the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control, to the Board for approval.

Reviewed the Group Anti-Bribery Policy, Whistleblower Policy and Crisis Management Framework & Plan.

Reviewed the terms of reference of the Audit Committee.

Reviewed and approved changes in the Non-Audit Services Policy.

B) EXTERNAL AUDIT

Engaged in dialogue with External Auditors to review:

- And be satisfied with the audit plan, audit strategy and scope of work, especially on areas identified for audit focus for the year;
- The audit adjustments and issues arising from their annual audit, including their comments on the Group's financial reporting and internal accounting control;
- The audit report and key audit matters highlighted for inclusion therein and the audit process in addressing them; and
- The Group's financial reporting process including consolidation.

Assessed the objectivity and independence of the External Auditors in carrying out their audit during the financial year, and this included their appointment for non-audit services.

Evaluated the performance and competency of the External Auditors and recommended their re-appointment to the Board of Directors.

Met with the External Auditors on 27 November 2020 and 25 February 2021 without the presence of the Executive Directors and Management to review any concerns/issues affecting their audit, including the level of cooperation rendered by Management relating to their access to financial information and accounting records.

Reviewed and recommended the appointment of the Company's External Auditors for the provision of non-audit services, after assessing and considering the following:

- The nature of the non-audit provided services by the external auditors or its affiliates and fees paid for such services relative to the audit fee;
- The scope of work as required are permitted under the Malaysian Institute of Accountants By-Laws; and
- The services would not impair their independence or there were safeguards against threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.

C) INTERNAL AUDIT

Reviewed and approved the Annual Internal Audit Plan which included the methodology, manpower requirement and proposed internal audit activities planned.

Reviewed the overall performance of the outsourced internal auditor to ensure their effectiveness in meeting audit objectives and professional standards.

Reviewed and deliberated the internal audit findings and observations arising from planned and ad-hoc audit and considered their recommendation to Management for improvement in internal control process.

Reviewed the adequacy of the Management's responses to the audit findings and recommendations.

Discussed with Internal Auditor pertaining to follow-up review and corresponding corrective actions taken by Management on audit issues to ensure that all the key risks and control lapses have been addressed.

INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to an independent professional consulting firm and they together with the Group's designated Risk Management Manager to undertake regular and systematic reviews of the adequacy and effectiveness of internal control systems and risk management processes in the Company and its subsidiaries. The internal audit also acts as a source to assist the Audit Committee and the Board in strengthening and improving management and operational controls in pursuit of best practices towards achieving the Company's strategic business objectives.

The internal audit is risk-based and has incorporated the Group's identified risks focusing on those which would have the most impact to the business objectives of the Group. Among the focus areas were revenue and operational cost control management, including internal accounting control and regulatory compliance.

Activities

The activities undertaken by the internal auditors are in compliance with the International Professional Practice Framework (IPPF) on Internal Auditing issued by the Institute of Internal Auditors (IIA).

Key Activities

Provided independent and objective reports on:

- The state of internal controls of the various business units within the Group on a quarterly basis
- The extent of compliance with the Group's established policies and procedures
- The extent of compliance with relevant statutory requirements

Identified and discussed significant issues with Management and proposed remedial actions were deliberated and monitored. Formulated the internal audit plan and presented the audit plan for the Audit Committee's review and approval.

Executed internal audit reviews covering the following business processes or areas in accordance with the approved audit plan:

- Revenue control management, which involved assessing the adequacy of controls over sales management, price setting and sales incentives.
- Cost control management, which involved assessing the adequacy of controls over procurement and inventory management.
- Operational and compliance control management, which involved assessing the adequacy of controls over halal compliance, process review and halal control.

Reported to the Audit Committee every quarter the audit findings, audit observations and recommendations for improvements.

Followed up on remaining actions taken by Management.

Audit Fees

In FY2021, the total cost incurred for the internal audit function was RM195,000.

Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITIES

The Board of Directors ("The Board") acknowledges their responsibility in maintaining a sound system of internal control covering financial and operational controls, compliance and risk management to safeguard shareholders' investments and the Group's assets. The tone and culture towards managing key risks is carefully nurtured and directed by the Board and embedded into the Group's processes and structure. The Risk Management Committee ensure the implementation and compliance of a robust risk management process and the relevant internal controls system.

There is an on-going review process by the Board to ensure the adequacy and integrity of the risk management and internal control system in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. However, the Board recognises the review of the Group's system of risk management and internal controls is a concerted and continuous process, designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the Executive Committee and Chief Financial Officer that the Group's risk management and internal control system is adequate and operates effectively, in all material aspects providing reasonable assurance that risks are managed within tolerable ranges. The Executive Committee consists of the Executive Chairman, Group Managing Director, Executive Directors of the Company and Head of Business Unit.

RISK MANAGEMENT

The Board has put in place an Enterprise Risk Management ("ERM") framework, in accordance with the Malaysian Code on Corporate Governance 2017, to ensure that there is an on-going process of identifying, evaluating, and managing significant business risk exposure. The Group's ERM framework aims to facilitate the execution of strategic business plans to achieve the Group's vision of being a preferred global agro-based enterprise by maintaining and implementing relevant controls or translating the principal risks of the business into upside opportunities.

The Group's ERM framework is based on the internationally recognised COSO (Committee of Sponsoring Organizations). Risk factors are incorporated into the risk register and individually rated as High, Significant, Moderate or Low risk. The rating process is guided by a matrix of 'possibility of likelihoods' and the associated 'consequences', of which both financial and non-financial consequences are duly considered. Thereafter, owners of these risk factors will drive the implementation of risk mitigation measures towards achieving a residual risk that is within acceptable tolerance.

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, monitor and report risks in a timely manner. Management promptly mitigates risk through the design and implementation of effective and relevant controls. For this, a Risk Management Unit ("RMU") and a Risk Management Committee ("RMC") have been established by the Group.

**DIAGRAM:
RISK REPORTING
STRUCTURE AT QL**

Board of Directors

↑

Risk Management Committee
• Audit Committee
• Executive Chairman
• Group Managing Director

↑

Risk Management Unit
• Executive Chairman
• Executive Committee
• Chief Financial Officer
• Group Risk Management Manager

Risk Management Unit

Chaired by the Executive Chairman, the RMU undertakes the following responsibilities:

- To communicate board vision, strategy, policy, responsibilities, and reporting lines to all employees across the Group;
- To identify and communicate to the RMC the critical risks (present or potential) the Group faces, their changes, and the management action plans to manage the risks; and
- To perform risk oversight and review risk profiles (Company and the Group) and organisational performance.

Risk Management Committee

Responsibilities, amongst others:

- To create a high-level risk strategy policy aligned with the Company's strategic business objectives;
- To perform risk oversight and review risk profiles (Company and the Group) and organisational performance; and
- To provide guidance to the business unit's risk appetite and capacity, and other criteria, which, when exceeded, trigger an obligation to report upward to the Board.

INTERNAL AUDIT

Internal audit function was carried out by an independent professional consulting firm as an oversight function on all internal controls processes approved by the Board and any necessary improvements relevant to the business environment changes. Scheduled internal audits are carried out based on audit plan approved by the Audit Committee. The internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management responses were presented to the Audit Committee on a quarterly basis. These findings were deliberated together with Management at the Audit Committee Meetings. The Audit Committee assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board of Directors, in particular, the matters relating to significant risks and the necessary recommendations for changes.

For the financial year under review, the internal audit's scope covered the following based on the approved audit plan:

- Revenue control management, which involved assessing the adequacy of controls over sales management, price setting and sales incentives.
- Cost control management, which involved assessing the adequacy of controls over procurement and inventory management.
- Operational and compliance control management, which involved assessing the adequacy of controls over halal compliance, process review and halal control.

The Group has a Risk Management Department ("RM"), led by the Group Risk Management Manager. The RM facilitates and supervises the implementation of the ERM framework and processes by the respective business units. The RM reports functionally to the RMC and RMU.

The key aspects of the risk management process are as follows:

- The Group Risk Management Manager coordinates the periodic review of risk registers which are carried out to assess changes in the Environmental, Social, and Governance (ESG) aspects that could significantly impact the Group and its key risks.
- Heads of Business Units undertake to update their risk profiles' worksheet on a quarterly basis.
- The risk profiles' worksheet, control procedures and status of action plans are reviewed for efficacy on a periodic basis by the Group Risk Management Manager together with the Heads of Business Units.
- On a quarterly basis, a risk management report summarising the high and significant risks and status of action plans is presented to the RMC and RMU for review, deliberation and recommendation for endorsement by the Board of Directors.

Statement on Risk Management and Internal Control (Continued)

ERM refresher trainings were conducted during risk assessment process by Group Risk Management Manager as part of the ERM awareness enhancement activity. The RMC and RMU will continuously deliberate the following to further strengthen the existing risk management controls within the Group:

- Key risks highlighted in the Risk Management Report will be used in developing internal audit plans.
- The Group Risk Management Manager will conduct an annual review of the ERM framework and its processes.
- The documented standard operating policies and procedures to ensure compliance with internal controls, laws and regulations, will be subjected to regular reviews and improvement.
- Enhance Crisis Management to handle disruptive incidents and effectively ensure a structural recovery that safeguards the interests of its stakeholders, as well as to protect the credibility and reputation of QL.
- The Group's Code of Ethics and Conduct communicates the Group's commitment to practising business ethically towards its stakeholders, including its employees and major suppliers.

PRINCIPAL RISKS

During the financial year under review, the Group's activities were exposed to the following principal risks:

Key Risks	Description	Key Mitigation Measures
COVID-19 Risk	Falling under the category of "Essential Services or Goods", QL's businesses are allowed by the Malaysian government to continue operations. The spread of COVID-19 may cause disruptions in the manufacturing process.	• Work-from-home; • Split team arrangements; • Frequent communication on health awareness & travel advisory guides; • Postponing group events and trainings; and • Instituting daily precautions, inclusive of sanitisation and daily temperature screening. Management continues to monitor the situation closely and do whatever necessary to protect employees and customers whilst ensuring business continuity.
Operational Risk	The Group's policy is to assume operational risks that are manageable within its core business competencies. The operational risk management ranges from disease outbreak, power failure, fire breakout, shortage of fish, food contamination, halal issue, shortage of foreign workers and environmental risk.	• Day-to-day operational risks are mainly decentralised at the respective business unit level and guided by standard operating procedures (SOPs).
Financial Risk	The Group is exposed to various financial risks relating to foreign currency exchanges and commodity trading & pricing related risk. Commodity trading & pricing related risk arises from volatility of commodity prices. Major movements in key foreign currency exchange rates, such as US Dollar, and the related commodity prices will create a short-term impact on the Group's financial performance due to time lag effect of the cost pass-through mechanism.	• Constant monitoring and guided by hedging policies. • The futures market is utilised as a hedging tool to manage the Group's exposure to price fluctuations.
Information Technology Risk	This includes potential risks such as network security risk, data protection risk and cybersecurity risk.	• Continuously upgrading and enhancing the Group's security system. • I.T. policy covering the protection of both business and personal information, as well as cybersecurity and I.T. disaster recovery.

INTERNAL CONTROL PROCESS

The key elements of the Group's internal control processes are summarised as follows:

- The Board, Audit Committee, RMC and RMU meet on a quarterly basis to discuss strategic, operational, risk and control matters raised by the Management, Internal Audit and external auditors.
- The Board has delegated its responsibility to several committees and to the Management of the Company to implement and monitor designated tasks.
- The authority limits delineate authorisation limits for various levels of management and matters reserved for collective decision by the Board to ensure proper identification of accountabilities and segregation of duties.
- SOPs are revised to meet the operational requirement, the business and statutory reporting needs when necessary.
- Performance reports are provided to the Executive Committee and the Board for review and deliberation.
- QL Group has adopted and implemented the Anti-Bribery Policy ("ABP") which reflects the Group's stand of zero tolerance against all forms of bribery and corruption, and its commitment to lawful and ethical conduct at all times. QL's ABP includes the prohibition of facilitation payments, zero-tolerance of any involvement in bribery, and clear guidelines on gifts and entertainment, and expenses involving third-party representatives. QL's ABP published on its website at http://ql.com.my/corporate-governance.html.
- A whistle-blower policy is in place and anyone who has a genuine concern on detrimental actions or improper conduct may raise it using the confidential channels laid out in the policy which is available on QL's website.
- A set of Code of Business Ethics and Conduct setting out expected ethical standards and code of conduct has been established, which is binding on all employees in QL Group.
- A Sustainability Framework provides the roadmap to enhance QL Group's responsibility and duty to conduct business ethically, operate in a socially and environmentally responsible manner and adhere to sustainable practices.
- Heads of Business Units present their strategies, annual budgets and capital expenditure proposals to the Executive Committee and the Board for deliberation and approval.
- The review of strategy and annual budget is undertaken by Management on half-yearly basis.

CONCLUSION

The Board is of the view that the risk management and internal control systems that are in place for the year under review and up to the date of approval of this statement is adequate and effective to safeguard shareholders' investment and the Group's assets.

There have been no significant breakdowns or weaknesses in the system of internal control of the Group for the financial year under review. The Group continues to take the necessary measures to ensure that the system of internal control is in place and functioning effectively.

The Group's system of internal control applies to QL Resources Berhad and its subsidiaries. Associated companies have been excluded because the Group does not have full management and control over them. However, the Group's interest is served through representations on the boards of the respective Associated companies.

This Statement on Risk Management and Internal Control was approved by the Board on 27 July 2021.

Additional Compliance Information

OTHER INFORMATION

(a) Recurrent Related Party Transactions (RRPT) of revenue nature

The shareholders of the Company approved the Proposed Renewal of Existing Shareholders' Mandate for RRPT of a revenue or trading nature and New Shareholders' Mandate for additional RRPT of a revenue or trading nature during its AGM held on 29 September 2020.

The Company is also seeking shareholders' approval to renew the Shareholders' Mandate for RRPT and New Shareholders' Mandate for additional RRPT of a revenue or trading nature in the forthcoming AGM. The details of the RRPT entered into or to be entered by the Company or its subsidiaries with related parties are included in the Circular/ Statement to Shareholders.

(b) Share Buy Back

The shareholders of the Company approved the Proposed Renewal of Share Buy Back Authority during its AGM held on 29 September 2020.

The Company is also seeking shareholder approval to renew the Share Buy Back Authority in the forthcoming AGM. The details of the Share Buy Back are included in the Circular/Statement to Shareholders.

(c) Audit fees and Non-audit fees

The amount of audit fees and non-audit fees of the external auditors, for the financial year ended 31 March 2021 were as follows:-

	Audit fees		Non-audit fees	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
KPMG PLT Malaysia	1,441	156	96	96
Overseas affiliates of KPMG PLT Malaysia	265	-	96	-
Other auditors	519	-	-	-

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the MMLR of Bursa Malaysia Securities Berhad, the following additional information is provided:-

During the financial year under review, there were no:

i) material contracts between the Company and its subsidiaries that involve directors' or major shareholders' interests, except as those disclose on RRPT transactions; and
ii) contract of loans between the Company and its subsidiaries that involve directors' or major shareholders' interests.

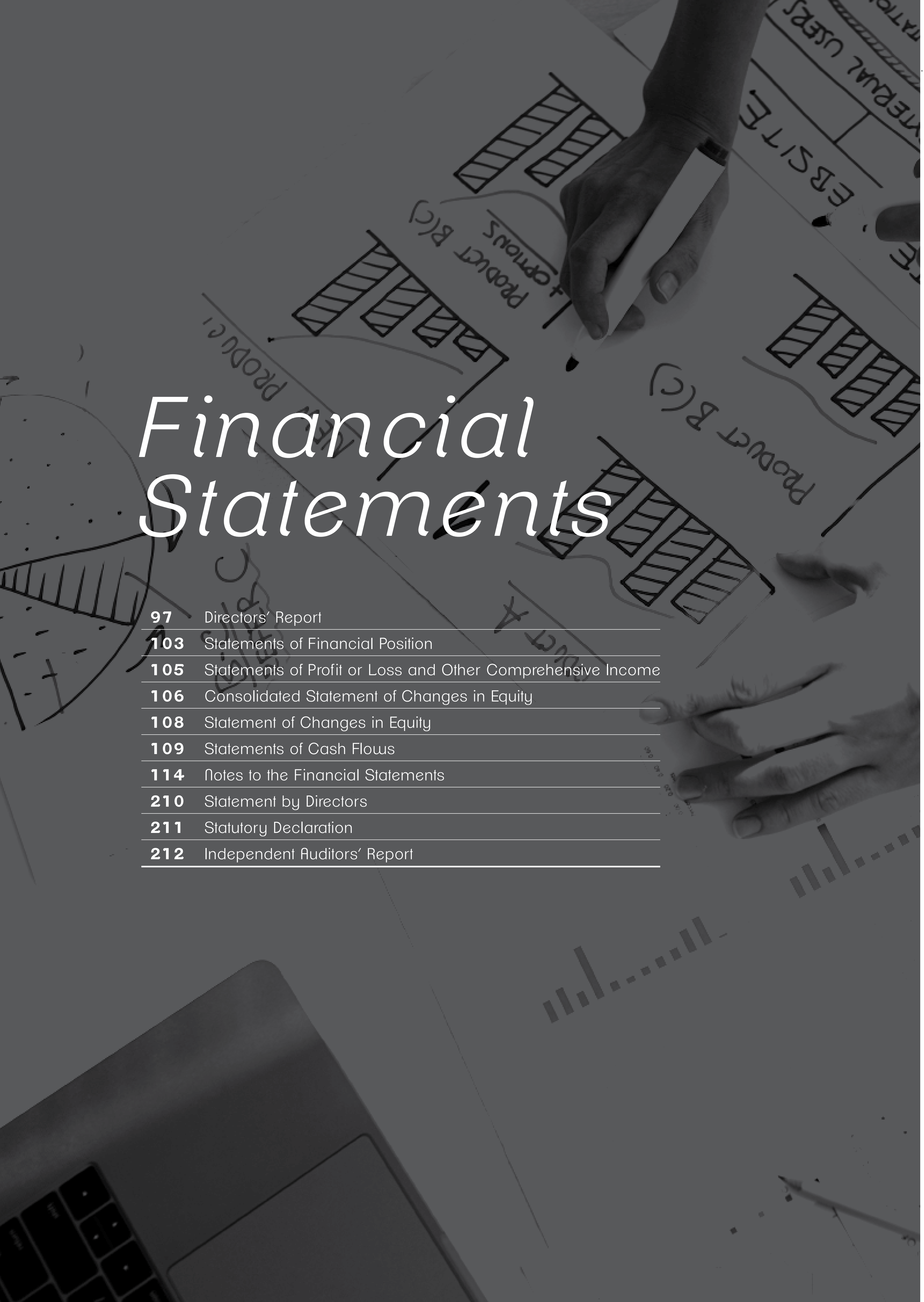
Statement of Directors' Responsibility

Directors are required by Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the Directors have:

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it 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 in ensuring proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible to take such steps to safeguard the assets of the Group and of the Company and hence, the prevention and detection of fraud and other irregularities.



Financial Statements

Directors' Report

for the Year Ended 31 March 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

Principal activities

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 34 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 34 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	311,906	118,886
Non-controlling interests	13,277	-
	325,183	118,886

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company declared on 26 August 2020 and paid on 15 October 2020 a final single tier dividend of 4.50 sen per ordinary share totalling approximately RM73,010,000 in respect of the financial year ended 31 March 2020.

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2021 is 3.50 sen per ordinary share totalling approximately RM85,178,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

Directors' Report
for the Year Ended 31 March 2021
(Continued)

Directors of the Company

Directors who served during the financial year until the date of this report are:

Director	Alternate
Dr. Chia Song Kun	
Mr. Chia Song Kooi	
Professor Datin Paduka Setia Dato' Dr. Aini Binti Ideris	
Ms. Kow Poh Gek	
Ms. Chan Wai Yen	
Ms. Cynthia Toh Mei Lee	
Mr. Low Teng Lum	
Mr. Chia Seong Pow^	Mr. Chia Seong Fatt#
Mr. Chia Song Swa^	Mr. Chia Mak Hooi#
Mr. Chia Lik Khai^	Mr. Cheah Juw Teck#
Mr. Wee Beng Chuan (appointed on 1 July 2020)	
Mr. Tan Bun Poo (resigned on 30 June 2020)	

^ Resigned as Director on 1 April 2021 and subsequently appointed as alternate Director on 1 April 2021 respectively.
# Resigned as alternate Director on 1 April 2021 and subsequently appointed as Director on 1 April 2021 respectively.

List of Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Mr. Ahmad Azlam Bin Jikan
Mr. Ang Han Seng
Mr. Cheah Soon Hai
Mr. Cheah Yaw Song
Mr. Chia Che Keng
Mr. Chia Chw Pew
Ms. Chia Juak Sui
Mr. Chia Liek Kuen
Mr. Chia Pei Xun
Mr. Chia Song Phuan
Mr. Chia Song Pou
Mr. Chia Song Kang
Mr. Chia Soon Lai
Mr. Chia Tai Ling
Mr. Chia Teow Guan (Resigned on 26 February 2021)
Mr. Chua Chye Huat
Mr. Ding Lean Yew
Mr. Heng Hup Peng
Mrs. Juliet Kristianto Liu
Mr. Khoo Ng Hiong
Mr. Kristianto Kandi Saputro
Mr. Lee Kat Choy
Mr. Liew Meow Fook
Mr. Liu Sin
Mr. Mak Weng Kieng
Mr. Noor Azman Bin Nordin
Mr. Saidi Widjaja
Mr. Sim Chin Swee (Resigned on 1 November 2020)
Mr. Tan Eng Hai
Mr. Tan Gek Len

List of Directors of subsidiaries (continued)

Mr. Brahanuddin Bin Hussin
Mr. Chia Jooi Seng (Appointed on 1 June 2020)
Ms. Judith Binti Petrus Pilos
Mr. Kok Wan Shong (Appointed on 4 September 2020)
Mr. Chua Lee Guan (Appointed on 1 November 2020)
Mr. Leong Yew Cheong^^
Mr. Tee Seng Chun^^
Mr. Gan Chih Soon^^
Mr. Tee Seng Chun^^
Mr. Ho Cheok Yuen^^
Mr. Adrian Chair Yong Huang^^
Ms. Rina Meileenee Binti Adam^^
Mr. Ng Swee Weng^^
Mr. Law Chee Wong^^
Mr. Benja Boonyakitsombat^^
Mr. Yong Hua Kong^^
Mr. Chia Khek Ping^^
Mr. Hii Hiong Swee^^
Mr. Leong Jit Min^^

^^ Following the acquisition of Boilermech Holdings Berhad and its' group of companies on 25 January 2021.

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse and children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.4.2020	Bought	Bonus Issue	Sold	At 31.3.2021
Shareholdings in the Company which Directors have direct interests:					
Chia Song Kun	877,500	-	438,750	-	1,316,250
Chia Song Kooi	1,131,000	-	565,500	-	1,696,500
Chia Seong Pow	2,560,000	-	1,180,000	(200,000)	3,540,000
Chia Song Swa	737,100	-	368,550	-	1,105,650
Chia Lik Khai	1,750,900	83,550	875,450	-	2,709,900
Chia Seong Fatt	631,800	-	130,000	(371,800)	390,000
Chia Mak Hooi	2,726,370	72,000	1,263,185	(200,000)	3,861,555
Cheah Juw Teck	2,512,815	1,123,100	1,635,007	(270,800)	5,000,122
Low Teng Lum	4,000	-	2,000	-	6,000

Directors' Report
for the Year Ended 31 March 2021
(Continued)

Directors' interests in shares (continued)

	Number of ordinary shares				
	At 1.4.2020	Bought	Bonus Issue	Sold	At 31.3.2021
Shareholdings in the Company which Directors have deemed interests:					
Chia Song Kun	678,993,648	264,350	333,276,573	(12,947,800)	999,586,771
Chia Song Kooi	3,173,040	34,200	1,561,520	(50,000)	4,718,760
Chia Seong Pow	196,450,331	238,100	96,625,165	(3,707,300)	289,606,296
Chia Song Swa	2,510,000	469,900	1,255,000	(12,000)	4,222,900
Chia Lik Khai	190,320	-	95,160	-	285,480
Chia Seong Fatt	194,256,353	331,750	95,568,176	(3,707,300)	286,448,979
Chia Mak Hooi	475,800	-	237,900	-	713,700
Cheah Juw Teck	1,100,000	200,000	650,000	-	1,950,000
Kow Poh Gek	9,230	-	4,615	-	13,845
Low Teng Lum	70,750	10,000	40,375	-	121,125

By virtue of his interest in the shares of the Company, Chia Song Kun is also deemed interested in the shares of all subsidiaries disclosed in Note 34 to these financial statements to the extent that the Company has an interest. Details of his deemed shareholdings in non wholly-owned subsidiaries are shown in Note 34.1 to these financial statements.

The other Directors, Professor Datin Paduka Setia Dato' Dr. Aini Binti Ideris, Chan Wai Yen, Cynthia Toh Mei Lee and Wee Beng Chuan holding office at 31 March 2021 did not have any interest in the ordinary shares of the Company and of its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 33 to the financial statements.

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

Issue of shares and debentures

During the financial year, the Company issued 811,218,880 new ordinary shares pursuant to the bonus issue on the basis of (1) one bonus share for every two (2) existing ordinary shares held in the Company. The bonus issue exercise was completed on 16 October 2020 following the listing and quotation of the 811,218,880 bonus shares issued pursuant to the bonus issue on the Main Market of Bursa Malaysia Securities Berhad. These new ordinary shares issued rank *pari passu* in all respect with the existing shares of the Company.

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

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Share buy-back

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting held on 29 September 2020, renewed the Company's plan to buy-back its own shares.

There was no share buy-back during the financial year.

Indemnity and insurance costs

The following disclosure on particulars of indemnity given to, or insurance effected for, any Director or officer of the Company is made pursuant to Section 289(7) of the Companies Act 2016:

	Amount paid RM	Sum insured RM
Directors and Officers Liability Insurance	25,000	20,000,000

There was no indemnity given to, or insurance effected for auditors of the Company during the financial year.

Other statutory information

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

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

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

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

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the remeasurement gain of the previously held equity interest in an associate as disclosed in Note 23 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 March 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

The auditors' remuneration is disclosed in Note 23 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Chia Song Kun
Director

Chia Song Kooi
Director

Shah Alam

Date: 27 July 2021

Statements of Financial Position

as at 31 March 2021

	Note	Group		Company	
		2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Assets					
Property, plant and equipment	3	2,211,129	2,006,422	10	34
Right-of-use assets	4	475,784	366,200	-	-
Investment properties	5	19,841	21,013	-	-
Intangible assets	6	129,224	10,092	-	-
Investment in subsidiaries	7	-	-	1,352,583	1,310,633
Investment in associates	8	2,264	142,175	-	-
Deferred tax assets	9	7,308	9,621	-	-
Trade and other receivables	10	25,480	15,544	420,338	437,688
Total non-current assets		2,871,030	2,571,067	1,772,931	1,748,355
Biological assets	11	209,570	186,368	-	-
Inventories	12	652,216	496,347	-	-
Current tax assets		21,760	13,541	720	-
Contract assets	13.1	29,361	-	-	-
Contract costs	13.2	3,296	-	-	-
Trade and other receivables	10	481,885	415,779	151,959	102,577
Prepayments and other assets	14	75,071	65,603	1,183	1,740
Derivative financial assets	15	208	4,929	-	4,547
Cash and cash equivalents	16	486,493	308,200	11,677	30,051
		1,959,860	1,490,767	165,539	138,915
Assets classified as held for sale	17	4,545	4,545	-	-
Total current assets		1,964,405	1,495,312	165,539	138,915
Total assets		4,835,435	4,066,379	1,938,470	1,887,270
Equity					
Share capital		620,025	620,025	620,025	620,025
Reserves		1,694,168	1,397,491	381,721	316,831
Equity attributable to owners of the Company	18	2,314,193	2,017,516	1,001,746	936,856
Non-controlling interests		231,321	73,498	-	-
Total equity		2,545,514	2,091,014	1,001,746	936,856

Statements of Financial Position
as at 31 March 2021
(Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Liabilities					
Loans and borrowings	19	608,253	650,361	533,778	633,523
Lease liabilities		141,975	129,035	-	-
Other payables	20	1,298	972	-	-
Employee benefits	21	12,029	8,178	-	-
Deferred tax liabilities	9	144,716	110,060	-	-
Total non-current liabilities		908,271	898,606	533,778	633,523
Loans and borrowings	19	783,520	655,482	245,249	244,682
Lease liabilities		24,216	19,243	-	-
Trade and other payables	20	465,436	368,114	144,499	67,169
Contract liabilities	13.1	70,986	13,077	-	-
Derivative financial liabilities	15	14,445	7,834	13,198	4,998
Current tax liabilities		23,047	13,009	-	42
Total current liabilities		1,381,650	1,076,759	402,946	316,891
Total liabilities		2,289,921	1,975,365	936,724	950,414
Total equity and liabilities		4,835,435	4,066,379	1,938,470	1,887,270

The notes on pages 114 to 209 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 March 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue					
- sale of goods	22	4,308,421	4,155,826	-	-
- construction contracts	22	70,362	-	-	-
- dividend income		17	112	129,682	147,025
		4,378,800	4,155,938	129,682	147,025
Cost of sales		(3,508,754)	(3,348,426)	-	-
Gross profit		870,046	807,512	129,682	147,025
Administrative expenses		(286,303)	(253,539)	(11,176)	(8,541)
Distribution costs		(201,569)	(196,147)	-	-
Other expenses		(23,639)	(34,793)	(16,900)	(261)
Other income		113,627	31,376	4,993	14,674
Results from operating activities	23	472,162	354,409	106,599	152,897
Finance costs	24	(56,430)	(67,029)	(34,693)	(39,227)
Finance income	25	7,519	8,781	47,108	50,769
Share of profits of equity-accounted associates, net of tax		9,305	10,778	-	-
Profit before tax		432,556	306,939	119,014	164,439
Tax expense	26	(107,373)	(67,972)	(128)	(102)
Profit for the year		325,183	238,967	118,886	164,337
Other comprehensive income/(expense), net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		40,176	(46,665)	-	-
Share of gain/(loss) of equity-accounted associates		1,795	(2,096)	-	-
Cash flow hedge		19,879	(26,424)	19,014	(24,199)
Total other comprehensive income/ (expense) for the year, net of tax		61,850	(75,185)	19,014	(24,199)
Total comprehensive income for the year		387,033	163,782	137,900	140,138
Profit attributable to:					
Owners of the Company		311,906	239,362	118,886	164,337
Non-controlling interests		13,277	(395)	-	-
Profit for the year		325,183	238,967	118,886	164,337
Total comprehensive income attributable to:					
Owners of the Company		370,869	167,797	137,900	140,138
Non-controlling interests		16,164	(4,015)	-	-
Total comprehensive income for the year		387,033	163,782	137,900	140,138
Basic earnings per ordinary share (sen)	27	13	10		

The notes on pages 114 to 209 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 31 March 2021

	Note	Share capital RM'000	Translation reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company						
		Non-distributable			Distributable			
Group								
At 1 April 2019		620,025	(93,231)	(3,406)	1,409,044	1,932,432	79,304	2,011,736
Foreign currency translation differences for foreign operations		-	(43,045)	-	-	(43,045)	(3,620)	(46,665)
Share of loss of equity-accounted associates		-	-	(2,096)	-	(2,096)	-	(2,096)
Cash flow hedge		-	-	(26,424)	-	(26,424)	-	(26,424)
Total other comprehensive expense for the year		-	(43,045)	(28,520)	-	(71,565)	(3,620)	(75,185)
Profit for the year		-	-	-	239,362	239,362	(395)	238,967
Total comprehensive (expense)/ income for the year		-	(43,045)	(28,520)	239,362	167,797	(4,015)	163,782
Contributions by and distributions to owners of the Company								
- Dividend to owners of the Company	28	-	-	-	(73,010)	(73,010)	-	(73,010)
- Dividends to non-controlling interests		-	-	-	-	-	(6,292)	(6,292)
- Acquisition of non-controlling interests	35.2	-	-	-	(9,703)	(9,703)	4,501	(5,202)
Total transactions with owners of the Company		-	-	-	(82,713)	(82,713)	(1,791)	(84,504)
At 31 March 2020		620,025	(136,276)	(31,926)	1,565,693	2,017,516	73,498	2,091,014

	Note	Share capital RM'000	Translation reserves RM'000	Hedging reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company						
		Non-distributable			Distributable			
Group (continued)								
At 1 April 2020		620,025	(136,276)	(31,926)	1,565,693	2,017,516	73,498	2,091,014
Foreign currency translation differences for foreign operations		-	36,907	-	-	36,907	3,269	40,176
Share of gain of equity-accounted associates		-	-	1,795	-	1,795	-	1,795
Cash flow hedge		-	-	20,261	-	20,261	(382)	19,879
Total other comprehensive income for the year		-	36,907	22,056	-	58,963	2,887	61,850
Profit for the year		-	-	-	311,906	311,906	13,277	325,183
Total comprehensive income for the year		-	36,907	22,056	311,906	370,869	16,164	387,033
Contributions by and distributions to owners of the Company								
- Dividend to owners of the Company	28	-	-	-	(73,010)	(73,010)	-	(73,010)
- Dividends to non-controlling interests		-	-	-	-	-	(4,798)	(4,798)
- Acquisition of subsidiaries	35.1	-	-	-	-	-	147,446	147,446
- Acquisition of non-controlling interests	35.1	-	-	-	(1,182)	(1,182)	(989)	(2,171)
Total transactions with owners of the Company		-	-	-	(74,192)	(74,192)	141,659	67,467
At 31 March 2021		620,025	(99,369)	(9,870)	1,803,407	2,314,193	231,321	2,545,514
		Note 18.1	Note 18.2	Note 18.3				

Statement of Changes in Equity

for the Year Ended 31 March 2021

	Note	Attributable to owners of the Company			
		Non-distributable		Distributable	
		Share capital RM'000	Hedging reserves RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 April 2019		620,025	(3,715)	253,418	869,728
Cash flow hedge		-	(24,199)	-	(24,199)
Total other comprehensive expense for the year		-	(24,199)	-	(24,199)
Profit for the year		-	-	164,337	164,337
Total comprehensive (expense)/income for the year		-	(24,199)	164,337	140,138
Distribution to owners of the Company					
- Dividend to owners of the Company	28	-	-	(73,010)	(73,010)
Total transactions with owners of the Company		-	-	(73,010)	(73,010)
At 31 March/1 April 2020		620,025	(27,914)	344,745	936,856
Cash flow hedge		-	19,014	-	19,014
Total other comprehensive income for the year		-	19,014	-	19,014
Profit for the year		-	-	118,886	118,886
Total comprehensive income for the year		-	19,014	118,886	137,900
Distribution to owners of the Company					
- Dividend to owners of the Company	28	-	-	(73,010)	(73,010)
Total transactions with owners of the Company		-	-	(73,010)	(73,010)
At 31 March 2021		620,025	(8,900)	390,621	1,001,746
		Note 18.1	Note 18.3		

The notes on pages 114 to 209 are an integral part of these financial statements.

Statements of Cash Flows

for the Year Ended 31 March 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Profit before tax		432,556	306,939	119,014	164,439
Adjustments for:					
Amortisation of:					
- intangible assets	6	1,235	227	-	-
Change in fair value of:					
- biological assets	11	3,040	493	-	-
- agriculture produce		299	295	-	-
Depreciation of:					
- investment properties	5	2,621	967	-	-
- property, plant and equipment	3	176,391	164,929	24	24
- right-of-use assets	4	27,924	20,028	-	-
Derivative loss/(gain)		4,826	(868)	-	-
Dividends from:					
- liquid investments		(17)	(112)	(12)	(112)
- subsidiaries		-	-	(129,670)	(146,913)
Finance costs		56,430	67,029	34,693	39,227
Finance income		(7,519)	(8,781)	(47,108)	(50,769)
Gain on disposal of property, plant and equipment		(3,941)	(162)	-	-
(Gain)/Loss on unrealised foreign exchange, net		(1,692)	(9,771)	14,368	(10,152)
Gain on unrealised liquid investment		(42)	(29)	(42)	(29)
Gain on termination of lease contracts		(387)	-	-	-
(Reversal of)/Impairment loss on:					
- advances to suppliers		(40)	316	-	-
- associates	8	49	-	-	-
- contract assets		628	-	-	-
- intangible assets		-	37	-	-
- trade and other receivables		2,874	3,169	-	-
Inventories write-down		274	-	-	-
Remeasurement gain of previously held equity interest	35	(79,031)	-	-	-
Property, plant and equipment written off	3	2,571	1,601	-	-
Share of associates' profits		(9,305)	(10,778)	-	-
Operating profit/(loss) before changes in working capital		609,744	535,529	(8,733)	(4,285)

Statements of Cash Flows
for the Year Ended 31 March 2021
(Continued)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating profit/(loss) before changes in working capital (continued)		609,744	535,529	(8,733)	(4,285)
Changes in working capital:					
Biological assets		(26,242)	(2,410)	-	-
Inventories		(111,852)	76,203	-	-
Trade and other receivables and other financial assets		(2,430)	(63,339)	599	(300)
Employee benefits		3,641	821	-	-
Trade and other payables, including derivatives		91,741	23,832	77,330	25,937
Contract assets		5,233	-	-	-
Contract costs		(60)	-	-	-
Contract liabilities		(32)	(12,627)	-	-
Bills payable		116,882	12,852	-	-
Cash generated from operations		686,625	570,861	69,196	21,352
Dividends from liquid investments		17	112	12	112
Income taxes (paid)/refund		(87,709)	(31,915)	(890)	888
Interest paid		(17,258)	(19,601)	(1,969)	(1,844)
Interest received		7,519	8,781	47,108	50,769
Net cash generated from operating activities		589,194	528,238	113,457	71,277
Cash flows from investing activities					
Acquisition of:					
- investment properties	5	(4,140)	-	-	-
- intangible assets		-	(64)	-	-
- property, plant and equipment	(i)	(325,640)	(358,975)	-	-
- leasehold land	4	(6,003)	(59,445)	-	-
Advances to subsidiaries		-	-	(78,394)	(137,850)
Change in pledged deposits		(103)	-	-	-
Dividends received from:					
- associates		4,823	5,363	-	-
- subsidiaries		-	-	129,670	146,913
Increase in investment in subsidiaries	(ii)	-	-	(12,000)	(75,922)
Net cash inflow on acquisition of subsidiaries	35.1	51,693	-	-	-
Proceeds from disposal of property, plant and equipment		14,052	4,695	-	-
Net cash (used in)/generated from investing activities		(265,318)	(408,426)	39,276	(66,859)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from financing activities					
Acquisition of non-controlling interests		(2,171)	(5,202)	-	-
Dividends paid to:					
- non-controlling interests		(4,798)	(6,292)	-	-
- owners of the Company	28	(73,010)	(73,010)	(73,010)	(73,010)
Interest paid		(39,172)	(47,428)	(32,724)	(37,383)
Proceeds from:					
- government grant		-	2,136	-	-
- term loans and revolving credit		378,369	568,617	209,078	536,731
- supplier factoring facilities		58,471	-	-	-
Payment of lease liabilities	(iv)	(23,612)	(12,169)	-	-
Repayment of:					
- term loans and revolving credit		(398,848)	(526,978)	(274,451)	(424,315)
- hire purchase liabilities		(134)	(32)	-	-
Net cash (used in)/generated from financing activities		(104,905)	(100,358)	(171,107)	2,023
Net increase/(decrease) in cash and cash equivalents		218,971	19,454	(18,374)	6,441
Cash and cash equivalents at 1 April 2020/2019		261,550	242,096	30,051	23,610
Cash and cash equivalents at 31 March	(iii)	480,521	261,550	11,677	30,051

Notes to the statements of cash flows

(i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM328,334,000 (2020: RM358,975,000), of which Nil (2020: RM350,000) were acquired by means of hire purchase arrangements.

(ii) Non-cash transactions

Investing activities

Company

During the year, the Company subscribed shares in subsidiaries amounting to RM102,060,000 (2020: RM75,922,000) of which RM90,060,000 (2020: Nil) was satisfied via capitalisation of debts and the remaining was satisfied via cash.

Statements of Cash Flows
for the Year Ended 31 March 2021
(Continued)

Notes to the statements of cash flows (continued)

(iii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances		393,991	280,271	10,773	29,219
Deposits placed with licensed banks		26,678	27,182	305	287
Liquid investments		65,824	747	599	545
	16	486,493	308,200	11,677	30,051
Bank overdrafts	19	(5,869)	(46,650)	-	-
Pledged deposits	16	(103)	-	-	-
		480,521	261,550	11,677	30,051

(iv) Cash outflows for leases as a lessee

	Note	Group 2021 RM'000	Group 2020 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	23	5,126	4,392
Payment relating to leases of low-value assets	23	529	199
Interest paid in relation to lease liabilities	24	7,083	5,701
Included in net cash from financing activities:			
Payment of lease liabilities		23,612	12,169
Total cash outflows for leases		36,350	22,461

Notes to the statements of cash flows (continued)

(v) Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1.4.2019 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Foreign exchange movement RM'000	At 31.3.2020/ 1.4.2020 RM'000	Net changes from financing cash flows RM'000	Change arising from obtaining control of subsidiary RM'000	Acquisition of new leases/hire purchase liabilities RM'000	Termination of lease contracts RM'000	Remeasurement RM'000	Foreign exchange movement RM'000	At 31.3.2021 RM'000
Group												
Term loans	748,911	66,690	-	37,355	852,956	16,778	4,058	-	-	-	(33,916)	839,876
Lease liabilities	74,371	(12,169)	86,076	-	148,278	(23,612)	1,497	42,932	(4,285)	1,381	-	166,191
Hire purchase liabilities	290	(382)	350	-	258	(134)	-	-	-	-	-	124
Revolving credit	110,656	(25,051)	-	-	85,605	(37,257)	1,500	-	-	-	329	50,177
Supplier factoring facilities	-	-	-	-	-	58,471	-	-	-	-	-	58,471
Total liabilities from financing activities	934,228	29,088	86,426	37,355	1,087,097	14,246	7,055	42,932	(4,285)	1,381	(33,587)	1,114,839

	At 1.4.2019 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2020/ 1.4.2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2021 RM'000
Company							
Term loans	644,014	141,416	36,775	822,205	(35,449)	(33,906)	752,850
Revolving credit	85,000	(29,000)	-	56,000	(29,924)	101	26,177
Total liabilities from financing activities	729,014	112,416	36,775	878,205	(65,373)	(33,805)	779,027

The notes on pages 114 to 209 are an integral part of these financial statements.

Notes to the Financial Statements

QL Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Registered office/Principal place of business
No. 16A, Jalan Astaka U8/83
Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the financial year ended 31 March 2021 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 34 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 27 July 2021.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021
- Amendments to MFRS 9, *Financial Instruments,* MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts and* MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021
- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company have early adopted Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*, which is effective for annual period beginning on or after 1 June 2020, during the financial year. The early adoption does not have a material financial impact to the current year and prior period financial statements of the Group.

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021;

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 which is not applicable to the Group and the Company; and

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis other than as disclosed in Note 2. As at 31 March 2021, the Company's current liabilities exceeded its current assets by RM237,407,000 (2020: RM177,976,000). The Directors are of the opinion that the Company will be able to generate sufficient cash flows via advances/dividends from subsidiaries to meet its liabilities as and when they fall due.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(i) Note 4 – extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(ii) Note 6 – impairment of intangible assets

The Group performs annual impairment assessment on goodwill. The impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. Determining the value-in-use of an assets requires an estimation of the future cash flows expected to arise from the cash generating units to which goodwill has been allocated and a suitable discount rate. Details of the impairment assessment are provided in Note 6.

(iii) Note 10 – allowances for doubtful debts

Allowance for doubtful debts is made by an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. A considerable amount of judgement is required in assessing the loss rates, which are based on actual credit loss experience. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. Details are disclosed in Note 30.4.

(iv) Note 11 – valuation of biological assets

The fair value of livestock biological assets is determined using a discounted cash flow model.

In measuring the fair value of livestock biological assets, management estimates and judgements are required which includes the following:

- expected number of agriculture produce
- expected selling price of agriculture produce
- expected salvage value of agriculture produce
- mortality rate of livestock
- feed consumption rate and estimated feed costs
- other estimated costs to be incurred for the remaining life of the biological assets, and at the point of sales
- discount rates

Changes to any of the above assumptions would affect the fair value of the biological assets.

The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 11 to the financial statements.

(v) Note 12 – allowance for slow-moving inventories and write down of inventories to net realisable value

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. Details are disclosed in Note 12.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(vi) Note 20 – presentation of amounts related to supplier factoring facilities

Supplier factoring facility is an arrangement where the participating suppliers may elect to receive early payment of their invoices from a financial institution. Under this arrangement, the financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. Details are disclosed in Note 20.

(vii) Note 21 – employee benefits

The defined benefit obligation is determined based on an actuarial valuation. The actuarial valuation involves making assumptions regarding the discount rate, future salary increases and attrition rates. Due to the long-term nature of the defined benefit plan, such estimates are subject to significant uncertainty. Details of the assumptions used are disclosed in Note 21.

(viii) Note 35.1 – recognition of intangible assets arising from acquisitions

During the financial year, the Group acquired Boilermech Holdings Berhad ("Boilermech Group") and purchase price allocations ("PPA") were undertaken. The fair value of net assets acquired of the Boilermech Group was RM295 million (including RM57 million attributed to fair value adjustments). Details of the acquisitions are set out in Note 35.1.

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common controls

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for using book value accounting as occur and the comparatives are not restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(vi) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Associates (continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 April 2017 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract if the host contract is not a financial asset and certain criteria are met and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(o)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(o)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss, the Group and the Company recognised the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Subsequent to initial recognition, other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(v) Hedge accounting

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Hedge accounting (continued)

Cash flow hedge (continued)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

Bearer plants are living plants that supply agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants are measured at cost less accumulated depreciation and accumulated impairment losses. The bearer plant's cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-eight (28) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The mature bearer plants are depreciated over its remaining useful lives of twenty-five (25) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it becomes mature bearer plants.

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

Buildings and improvements	5 - 50 years
Farm buildings	10 - 20 years
Fishing boat and equipment	2 - 20 years
Furniture, fittings and equipment	4 - 25 years
Plant and machinery	4 - 50 years
Motor vehicles	5 - 10 years
Bearer plants (mature)	25 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

2. Significant accounting policies (continued)

(e) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received.

Grants that compensate the Group for expenses incurred are recognised initially as deferred income and recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

Grants that compensate the Group for the cost of an asset are deducted from the cost of the asset and are recognised in profit or loss on a systematic basis over the useful life of the depreciable assets as a reduced depreciation charged.

(f) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

2. Significant accounting policies (continued)

(f) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

2. Significant accounting policies (continued)

(f) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Covid-19-Related Rent Concessions

The Group has applied Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications.

The changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for Covid-19-Related Rent Concessions are recognised in profit or loss.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(g) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

(ii) Franchise fees and other intangible assets

Franchise fees and other intangible assets, other than goodwill and license, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill and intangible assets (license) with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Franchise fees and other intangible assets are amortised from the date they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

2. Significant accounting policies (continued)

(g) Intangible assets (continued)

(iv) Amortisation (continued)

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

	2021	2020
Franchise fees	20 years	20 years
Contractual production backlog	3 years	-
Other intangible assets	10 - 15 years	10 - 15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(h) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to/from investment property following a change in its use, the transfer does not change the cost and the carrying amount of that property transferred.

(i) Biological assets

(i) Livestock

Layer and breeder

Layers and breeders are measured at fair value less cost to sell. The fair value of layers and breeders is determined using discounted cash flow model based on expected cash inflow from agriculture produce, less expected cost incurs over the remaining life of the layers and breeders and contributory assets charges for the land and farm houses owned by the Group. Changes in fair value of the livestock are recognised in profit or loss.

Broiler

Broilers are measured at fair value less cost to sell. The fair value of the broilers is estimated based on the selling price, less the estimated costs necessary to nurture the broiler at the point of sale. Changes in fair value of the livestock are recognised in profit or loss.

2. Significant accounting policies (continued)

(i) Biological assets (continued)

(ii) Aquaculture

Aquaculture consists of shrimp and fishes. Aquaculture are measured at cost less any accumulated depreciation and any accumulated impairment losses due to the short production cycle, market prices or fair value at present conditions of these biological assets are unavailable and the valuation based on discounted cash flow method is considered to be clearly unreliable given the uncertainty with respect to external factors.

Cost of shrimp includes cost of larvae and nauplii plus all attributable cost in breeding the shrimp to saleable condition. Cost of post larvae includes cost of nauplii plus all attribution costs in culturing the post larvae to nurturing stage for breeding to shrimp or saleable condition. For broodstock, cost consists of the original purchase price. The costs of the broodstock are amortised over the expected reproductive lifespan which are estimated to be approximately 6 months.

Cost of fish includes cost of immature fish and all attributable costs in breeding the immature fish to saleable condition.

(iii) Agriculture produce

Agriculture produce growing in bearer plants

Produce growing on bearer plants are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less cost to sell of produce growing on bearer plants are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the selling price of the produce growing on bearer plants.

Hatching eggs

Hatching eggs are measured at fair value less cost to sell. The fair value of the hatching eggs is determined based on the discounted cash flow from selling of agriculture produce – day-old chick, less estimated hatchery cost to be incurred for hatching the eggs into day-old chick. Changes in fair value of the agriculture produce are recognised in profit or loss.

(j) Inventories

(i) Manufacturing and trading goods

Inventories comprise raw materials, manufactured inventories and trading inventories which are measured at the lower of cost and net realisable value. The cost of inventories is measured based on first-in-first-out principle.

The cost of raw materials and trading inventories comprises the original purchase price plus incidentals in bringing these inventories to their present location and condition. For manufactured inventories, cost consists of raw materials, direct labour, an appropriate portion of fixed and variable production overheads based on normal operating capacity and other incidental costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. Significant accounting policies (continued)

(j) Inventories (continued)

(ii) Agriculture produce

Layer eggs

Layer eggs are measured at fair value less cost to sell. The fair values of the layer eggs are determined based on the observable market prices in active markets, less the necessary transportation cost at the point of sale. Changes in fair value of the agriculture produce are recognised in profit or loss.

(k) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale or distribution are not depreciated.

(l) Contract assets/liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(o)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(m) Contract cost

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management for their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. Significant accounting policies (continued)

(o) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

2. Significant accounting policies (continued)

(o) Impairment (continued)

(ii) Other assets (continued)

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

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

(p) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(q) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit retirement plans arises from its subsidiaries in Indonesia for long-term and post-employment benefits, such as pension, severance pay, service pay and other benefits.

2. Significant accounting policies (continued)

(q) Employee benefits (continued)

(iii) Defined benefit plans (continued)

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(r) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for restoration costs

A provision for site restoration is recognised when there is a projected cost of dismantlement, removal or restoration as a consequence of using a leased property during a particular period. The provision is measured at the present value of the restoration cost expected to be paid upon termination of the lease agreement.

(s) Revenue and other income

(i) Goods sold and construction contracts

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

2. Significant accounting policies (continued)

(s) Revenue and other income (continued)

(i) Goods sold and construction contracts (continued)

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met: (continued)

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Management fee and administrative charges

Management fee and administrative charges are recognised on an accrual basis.

(iii) Rental income

Rental income from investment properties is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Customer loyalty awards

The Group operates the customer loyalty programme, which allows customers to accumulate points when they purchase products at the Group's convenience stores and these points are redeemable for food vouchers.

The consideration received from the sale of goods is allocated to the goods sold and the points issued that are expected to be redeemed. The consideration allocated to the points issued is estimated by reference to the monetary value attributable to the redemption points and are based on the best estimate of future redemption profile. It is recognised as a liability (contract liability) in the statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed. The amount of revenue recognised is based on the number of points that have been redeemed, relative to the total number of points expected to be redeemed.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(t) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. Significant accounting policies (continued)

(t) Borrowing costs (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(v) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case are the Executive Chairman and Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. Significant accounting policies (continued)

(x) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(y) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group											
Cost											
At 1 April 2019		179,510	420,253	459,154	81,163	190,912	1,084,309	124,387	141,581	105,623	2,786,892
Additions		24,170	34,775	22,429	1,022	57,865	52,344	15,435	3,960	146,975	358,975
Disposals		-	(252)	(2,380)	(6,025)	(625)	(5,962)	(2,446)	-	-	(17,690)
Written off		-	(206)	(543)	(270)	(678)	(4,255)	(291)	-	(924)	(7,167)
Transfer in/(out)		282	34,159	45,870	72	11,466	27,290	774	-	(119,913)	-
Transfer from asset held for sale	17	-	5,478	-	-	67	157	-	-	-	5,702
Government grant	3.1	-	(2,136)	-	-	-	-	-	-	-	(2,136)
Effect of movements in exchange rates		(2,604)	(2,713)	(8,652)	-	(4,475)	(8,830)	(998)	(11,103)	(1,452)	(40,827)
At 31 March/1 April 2020		201,358	489,358	515,878	75,962	254,532	1,145,053	136,861	134,438	130,309	3,083,749
Additions		2,535	26,707	16,290	20	47,466	44,600	16,931	4,713	166,378	325,640
Acquisitions through business combinations		25,597	35,944	-	-	7,478	14,778	7,960	-	-	91,757
Disposals		(4,457)	(261)	(141)	(5,332)	(979)	(3,186)	(5,142)	-	(20)	(19,518)
Transfer of plasma plantation project	3.5	-	-	-	-	-	-	-	(12,338)	-	(12,338)
Written off		-	(1,492)	(250)	(82)	(2,354)	(2,731)	(977)	-	(67)	(7,953)
Transfer in/(out)		910	21,227	85,221	1,720	29,980	40,964	16,803	12	(196,837)	-
Transfer (to)/from right-of-use assets		(8,783)	(266)	-	-	-	500	850	-	-	(7,699)
Transfer from investment properties		-	25,188	-	-	-	-	-	-	-	25,188
Reclassifications		(18,163)	41,314	(24,930)	-	(12,063)	24,597	(10,755)	-	-	-
Effect of movements in exchange rates		(316)	(2,659)	(476)	-	(2,966)	(6,324)	(798)	(3,540)	(615)	(17,694)
At 31 March 2021		198,681	635,060	591,592	72,288	321,094	1,258,251	161,733	123,285	99,148	3,461,132

3. Property, plant and equipment (continued)

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)											
Depreciation and impairment loss											
At 1 April 2019											
- Accumulated depreciation		-	88,832	127,813	28,435	89,816	479,131	87,796	32,727	-	934,550
- Accumulated impairment loss		-	332	-	-	201	5,162	1	-	-	5,696
		-	89,164	127,813	28,435	90,117	484,293	87,797	32,727	-	940,346
Depreciation for the year		-	20,452	24,491	4,520	23,437	70,173	15,902	5,954	-	164,929
Disposals		-	(163)	(2,131)	(3,582)	(426)	(4,983)	(1,872)	-	-	(13,157)
Written off		-	(206)	(543)	(270)	(525)	(3,734)	(288)	-	-	(5,566)
Transfer from asset held for sale											
- Accumulated depreciation	17	-	1,036	-	-	33	70	-	-	-	1,139
- Accumulated impairment loss	17	-	563	-	-	-	-	-	-	-	563
		-	1,599	-	-	33	70	-	-	-	1,702
Effect of movements in exchange rates		-	(871)	(925)	-	(1,298)	(5,009)	(746)	(2,078)	-	(10,927)
At 31 March/1 April 2020											
- Accumulated depreciation		-	109,080	148,705	29,103	111,137	535,648	100,792	36,603	-	1,071,068
- Accumulated impairment loss		-	895	-	-	201	5,162	1	-	-	6,259
		-	109,975	148,705	29,103	111,338	540,810	100,793	36,603	-	1,077,327
Acquisitions through business combinations		-	7,187	-	-	4,437	8,292	6,418	-	-	26,334
Depreciation for the year		-	23,364	27,671	1,214	19,552	82,131	17,684	4,775	-	176,391
Disposals		-	(30)	(3)	(3,299)	(253)	(1,741)	(4,081)	-	-	(9,407)
Transfer of plasma plantation project	3.5	-	-	-	-	-	-	-	(3,283)	-	(3,283)
Written off		-	(604)	(9)	(82)	(1,756)	(1,971)	(960)	-	-	(5,382)

3. Property, plant and equipment (continued)

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)											
Depreciation and impairment loss (continued)											
Transfer (to)/from right-of-use assets		-	(15)	-	-	-	120	205	-	-	310
Reclassifications		-	14,090	(24,930)	603	(3,730)	24,478	(10,511)	-	-	-
Effect of movements in exchange rates		-	(2,394)	(457)	-	(2,503)	(4,353)	(456)	(2,124)	-	(12,287)
At 31 March 2021											
- Accumulated depreciation		-	150,678	150,977	27,539	126,884	642,604	109,091	35,971	-	1,243,744
- Accumulated impairment loss		-	895	-	-	201	5,162	1	-	-	6,259
		-	151,573	150,977	27,539	127,085	647,766	109,092	35,971	-	1,250,003
Carrying amounts											
At 1 April 2019		179,510	331,089	331,341	52,728	100,795	600,016	36,590	108,854	105,623	1,846,546
At 31 March/1 April 2020		201,358	379,383	367,173	46,859	143,194	604,243	36,068	97,835	130,309	2,006,422
At 31 March 2021		198,681	483,487	440,615	44,749	194,009	610,485	52,641	87,314	99,148	2,211,129

3. Property, plant and equipment (continued)

	Motor vehicles RM'000
Company	
Cost	
At 1 April 2019/31 March 2020/1 April 2020/31 March 2021	495
Accumulated depreciation	
At 1 April 2019	437
Depreciation for the year	24
At 31 March/1 April 2020	461
Depreciation for the year	24
At 31 March 2021	485
Carrying amounts	
At 1 April 2019	58
At 31 March/1 April 2020	34
At 31 March 2021	10

3.1 Government grant

In the previous financial year, a subsidiary of the Group received a government grant of RM2,136,000 in respect of the integrated shrimps farm.

3.2 Assets under hire purchase

Included in property, plant and equipment of the Group are assets acquired under hire purchase arrangements with the following net book value:

	Group	
	2021 RM'000	2020 RM'000
Motor vehicles	45	244
Plant and machinery	-	324

3.3 Capital work-in-progress

Capital work-in-progress is in respect of the on-going construction of buildings and installation of plant and machinery in certain subsidiaries.

3.4 Assets pledged to licensed banks

Freehold land and buildings with carrying amount of RM2,416,000 and RM1,694,000 respectively are pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

3.5 Transfer to advances for plasma plantation project

During the year, the Group has handed over a mature plantation of 744 hectares to the local farmers of Indonesia in line with the Indonesia Government's Ministry of Agriculture Regulation requirement for plantation companies to develop plasma plantation for farmers in the local community (see Note 10.2).

3. Property, plant and equipment (continued)

3.6 Land in Indonesia

Land in Indonesia which is regulated under Hak Guna Bangunan ("HGB") can be renewed indefinitely with minimal cost if certain conditions are met. The Group assessed the conditions and concludes that the possibility of non-renewal of the usage rights of the land is remote. Hence, the Group exercised significant judgment and concluded that the land is in substance a purchase of rights which meets the definition of property, plant and equipment regardless of whether the legal title transfers.

4. Right-of-use assets

Group	Leasehold land RM'000	Land use rights RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Buildings RM'000	Total RM'000
At 1 April 2019	152,346	18,668	172	307	69,214	240,707
Additions	59,445	-	538	-	85,538	145,521
Depreciation	(4,071)	(397)	(112)	(106)	(15,342)	(20,028)
At 31 March/1 April 2020	207,720	18,271	598	201	139,410	366,200
Additions	6,003	-	-	905	42,027	48,935
Acquisitions through business combinations	98,933	-	-	645	-	99,578
Transfer to investment properties	(16,497)	-	-	-	-	(16,497)
Transfer from/(to) property, plant and equipment	8,440	343	(380)	(645)	251	8,009
Depreciation	(7,032)	(397)	(117)	(203)	(20,175)	(27,924)
Remeasurement	103	-	-	-	1,278	1,381
Derecognition	(342)	-	(54)	-	(3,502)	(3,898)
At 31 March 2021	297,328	18,217	47	903	159,289	475,784

The Group entities lease a number of retail stores, offices, hostels and warehouses that run between 2 to 14 years (2020: 3 to 15 years), with an option to renew the lease after that date. There is no extension or renewal option for motor vehicles.

Leasehold land has an unexpired lease period between 1 year and 914 years (2020: 2 years and 914 years).

The Group negotiated rent concessions with its landlords for the buildings, warehouse premises, shopping mall outlets and office equipment leases as a result of the Covid-19 pandemic during the financial year. The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for Covid-19-Related Rent Concessions is RM3,880,000 (2020: Nil).

The land use rights represent the location permit, plantation license and the cultivation right title over the plantation land of approximately 20,000 hectares in Indonesia. The approval for the land utilisation rights measuring 14,177 hectares was granted in 2010 for a period of 35 years. The cultivation right title is extendable under Indonesian Land Ordinance.

Under the Indonesian regulations, approximately 20% of the land use rights have to be set aside for Plasma Scheme. This scheme is a programme where oil palm plantation owners/operators are required to participate in selected programmes to develop plantations to smallholders (herein referred to as plasma farmers) (see Note 10.2).

Leasehold land with carrying amount of RM644,000 have been pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

4. Right-of-use assets (continued)

4.1 Variable lease payments based on sales

Some leases of retail stores contain variable lease payments that are based on sales that the Group entities make at the store. Variable rental payments for the year ended are as follows:

	Variable payments		Estimated annual impact on rent of a 1% increase in sales	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Leases with lease payments based on sales	1,590	2,453	13	24

5. Investment properties

	Group RM'000
Cost	
At 1 April 2019/31 March 2020/1 April 2020	29,998
Additions	4,140
Transfer from right-of-use asset	16,497
Acquisitions through business combinations	6,963
Transfer to property plant and equipment	(25,188)
At 31 March 2021	32,410
Depreciation and impairment loss	
At 1 April 2019	
- Accumulated depreciation	6,797
- Accumulated impairment loss	1,221
	8,018
Depreciation for the year	967
At 31 March/1 April 2020	
- Accumulated depreciation	7,764
- Accumulated impairment loss	1,221
	8,985
Depreciation for the year	2,621
Acquisition through business combinations	963
At 31 March 2021	
- Accumulated depreciation	11,348
- Accumulated impairment loss	1,221
	12,569
Carrying amounts	
At 1 April 2019	21,980
At 31 March/1 April 2020	21,013
At 31 March 2021	19,841
Fair value	
At 1 April 2019	51,445
At 31 March/1 April 2020	47,771
At 31 March 2021	32,184

5. Investment properties (continued)

Investment properties with carrying amount of RM5,967,000 have been pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

The following are recognised in profit or loss:

	Group	
	2021 RM'000	2020 RM'000
Lease income	1,190	1,102
Direct operating expenses:		
- income generating investment properties	(262)	(277)
- non-income generating investment properties	(58)	(13)

The operating lease payments to be received are as follows:

	Group	
	2021 RM'000	2020 RM'000
Less than one year	544	377
One to five years	697	318
More than five years	468	371
Total undiscounted lease payments	1,709	1,066

Fair value information

Fair value of investment properties are categorised as follows:

	Group Level 3	
	2021 RM'000	2020 RM'000
Land and Building	32,184	47,771

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Level 3 fair values of land are estimated by Directors by making reference to the asking price of comparable properties in close proximity and adjusting for differences in key attributes such as property size and bargain discount. The significant unobservable inputs include adjustments to price per square feet at comparable properties and the discount factors.

6. Intangible assets

	Goodwill RM'000	Franchise fees RM'000	License RM'000	Contractual production backlog RM'000	Other intangible assets RM'000	Total RM'000
Group						
Cost						
At 1 April 2019	7,137	3,960	-	-	-	11,097
Additions	-	-	-	-	64	64
Effect of movements in exchange rates	(124)	-	-	-	-	(124)
At 31 March/1 April 2020	7,013	3,960	-	-	64	11,037
Acquisitions through business combinations	114,453	-	487	5,315	-	120,255
Effect of movements in exchange rates	112	-	-	-	-	112
At 31 March 2021	121,578	3,960	487	5,315	64	131,404
Amortisation and impairment loss						
At 1 April 2019						
- Accumulated amortisation	-	484	-	-	-	484
- Accumulated impairment loss	197	-	-	-	-	197
	197	484	-	-	-	681
Amortisation for the year	-	199	-	-	28	227
Impairment loss	37	-	-	-	-	37
At 31 March/1 April 2020						
- Accumulated amortisation	-	683	-	-	28	711
- Accumulated impairment loss	234	-	-	-	-	234
	234	683	-	-	28	945
Amortisation for the year	-	199	-	1,000	36	1,235
At 31 March 2021						
- Accumulated amortisation	-	882	-	1,000	64	1,946
- Accumulated impairment loss	234	-	-	-	-	234
	234	882	-	1,000	64	2,180
Carrying amounts						
At 1 April 2019	6,940	3,476	-	-	-	10,416
At 31 March/1 April 2020	6,779	3,277	-	-	36	10,092
At 31 March 2021	121,344	3,078	487	4,315	-	129,224

6. Intangible assets (continued)

For the purpose of the impairment testing, goodwill is allocated to the following cash-generating units at which the goodwill is monitored for internal management purposes:

	Note	2021 RM'000	2020 RM'000
Engineering, procurement and construction ("EPC") for Bio-Energy, Water Treatment and Solar Energy business	6.1	113,585	-
Others	6.2	7,759	6,779
		121,344	6,779

6.1 The recoverable amounts of the cash-generating unit were assessed using the fair value less cost of disposal as the cash-generating unit is listed on the Main Market of Bursa Malaysia Securities Berhad.

6.2 The recoverable amounts of the cash-generating units were based on value in use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management.

The recoverable amounts of the above cash-generating units are higher than their carrying value.

7. Investment in subsidiaries

	Note	Company	
		2021 RM'000	2020 RM'000
Unquoted shares, at cost	7.1	1,039,438	937,378
Amounts due from subsidiaries	7.2	313,145	373,255
		1,352,583	1,310,633

7.1 During the year, the Company subscribed shares in subsidiaries amounting to RM102,060,000 (2020: RM75,922,000) of which RM90,060,000 (2020: Nil) was satisfied via capitalisation of debts and the remaining was satisfied via cash.

7.2 The amounts due from subsidiaries are advances of:

i) RM215,445,000 (2020: RM269,055,000) which are subject to fixed interest rate from 5.50% to 6.50% (2020: 5.50% to 6.50%) per annum and the repayment is neither planned nor likely to occur in the foreseeable future; and

ii) RM97,700,000 (2020: RM104,200,000) which are subject to the Company's weighted average cost of funds ("COF") (2020: COF) per annum and the repayment is neither planned nor likely to occur in the foreseeable future.

Details of the Company's subsidiaries are shown in Note 34.

7. Investment in subsidiaries (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	31.3.2021						
	QL Endau Marine Products Sdn. Bhd. and its subsidiaries RM'000	QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries RM'000	PT Pipit Mutiara Indah RM'000	Kembang Subur Sdn. Bhd. and its subsidiaries RM'000	Boilermech Holdings Berhad and its subsidiaries* RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	29.41%	10.00%	25.50%	12.78%	49.47%		
Carrying amount of NCI	66,076	7,333	(3,938)	5,902	149,233	6,715	231,321
Total comprehensive income/ (expense) allocated to NCI	8,539	(531)	1,175	1,389	4,377	1,215	16,164
Summarised financial information before intra-group elimination							
As at 31 March							
Non-current assets	152,196	119,691	173,241	48,888	185,967		
Current assets	96,780	66,738	79,594	11,057	250,292		
Non-current liabilities	(16,948)	(51,989)	(6,537)	(6,547)	(23,325)		
Current liabilities	(7,355)	(60,464)	(261,740)	(7,215)	(112,463)		
Net assets/(liabilities)	224,673	73,976	(15,442)	46,183	300,471		

7. Investment in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	31.3.2021				
	QL Endau Marine Products Sdn. Bhd. and its subsidiaries RM'000	**QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries RM'000**	**PT Pipit Mutiara Indah RM'000**	**Kembang Subur Sdn. Bhd. and its subsidiaries RM'000**	**Boilermech Holdings Berhad and its subsidiaries* RM'000**
Year ended 31 March					
Revenue	201,955	139,033	78,699	38,428	78,173
Total comprehensive income/(expense)	29,035	(5,169)	4,608	10,870	6,698
Cash flows from operating activities	69,112	3,611	26,076	13,225	50,704
Cash flows used in investing activities	(45,766)	(6,331)	(5,820)	(4,431)	(6,987)
Cash flows used in financing activities	(18,621)	(3,706)	-	(6,743)	(13,200)
	4,725	(6,426)	20,256	2,051	30,517
Dividends paid to NCI	(4,092)	-	-	(208)	-

* Became a subsidiary of the Group on 25 January 2021. Details of the acquisition are shown in Note 35.1.

7. Investment in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	31.3.2020					
	QL Endau Marine Products Sdn. Bhd. and its subsidiaries RM'000	**QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries RM'000**	**PT Pipit Mutiara Indah RM'000**	**Kembang Subur Sdn. Bhd. and its subsidiaries RM'000**	**Other individually immaterial subsidiaries RM'000**	**Total RM'000**
NCI percentage of ownership interest and voting interest	29.41%	10.00%	25.50%	12.78%		
Carrying amount of NCI	61,629	7,864	(5,113)	4,721	4,397	73,498
Total comprehensive income/(expense) allocated to NCI	5,979	(3,650)	(6,972)	722	(94)	(4,015)
Summarised financial information before intra-group elimination						
As at 31 March						
Non-current assets	141,157	126,613	168,269	47,090		
Current assets	99,068	58,797	64,490	8,135		
Non-current liabilities	(18,630)	(62,802)	(1,405)	(12,940)		
Current liabilities	(12,042)	(43,463)	(251,404)	(5,344)		
Net assets/(liabilities)	209,553	79,145	(20,050)	36,941		

7. Investment in subsidiaries (continued)

Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	31.3.2020			
	QL Endau Marine Products Sdn. Bhd. and its subsidiaries RM'000	QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries RM'000	PT Pipit Mutiara Indah RM'000	Kembang Subur Sdn. Bhd. and its subsidiaries RM'000
Year ended 31 March				
Revenue	191,993	214,873	83,999	26,338
Total comprehensive income/(expense)	20,331	(36,502)	(27,340)	4,442
Cash flows from/(used in) operating activities	22,981	(8,772)	6,596	9,811
Cash flows (used in)/from investing activities	(14,568)	51,442	(7,031)	(7,011)
Cash flows used in financing activities	(20,290)	(49,615)	-	(2,854)
	(11,877)	(6,945)	(435)	(54)
Dividends paid to NCI	(4,945)	(645)	-	(167)

8. Investment in associates

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Unquoted shares	2,594	2,594
Less: Impairment loss	(49)	-
	2,545	2,594
Quoted shares in Malaysia	-	65,916
Share of post-acquisition reserve	(281)	73,665
	2,264	142,175
Market value:		
Quoted shares in Malaysia	-	102,522

The Group has recognised impairment loss amounting to RM49,000 of an associate as the recoverable amounts of the associate is lower than its carrying value.

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2021 %	Effective ownership interest and voting interest 2020 %
Indahgrains Logistics Sdn. Bhd.*	Malaysia	Operating of warehouse and warehouse management	29.87	29.87
Boilermech Holdings Berhad#	Malaysia	Manufacturing, installing and repairing of bio-energy systems	-^	44.15
AB Hatchery Sdn. Bhd.*	Malaysia	Hatchery and culturing of shrimps	42.74	42.74

* Equity-accounted based on management accounts.
\# Audited by another firm of accountants.
^ Became a subsidiary of the Group on 25 January 2021. Details of the acquisition are shown in Note 35.1.

8. Investment in associates (continued)

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate for the financial year ended 31 March 2020. There are no material associates held by the Group as at 31 March 2021.

	2020		
	Boilermech Holdings Berhad RM'000	Other individually immaterial associates RM'000	Total RM'000
Group			
Summarised financial information			
As at 31 March			
Non-current assets	103,093		
Current assets	208,538		
Non-current liabilities	(5,664)		
Current liabilities	(83,001)		
Net assets	222,966		
Less: Non-controlling interest	(10,584)		
	212,382		
Year ended 31 March			
Total comprehensive income of the material associate	19,346		
Included in the total comprehensive income of the material associate are:			
Revenue of the material associate	230,147		
Reconciliation of net assets to carrying amount			
As at 31 March			
Group's share of net assets	93,767	2,492	96,259
Goodwill	45,868	48	45,916
Carrying amount in the statements of financial position	139,635	2,540	142,175
Group's share of results for year ended 31 March			
Group's share of profit or loss	10,273	505	10,778
Group's share of other comprehensive expense	(2,096)	-	(2,096)
Group's share of total comprehensive income	8,177	505	8,682
Other information			
Dividends received	4,557	806	5,363

9. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group						
Property, plant and equipment and investment properties	1,046	-	(167,155)	(133,407)	(166,109)	(133,407)
Right-of-use assets, net of lease liabilities	1,862	465	(12,390)	(82)	(10,528)	383
Biological assets	1,253	-	(4,831)	(5,422)	(3,578)	(5,422)
Tax losses carry-forwards	1,928	7,200	-	-	1,928	7,200
Unabsorbed capital allowances	32,698	23,717	-	-	32,698	23,717
Other temporary/taxable differences	10,012	8,216	(1,831)	(1,126)	8,181	7,090
Tax assets/(liabilities)	48,799	39,598	(186,207)	(140,037)	(137,408)	(100,439)
Set off of tax	(41,491)	(29,977)	41,491	29,977	-	-
Net tax assets/(liabilities)	7,308	9,621	(144,716)	(110,060)	(137,408)	(100,439)

Movement in temporary differences during the year

	At 1.4.2019 RM'000	Recognised in profit or loss (Note 26) RM'000	At 31.3.2020/ 1.4.2020 RM'000	Recognised in profit or loss (Note 26) RM'000	Acquisition from business combination (Note 35.1) RM'000	At 31.3.2021 RM'000
Group						
Property, plant and equipment and investment properties	(122,933)	(10,474)	(133,407)	(25,286)	(7,416)	(166,109)
Right-of-use assets, net of lease liabilities	-	383	383	1,448	(12,359)	(10,528)
Biological assets	(5,740)	318	(5,422)	1,844	-	(3,578)
Tax losses carry-forwards	10,070	(2,870)	7,200	(5,272)	-	1,928
Unabsorbed capital allowances	21,064	2,653	23,717	8,981	-	32,698
Other temporary/taxable differences	4,708	2,382	7,090	(813)	1,904	8,181
	(92,831)	(7,608)	(100,439)	(19,098)	(17,871)	(137,408)

9. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax

Deferred tax has not been recognised in respect of the following items (stated at gross):

	Group	
	2021 RM'000	**2020 RM'000**
Property, plant and equipment	33,439	33,640
Tax loss carry forwards	(62,721)	(94,630)
Unabsorbed capital allowances and investment tax allowances carry-forwards	(68,958)	(61,186)
Other deductible temporary differences	(9,540)	(2,726)
	(107,780)	(124,902)

The unutilised tax losses of subsidiaries in Malaysia of RM55,760,000 (2020: RM45,397,000) can be carried forward up to 7 consecutive year of assessment under the tax legislation in Malaysia, whereas the unutilised tax losses of subsidiaries in Indonesia of RM5,177,000 (2020: RM47,367,000) will expire over a 5-year period. The remaining unutilised tax losses, the unabsorbed capital allowance, and investment tax allowances do not expire under current tax legislation in countries where respective Group entities operates.

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits therefrom.

10. Trade and other receivables

	Note	Group		Company	
		2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current					
Subsidiaries	10.1	-	-	420,338	437,688
Other receivables	10.2	22,812	15,544	-	-
Trade receivables		2,668	-	-	-
		25,480	15,544	420,338	437,688
Current					
Trade					
Trade receivables	10.3	414,335	358,150	-	-
Non-trade					
Subsidiaries	10.1	-	-	151,959	102,577
Other receivables	10.2	67,550	57,629	-	-
		67,550	57,629	151,959	102,577
		481,885	415,779	151,959	102,577
		507,365	431,323	572,297	540,265

10. Trade and other receivables (continued)

10.1 Amounts due from subsidiaries

Subsidiaries

The amounts due from subsidiaries of the Company are in respect of advances, which are unsecured, interest free and repayable on demand except for:

i) RM56,521,000 (2020: RM41,610,000) which is unsecured, subject to fixed interest rate from 1.51% to 6.00% (2020: 2.95% to 6.00%) per annum with fixed terms of repayment over a period of 1 to 8 years (2020: 1 to 9 years);

ii) RM250,000 in prior year which is unsecured, subject to fixed interest rate from 2.95% to 3.20% per annum and is repayable on demand;

iii) RM492,596,000 (2020: RM460,827,000) which is subject to the Company's weighted average cost of funds ("COF") (2020: COF) per annum with fixed terms of repayment over a period of 1 to 8 years (2020: 1 to 10 years); and

iv) RM350,000 (2020: RM150,000) which is subject to Company's COF (2020: COF) per annum and is repayable on demand.

10.2 Other receivables

i) Included in non-current other receivables of the Group are advances for plasma plantation projects in Indonesia amounting to RM17,341,000 (2020: RM9,452,000).

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion and handover of the plasma plantation projects to plasma farmers. These advances are recoverable from plasma farmers or through bank loans obtained by plasma farmers. Impairment losses are made when the estimated amount recoverable is less than the outstanding advances.

ii) Included in non-current other receivables of the Group are refundable deposits paid amounting to RM5,471,000 (2020: RM6,092,000).

iii) Included in current other receivables of the Group are advances made to suppliers of certain subsidiaries amounting to RM33,576,000 (2020: RM31,730,000) to secure the constant source of raw material supplies for the manufacturing activities. The amount is net of impairment loss on advances to suppliers, unsecured, interest free and repayment is substantially made through the supply of raw materials.

iv) Included in current other receivables of the Group are amount due from companies in which certain Directors of the subsidiaries have interests amounting to RM6,000 (2020: RM22,000).

10.3 Trade receivables

Included in the trade receivables of the Group are the following amounts due from related parties:

	Group	
	2021 RM'000	**2020 RM'000**
A person connected with a Director of a subsidiary	562	330
Companies in which certain Directors of the subsidiaries have interests	7,052	6,288
	7,614	6,618

The amounts due from related parties are subject to normal trade terms.

11. Biological assets

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Aquaculture biological assets	5,495	6,816
At fair value less cost to sell:		
- Livestock biological assets	198,539	175,016
- Hatching eggs	4,728	2,929
- Fresh fruit bunches	808	1,607
	204,075	179,552
	209,570	186,368

Biological assets carried at fair value less cost to sell comprise of layers, breeders, broilers, hatching eggs and fresh fruit bunches. The movement of the biological assets measured at fair value less cost to sell can be analysed as follows:

	2021 RM'000	2020 RM'000
At 1 April 2020/2019	179,552	177,924
Additions	308,187	309,574
Depopulation/Livestock losses	(280,340)	(305,398)
Changes in fair value recognised in profit or loss	(3,040)	(493)
Effect of movements in exchange rates	(284)	(2,055)
At 31 March	204,075	179,552

An analysis of the estimates of physical quantities of the Group's livestocks measured at fair value less cost to sell as at year end are as follows:

	Physical quantities		Yearly output of agriculture produce	
	2021 heads	2020 heads	2021	2020
Livestock:				
- Layers	10.3 million	8.6 million	2.2 billion eggs	2.0 billion eggs
- Breeders	0.5 million	0.5 million	43 million DOC*	56 million DOC*
- Broilers	1.7 million	1.9 million	35 million kg	35 million kg

* DOC: Day-old chick

For fresh fruit bunches, total mature planted area amounted to 8,281 hectares (2020: 8,871 hectares). During the financial year, the Group has harvested approximately 150,491 MT (2020: 159,280 MT) of fresh fruit bunches.

The estimates of physical quantities of biological assets and their yearly output of agriculture produce were based on experience and historical data.

11. Biological assets (continued)

Valuation processes applied by the Group

Aquaculture biological assets measured at cost:

Aquaculture biological assets comprise of shrimps and fishes are measured at cost less any accumulated depreciation and any accumulated impairment losses due to the short production cycle, the market prices or fair value at present conditions of these biological assets are unavailable and the valuation based on discounted cash flow method is considered to be clearly unreliable given the uncertainty with respect to external factors.

Livestock biological assets measured at fair value less cost to sell:

Layers and breeders

Management estimates and judgements are required in measuring the fair value of the layers and breeders. In deriving the fair value of layers and breeders using discounted cash flow model, the management's estimation includes the expected number of eggs and day-old chicks produced, projected selling prices, discount rate, mortality rate, feed consumption rate, projected feed costs and other estimated costs over the remaining life of the layers and breeders.

Broilers

The fair value is estimated by the management by reference to selling prices, less the estimated necessary feed and farm overhead cost to nurture the broilers to the point of sale.

Hatching eggs

The fair value is estimated by the management by reference to selling prices of day-old chick, less the estimated necessary hatching overhead cost to hatch the day-old chick.

Fresh fruit bunches ("FFB")

The fair value is estimated by the management based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated selling price of the produce growing on bearer plants.

To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible. Therefore, quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purpose.

Fair value information

The Group has classified its livestock, hatching eggs and fresh fruit bunches measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

11. Biological assets (continued)

Fair value information (continued)

Type	Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Layers and Breeders	Discounted cash flow Fair values of the layers and breeders are determined using discounted cash flow model. The expected net cash flows are discounted using risk-adjusted discount rate.	• Estimated selling price of the agriculture produce • Estimated feed cost	The estimated fair value would increase/(decrease) if: • The estimated selling price of the agriculture produce were higher/(lower) • The estimated feed cost were lower/(higher)
Broilers	Discounted cash flow Fair values of the broilers are determined based on the expected net cash flows from sale proceeds of the broilers less the estimated feed and farm overhead cost to nurture the broiler to the point of sale.	• Estimated selling price of the broilers at the point of sale	The estimated fair value would increase/(decrease) if: • The estimated selling price of the broiler at the point of sale were higher/(lower)
Hatching eggs	Discounted cash flow Fair values of the hatching eggs are determined based on the expected net cash flows generated by the day-old chicks produced and other estimated hatching overhead cost incurred to the point of sale.	• Estimated selling price of the day-old chicks at the point of sale	The estimated fair value would increase/(decrease) if: • The estimated selling price of the day-old chicks at the point of sale were higher/(lower)
FFB	Discounted cash flow Fair values of the fresh fruit bunches are determined based on the expected net cash flows generated by the produce growing on the bearer plants (i.e: FFB) and other estimated production cost incurred.	• Estimated selling price of the FFB	The estimated fair value would increase/(decrease) if: • The estimated selling price of the fresh fruit bunches were higher/(lower)

11. Biological assets (continued)

Fair value information (continued)

The key assumptions used for the fair value calculation at financial year across geographical locations are as follows:

	2021	2020
Layers		
Estimated average eggs' selling prices per piece (sen)	31 – 38	30 – 35
Estimated feed costs (RM per MT)	1,353 – 1,600	1,156 – 1,448
Breeders		
Estimated selling prices of the day-old chick (RM)	1.46 – 1.86	1.34 – 1.85
Estimated feed costs (RM per MT)	1,568 – 1,719	1,434 – 1,490
Broilers		
Estimated selling prices of the broiler at the point of sale (RM per KG)	5.14 – 6.08	3.44 – 5.74
Hatching eggs		
Estimated selling prices of the day-old chick at point of sales (RM)	1.73 – 1.85	0.56 – 1.90
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (RM per MT)	447 – 700	400 – 495

Sensitivity analysis

Sensitivity analysis of the possible changes in key assumptions (assumes all other variables remained constant) on fair value of biological assets at year end are disclosed in the table below:

	Effect on fair value of respective biological assets	
	2021	2020
Layers		
Estimated selling price of eggs		
- Increased by 5%	+14.89%	+14.07%
- Decreased by 5%	-14.89%	-14.07%
Estimated feed costs (per MT)		
- Increased by 5%	-8.65%	-7.35%
- Decreased by 5%	+8.65%	+7.35%
Breeders		
Estimated selling price of the day-old chick		
- Increased by 5%	+8.56%	+8.00%
- Decreased by 5%	-8.56%	-8.00%
Estimated feed costs (per MT)		
- Increased by 5%	-2.90%	-2.50%
- Decreased by 5%	+2.90%	+2.50%

11. Biological assets (continued)

Sensitivity analysis (continued)

	Effect on fair value of respective biological assets	
	2021	2020
Broilers		
Estimated selling price of the broiler at the point of sale (per KG)		
- Increased by 5%	+9.96%	+9.92%
- Decreased by 5%	-9.96%	-9.92%
Hatching eggs		
Estimated selling price of the day-old chick		
- Increased by 5%	+5.41%	+5.53%
- Decreased by 5%	-5.41%	-5.53%
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (per MT)		
- Increased by 5%	+14.66%	+11.85%
- Decreased by 5%	-14.66%	-11.85%

In respect of other variables, a reasonable possible change in the assumptions used will not result in any material change to the fair value of the biological assets.

12. Inventories

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Raw materials	197,638	152,445
Manufactured and trading inventories	446,014	338,349
	643,652	490,794
At net realisable value:		
Manufactured and trading inventories	3,316	1,037
	646,968	491,831
At fair value:		
Agricultural produce – layer eggs	5,248	4,516
	652,216	496,347

13. Contract with customers

13.1 Contract assets/(liabilities)

Group	2021 RM'000	2020 RM'000
Contract assets	29,361	-
Contract liabilities	(70,986)	(13,077)

Contract assets

Contract assets are primarily relate to:

(i) The Group's right to consideration for the revenue earned but not yet billed at the reporting date. Typically, the amount billed will be billed within 30 days and payment is expected within 60 days; and

(ii) The Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be invoiced within 12 months.

Contract liabilities

Contract liabilities are made up of:

(i) deferred revenue from loyalty points yet to be redeemed by the customers of a subsidiary of RM2,151,000 (2020: RM319,000).

The value of the loyalty points is estimated by reference to the monetary value attributable to the redemption points and are based on the best estimate of future redemption profile. The amount will be recognised as revenue when the points are redeemed by customers, which is expected to occur over a year;

(ii) advance considerations of RM2,492,000 (2020: RM12,758,000) received from customers for their purchases; and

(iii) advance considerations of RM66,343,000 (2020: Nil) received from few customers for construction services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, within 12 months.

13.2 Contract costs

Group	2021 RM'000	2020 RM'000
Cost to fulfil a contract	3,296	-

Cost to fulfil a contract comprises of costs incurred in construction and solar installation contracts that are used to fulfil the contracts in future. These costs are to be recognised in profit or loss over the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

14. Prepayments and other assets

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Prepayments	57,838	50,220	1,155	1,555
Other assets	17,233	15,383	28	185
	75,071	65,603	1,183	1,740

15. Derivative financial assets/(liabilities)

	2021			2020		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Group						
Derivatives at fair value through profit or loss						
- Commodity future contracts	3,503	-	(9)	5,239	365	-
Derivatives used for hedging						
- Cross currency swap	652,162	-	(9,840)	674,428	4,547	-
- Forward exchange contracts	115,068	208	(1,238)	128,276	17	(2,836)
- Interest rate swap	137,135	-	(3,358)	148,976	-	(4,998)
	907,868	208	(14,445)	956,919	4,929	(7,834)
Company						
Derivatives used for hedging						
- Cross currency swap	652,162	-	(9,840)	674,428	4,547	-
- Interest rate swap	137,135	-	(3,358)	148,976	-	(4,998)
	789,297	-	(13,198)	823,404	4,547	(4,998)

The commodity future contracts were entered into with the objective of managing and hedging the Group's exposure to adverse commodity price movements. The cross currency swap and interest rate swap contracts of the Group and of the Company are mainly used to hedge against its exposures of foreign currency and movements in interest rates.

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

16. Cash and cash equivalents

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		393,991	280,271	10,773	29,219
Deposits with licensed banks	16.1	26,678	27,182	305	287
Liquid investments	16.2	65,824	747	599	545
		486,493	308,200	11,677	30,051

16.1 Deposits with licensed banks

Included in the deposits with licensed banks of the Group is RM103,000 (2020: nil) pledged to a licensed bank as security for banking facilities granted to the Group (see Note 19.1).

16.2 Liquid investments

The liquid investments represent investments in unit trust funds which primarily invest in money market instruments. The Directors regard the liquid investments as cash and cash equivalents in view of its high liquidity and insignificant risk of changes in value.

17. Assets classified as held for sale

	Note	Group	
		2021 RM'000	2020 RM'000
Property, plant and equipment			
Cost			
As at 1 April 2020/2019		2,479	8,181
Transfer to property, plant and equipment	3	-	(5,702)
As at 31 March		2,479	2,479
Accumulated depreciation			
As at 1 April 2020/2019		-	1,139
Transfer to property, plant and equipment	3	-	(1,139)
As at 31 March		-	-
Accumulated impairment loss			
As at 1 April 2020/2019		-	563
Transfer to property, plant and equipment	3	-	(563)
As at 31 March		-	-
Carrying amounts		2,479	2,479
Right-of-use assets			
Cost		2,066	2,435
Accumulated depreciation		-	(369)
Carrying amounts		2,066	2,066
		4,545	4,545

In the previous financial year, asset held for sale with carrying amount of RM4,000,000 was reclassified to property, plant and equipment following the abortion of plan to sale.

18. Capital and reserves

18.1 Share capital

Group and Company	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 April 2020/2019	620,025	1,622,438	620,025	1,622,438
Bonus issue	-	811,219	-	-
At 31 March	620,025	2,433,657	620,025	1,622,438

The Company issued 811,218,880 new ordinary shares pursuant to the bonus issue on the basis of (1) one bonus shares for every two (2) existing ordinary shares held in the Company. The bonus issue exercise was completed on 16 October 2020 following the listing and quotation of the 811,218,880 bonus shares issued pursuant to the bonus issue on the Main Market of Bursa Malaysia Securities Berhad.

18. Capital and reserves (continued)

18.1 Share capital (continued)

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

18.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM as well as the exchange differences arising from monetary items that in substance form the Company's net investments in subsidiaries.

18.3 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

19. Loans and borrowings

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Term loans					
- Conventional - unsecured		577,513	600,054	506,328	586,848
- Conventional - secured	19.1	3,290	-	-	-
- Islamic - unsecured		27,450	50,183	27,450	46,675
Hire purchase liabilities	19.2	-	124	-	-
		608,253	650,361	533,778	633,523
Current					
Term loans					
- Conventional - unsecured		194,588	117,399	182,472	105,582
- Conventional - secured	19.1	435	-	-	-
- Islamic - unsecured		36,600	85,320	36,600	83,100
Bank overdrafts					
- Unsecured		5,869	46,650	-	-
Bills payable					
- Conventional - unsecured		393,739	243,624	-	-
- Islamic - unsecured		43,517	76,750	-	-
Revolving credit					
- Unsecured		50,177	85,605	26,177	56,000
Supplier factoring facilities	20.4	58,471	-	-	-
Hire purchase liabilities	19.2	124	134	-	-
		783,520	655,482	245,249	244,682
		1,391,773	1,305,843	779,027	878,205

19. Loans and borrowings (continued)

19.1 Secured term loans

The term loans are secured by:

(i) A legal charge over certain properties and investment properties of the Group (see Note 3.4, Note 4 and Note 5);
(ii) A corporate guarantee by a subsidiary; and
(iii) A joint and several guarantee of certain directors of a subsidiary.

19.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	2021			2020		
	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Group						
Less than one year	131	(7)	124	141	(7)	134
Between one and five years	-	-	-	140	(16)	124
	131	(7)	124	281	(23)	258

20. Trade and other payables

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Other payables	20.1	1,298	972	-	-
Current					
Trade					
Trade payables	20.2	264,496	168,053	-	-
Associate	20.3	670	860	-	-
		265,166	168,913	-	-
Non-trade					
Other payables	20.1	103,418	89,659	64	35
Supplier factoring facilities	20.4	23,367	34,833	-	-
Accrued expenses		73,485	74,709	7,974	8,480
Subsidiaries	20.5	-	-	136,461	58,654
		465,436	368,114	144,499	67,169
		466,734	369,086	144,499	67,169

20. Trade and other payables (continued)

20.1 Other payables

Non-current

Under the provision of lease agreements, the Group has an obligation to dismantle and remove structures on the site and restore those sites at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 4.86% (2020: 4.86%).

Current

Included in other payables of the Group are the following amounts due to related parties:

	Group	
	2021 RM'000	**2020 RM'000**
Companies in which certain Directors have interests	64	16
Amount due to non-controlling interests and its related parties	62,294	60,365
	62,358	60,381

The amounts due to related parties are unsecured, interest free and repayable on demand.

20.2 Trade payables

Included in trade payables of the Group are the following amounts due to related parties:

	Group	
	2021 RM'000	**2020 RM'000**
Companies in which certain Directors of subsidiaries have interests	432	1,038

The amounts due to related parties are subject to normal trade terms.

20.3 Amount due to associate

The amount due to associate is trade in nature, interest free and subject to normal trade terms.

20.4 Supplier factoring facilities

Supplier factoring facility is an arrangement where the participating suppliers may elect to receive early payment of their invoices from a financial institution. Under this arrangement, the financial institution agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. The principal purpose of this programme is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to the financial institution before their due date. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating and the Group does not incur any additional interest towards the financial institution on the amounts due to the suppliers. The payments to the financial institution are included within operating cash flows because they continue to be part of the normal operating cycle of the Group.

In the event the Group entities utilising the facilities or applied for further extension of payment term with the financial institution, these portion are reclassified and presented as loan and borrowings (see Note 19).

20. Trade and other payables (continued)

20.5 Amount due to subsidiaries

The amount due to subsidiaries is non-trade in nature, unsecured, subject to floating interest rate of 2.85% - 3.69% (2020: 2.43% - 4.43%) per annum and repayable on demand.

21. Employee benefits

The Group's net obligation in respect of defined benefit retirement plans arises from its subsidiaries in Indonesia. The following table summarises the components of net employee benefit expense recognised in the statement of profit or loss and other comprehensive income and in the statement of financial position as employee benefits:

		Group	
		2021 RM'000	**2020 RM'000**
a.	**Expense recognised in profit or loss**		
	Current service cost	3,517	777
	Past service cost	(185)	(58)
	Interest on obligation	665	538
	Net benefit expense	3,997	1,257
b.	**Present value of defined benefit obligations**		
	Net benefit expense	12,029	8,178
c.	**Present value of defined benefit obligations**		
	Defined benefit obligations at 1 April 2020/2019	8,178	7,357
	Current service cost and interest	3,997	1,257
	Payment during the year	(146)	(436)
	Defined benefit obligations at 31 March	12,029	8,178

The principal assumptions used in determining the retirement benefit cost at end of the reporting period are as follows:

Calculation method	:	Projected Unit Credit
Normal pension age	:	55 - 57 years
Annual salary increment (estimated)	:	5% - 10.2% (2020: 7% - 10.2%)
Annual discount rate	:	7.12% - 8.16% (2020: 8.32% - 8.60%)
Mortality level	:	Indonesian Mortality Table ("TMI") 3 & 4
Disability level	:	10% from mortality level (2020: 10%)
Resignation level	:	5% constant until the age of 34 and linearly decreasing until the pension age

The Group's management believes that the accrued employee benefit as of financial year end is sufficient to meet the requirements of the law in Indonesia.

Notes to the Financial Statements (Continued)

22. Revenue

	Marine-products manufacturing		Palm oil and clean energy		Integrated livestock farming		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group								
Primary geographical markets								
Malaysia	769,634	633,793	207,066	171,491	1,995,749	1,992,642	2,972,449	2,797,926
Indonesia	60,063	38,538	101,122	83,999	467,183	483,492	628,368	606,029
Vietnam	43,726	107,958	-	-	206,641	141,638	250,367	249,596
Other countries	383,719	379,187	4,357	447	139,523	122,641	527,599	502,275
	1,257,142	1,159,476	312,545	255,937	2,809,096	2,740,413	4,378,783	4,155,826
Major products and service lines								
Sales of goods	1,257,142	1,159,476	242,183	255,937	2,809,096	2,740,413	4,308,421	4,155,826
Construction contracts	-	-	70,362	-	-	-	70,362	-
	1,257,142	1,159,476	312,545	255,937	2,809,096	2,740,413	4,378,783	4,155,826
Timing and recognition								
At a point in time	1,257,142	1,159,476	242,183	255,937	2,809,096	2,740,413	4,308,421	4,155,826
Over time	-	-	70,362	-	-	-	70,362	-
	1,257,142	1,159,476	312,545	255,937	2,809,096	2,740,413	4,378,783	4,155,826

22. Revenue (continued)

Sales of goods

Revenue from sale of goods is recognised when the goods are delivered and accepted by the customers at their premises or recognised when the control of the goods have transferred to the customer. Generally, payment terms for revenue from customers range from 30 days to 90 days (2020: 30 days to 90 days) from invoice date or cash term. There were no warranties given to the customers, nor any variable element in the consideration except for customers who purchase the goods using the customer loyalty programme are entitled to earn loyalty points that are redeemable against future purchases and will be recognised as revenue when the points are redeemed by the customers, which is expected to occur over a year.

The Group allocates a portion of the consideration received to the loyalty points. The consideration allocated to the points issued is estimated by reference to the monetary value attributable to the redemption points and are based on the best estimate of future redemption profile. This amount is deferred and included in contract liabilities.

Construction contracts

Revenue from construction services is recognised over time using the input method, determined based on proportion of construction costs incurred for work performed to-date over the estimated total construction costs. Generally, payment terms for revenue from customers is 30 days from invoice date. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The Group is required to fulfil warranty obligation over a defect liability period of 3 to 12 months from the date of completion.

The following table shows revenue from performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

Group	2021 RM'000
Within 1 year	202,348
More than 1 year	87,056
	289,404

The amounts disclose does not include any variable consideration which are constrained.

There was no performance obligation that are unsatisfied in the previous financial year ended.

23. Results from operating activities

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Results from operating activities is arrived at after charging:					
Auditors' remuneration:					
- Audit fees					
KPMG in Malaysia					
- current year		1,441	1,323	156	133
- prior years		15	40	-	-
Overseas affiliates of KPMG in Malaysia		265	249	-	-
Other auditors		519	445	-	-
- Non-audit fees					
KPMG in Malaysia		96	102	96	102
Local affiliates of KPMG in Malaysia		-	92	-	92
Overseas affiliates of KPMG in Malaysia		96	87	-	-
Material expenses:					
Amortisation of intangible assets		1,235	227	-	-
Bad debts written off		6	52	-	-
Depreciation of property, plant and equipment		176,391	164,929	24	24
Depreciation of right-of-use assets		27,924	20,028	-	-
Depreciation of investment properties		2,621	967	-	-
Derivative loss		4,826	-	-	-
Impairment loss:					
- advances to suppliers		-	316	-	-
- associates		49	-	-	-
- contract assets		628	-	-	-
- intangible assets		-	37	-	-
- trade and other receivables		2,874	3,169	-	-
Inventories write-down		274	-	-	-
Loss on foreign exchange:					
- unrealised		-	-	16,412	-
Loss on change in fair value of biological assets, net		3,040	493	-	-
Loss on change in fair value of agriculture produce		299	295	-	-
Personnel expenses (including key management personnel):					
- contributions to state plans		26,225	23,047	-	-
- expenses related to defined benefit plans		3,795	1,257	-	-
- wages, salaries and others		372,966	352,506	1,216	1,243
Property, plant and equipment written off		2,571	1,601	-	-

23. Results from operating activities (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Material income:					
Dividend income from:					
- Subsidiaries (unquoted)		-	-	129,670	146,913
- Liquid investments		17	112	12	112
Derivative gain		-	868	-	-
Gain on foreign exchange:					
- realised		2,998	5,454	2,558	4,493
- unrealised		1,692	9,771	2,044	10,152
Gain on liquid investments:					
- realised		-	6	-	-
- unrealised		42	29	42	29
Gain on disposal of property, plant and equipment		3,941	162	-	-
Gain on termination of lease contracts		387	-	-	-
Government grant received		3,096	-	-	-
Reversal of inventories write-down		-	25	-	-
Reversal of impairment loss of advances to suppliers		40	-	-	-
Remeasurement gain of the previously held equity interest in an associate	a	79,031	-	-	-
Expenses arising from leases					
Expenses relating to short-term leases		5,126	4,392	-	-
Expenses relating to leases of low value assets		529	199	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		1,590	2,453	-	-
Income arising from leases					
Rental of equipment		-	8	-	-
Rental of premises		951	1,102	-	-

Note a

During the financial year, the Group acquired additional shares in its associate and has obtained control over the associate, Boilermech Holding Berhad ("Boilermech"). This relates to one-off gain of arising from remeasurement of the Group's previously held equity interest in Boilermech at its acquisition-date, as required under MFRS 3, *Business Combination* following the step acquisition on Boilermech.

24. Finance costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans	36,503	43,125	31,057	34,705
- bank overdrafts	541	619	-	-
- bills payable	8,399	11,826	-	-
- hire purchase liabilities	15	34	-	-
- lease liabilities	7,083	5,701	-	-
- revolving credit	2,654	4,269	1,667	2,678
- subsidiaries	-	-	1,969	1,844
	55,195	65,574	34,693	39,227
Other finance costs	1,235	1,455	-	-
	56,430	67,029	34,693	39,227

25. Finance income

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- deposits placed with licensed banks	6,878	7,943	191	482
- subsidiaries	-	-	46,917	50,287
- others	641	838	-	-
	7,519	8,781	47,108	50,769

26. Tax expense

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax expense on continuing operations	107,373	67,972	128	102
Share of tax of equity-accounted associates	2,998	3,875	-	-
Total tax expense	110,371	71,847	128	102
Current tax expense				
- Current year	87,613	58,310	135	102
- Under/(over) provision in prior years	662	2,054	(7)	-
	88,275	60,364	128	102
Deferred tax expense				
- Origination of temporary differences	10,261	8,757	-	-
- Under/(over) provision in prior years	8,837	(1,149)	-	-
	19,098	7,608	-	-
Share of tax of equity-accounted associates	2,998	3,875	-	-
Total tax expense	110,371	71,847	128	102
Reconciliation of tax expense				
Profit for the year	325,183	238,967	118,886	164,337
Total income tax expense	110,371	71,847	128	102
Profit excluding tax	435,554	310,814	119,014	164,439
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)	104,533	74,595	28,563	39,465
Effect of tax rates in foreign jurisdictions	(3,691)	(1,096)	-	-
Non-deductible expenses	29,048	15,351	7,852	1,996
Tax exempt income	(24,461)	(8,426)	(36,280)	(41,359)
Tax incentives	(5,644)	(5,204)	-	-
Effect of temporary differences (recognised)/ not recognised	(3,597)	3,027	-	-
Under/(over) provided in prior years	9,499	905	(7)	-
Others	4,684	(7,305)	-	-
Tax expense	110,371	71,847	128	102

27. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to the owners of the Company of RM311,906,000 (2020: RM239,362,000) and the weighted average number of ordinary shares in issue during the year.

		2021 '000	2020 '000 Restated
Issued ordinary shares at beginning of the year		1,622,438	1,622,438
Effect of bonus issue	(i)	811,219	811,219
Weighted average number of ordinary shares at 31 March		2,433,657	2,433,657
Basic earnings per ordinary share (sen)		13	10

(i) The comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustments arising from bonus issue during the year.

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share at 31 March 2021 and 31 March 2020.

28. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2021			
Final 2020	4.50	73,010	15 October 2020
2020			
Final 2019	4.50	73,010	20 September 2019

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2021 is 3.50 sen per ordinary share totalling approximately RM85,178,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

29. Operating segments

The Group's resources allocation is assessed on a quarterly basis in accordance to the business performance and requirements of the respective business segments as reviewed and determined by the Group's Chief Operating Decision Makers ("CODM") whom are also the Executive Chairman and Managing Director of the Group. Hence, segment information is presented by business segment that the Group operates in. The format of the business segment is based on the Group's operation management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Company's assets and liabilities are absorbed into integrated livestock farming segment. Expenses which are common and may not be directly allocated to the respective operating segments are allocated to the respective segments based on the relative size of each segments.

Segment capital expenditure is the total costs incurred during the period to acquire property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill.

Business segments

The Group comprises of the following main business segments:

Marine-products manufacturing	Deep-sea fishing, manufacture and sale of fishmeal, surimi, surimi-based products and aquaculture livestock related product.
Palm oil and clean energy	Plantation, crude palm oil milling activities, downstream palm biomass technology and provide renewable energy and sustainable environmental solutions.
Integrated livestock farming	Distribution of animal feed raw materials, food related products and livestock farming and operations of convenience stores.

The inter-segment transactions have been entered into in the normal course of business and are based on normal trade terms.

Geographical segments

The Group's business operates in five geographical areas: Malaysia, Indonesia, Vietnam, China and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers, segment assets are based on the geographical location of the assets.

29. Operating segments (continued)

	Marine-products manufacturing		Palm oil and clean energy		Integrated livestock farming		Consolidated	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Business segments								
Revenue from external customers	1,257,142	1,159,476	312,545	255,937	2,809,096	2,740,413	4,378,783	4,155,826
Segment profit before taxation	260,822	191,802	86,556	4,013	85,178	111,124	432,556	306,939
Included in the measurement of segment profit before taxation are:								
Inter-segment revenue	175,211	158,173	2,754	1,396	4,640	4,806	182,605	164,375
Finance costs	(6,133)	(6,713)	(5,029)	(6,103)	(45,268)	(54,213)	(56,430)	(67,029)
Finance income	3,777	2,590	2,620	1,768	1,122	4,423	7,519	8,781
Depreciation and amortisation	(61,383)	(61,053)	(21,463)	(20,934)	(125,325)	(104,164)	(208,171)	(186,151)
Share of profits of associates, net of tax	-	-	8,744	10,273	561	505	9,305	10,778
Not included in the measurement of segment profit before taxation but provided to CODM:								
Tax (expense)/credit	(64,736)	(42,788)	(10,853)	966	(31,784)	(26,150)	(107,373)	(67,972)

29. Operating segments (continued)

	Marine-products manufacturing		Palm oil and clean energy		Integrated livestock farming		Consolidated	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Segment assets	1,300,698	1,196,174	864,964	450,632	2,669,773	2,419,573	4,835,435	4,066,379
Segment liabilities	265,593	277,254	306,926	153,716	1,717,402	1,544,395	2,289,921	1,975,365
Included in the measurement of segment assets are:								
Investment in associates	-	-	-	139,635	2,264	2,540	2,264	142,175
Additions to non-current assets other than financial instruments and deferred tax assets	82,563	67,811	508,147	8,874	106,558	427,876	697,268	504,561

	Malaysia		Indonesia		Vietnam		Other countries		Consolidated	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Geographical segments										
Revenue from external customers	3,559,009	3,372,085	623,492	639,937	181,100	131,825	15,182	11,979	4,378,783	4,155,826
Non-current assets other than deferred tax assets	2,175,368	1,979,146	488,209	437,392	196,516	141,315	3,629	3,593	2,863,722	2,561,446

30. Financial instruments

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

i) Amortised cost ("AC"); and
ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
2021				
Financial assets				
Group				
Derivative financial assets	208	-	-	208
Trade and other receivables, excluding advances to suppliers	473,789	473,789	-	-
Cash and cash equivalents	486,493	420,669	65,824	-
	960,490	894,458	65,824	208
Company				
Trade and other receivables	572,297	572,297	-	-
Cash and cash equivalents	11,677	11,078	599	-
	583,974	583,375	599	-
Financial liabilities				
Group				
Loans and borrowings	(1,391,773)	(1,391,773)	-	-
Derivative financial liabilities	(14,445)	-	(9)	(14,436)
Trade and other payables	(466,734)	(466,734)	-	-
	(1,872,952)	(1,858,507)	(9)	(14,436)
Company				
Loans and borrowings	(779,027)	(779,027)	-	-
Derivative financial liabilities	(13,198)	-	-	(13,198)
Trade and other payables	(144,499)	(144,499)	-	-
	(936,724)	(923,526)	-	(13,198)

30. Financial instruments (continued)

30.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Derivatives used for hedging RM'000
2020				
Financial assets				
Group				
Derivative financial assets	4,929	-	365	4,564
Trade and other receivables, excluding advances to suppliers	399,593	399,593	-	-
Cash and cash equivalents	308,200	307,453	747	-
	712,722	707,046	1,112	4,564
Company				
Derivative financial assets	4,547	-	-	4,547
Trade and other receivables	540,265	540,265	-	-
Cash and cash equivalents	30,051	29,506	545	-
	574,863	569,771	545	4,547
Financial liabilities				
Group				
Loans and borrowings	(1,305,843)	(1,305,843)	-	-
Derivative financial liabilities	(7,834)	-	-	(7,834)
Trade and other payables	(369,086)	(369,086)	-	-
	(1,682,763)	(1,674,929)	-	(7,834)
Company				
Loans and borrowings	(878,205)	(878,205)	-	-
Derivative financial liabilities	(4,998)	-	-	(4,998)
Trade and other payables	(67,169)	(67,169)	-	-
	(950,372)	(945,374)	-	(4,998)

30.2 Net losses and gains arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net (losses)/gains on:				
Financial liabilities at amortised cost	(49,347)	(61,328)	(32,483)	(39,227)
Financial assets at amortised cost	9,957	20,785	33,088	65,414
Financial assets at FVTPL	59	1,015	54	141
Financial liabilities at FVTPL	(4,826)	-	-	-
	(44,157)	(39,528)	659	26,328

30. Financial instruments (continued)

30.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not have any significant exposure to any individual counterparty. The Group has credit policy in place to ensure that transactions are conducted with creditworthy counterparty.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2021 RM'000	**2020 RM'000**
Malaysia	354,251	260,451
Indonesia	61,064	65,029
Vietnam	2,647	2,257
Others	28,402	30,413
	446,364	358,150

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss

In managing credit risk of receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 to 150 days.

The Group uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	**Loss allowance RM'000**	**Net balance RM'000**
Group			
2021			
Current (not past due)	278,550	(1,403)	277,147
1-30 days past due	89,795	(1,064)	88,731
31-60 days past due	36,357	(644)	35,713
61-90 days past due	14,662	(509)	14,153
91-120 days past due	3,631	(182)	3,449
More than 120 days past due	26,132	(4,423)	21,709
	449,127	(8,225)	440,902
Credit impaired			
Individually impaired	21,012	(15,550)	5,462
	470,139	(23,775)	446,364
Trade receivables	439,872	(22,869)	417,003
Contract assets	30,267	(906)	29,361
	470,139	(23,775)	446,364
2020			
Current (not past due)	240,287	(1,798)	238,489
1-30 days past due	75,548	(428)	75,120
31-60 days past due	19,126	(253)	18,873
61-90 days past due	7,433	(269)	7,164
91-120 days past due	2,607	(270)	2,337
More than 120 days past due	15,169	(2,809)	12,360
	360,170	(5,827)	354,343
Credit impaired			
Individually impaired	18,963	(15,156)	3,807
	379,133	(20,983)	358,150

30. Financial instruments (continued)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by collateral such as assets held as securities, agreed installment plan, and other credit enhancement in managing exposure to credit risk.

The movements in the allowance for impairment in respect of receivables net of advances to suppliers during the year are shown below.

Group	Trade receivables		Contract asset RM'000	Total RM'000
	Lifetime ECL RM'000	Credit impaired RM'000		
Balance at 1 April 2019	5,710	16,703	-	22,413
Amounts written off	-	(4,599)	-	(4,599)
Net remeasurement of loss allowance	117	3,052	-	3,169
Balance at 31 March/1 April 2020	5,827	15,156	-	20,983
Amounts written off	(3,676)	(4,858)	-	(8,534)
Acquisition through business combination	4,930	3,244	278	8,452
Net remeasurement of loss allowance	238	2,008	628	2,874
Balance at 31 March 2021	7,319	15,550	906	23,775

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and convenience stores. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

30. Financial instruments (continued)

30.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM827,190,000 (2020: RM498,038,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the financial institution in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment and hence no allowance for impairment losses was recognised by the Company.

Intercompany loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

30. Financial instruments (continued)

30.4 Credit risk (continued)

Intercompany loans and advances (continued)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

At the end of the reporting period, there was no indication that the financial positions of the subsidiaries had deteriorated significantly. There was no subsidiary which is unlikely to repay its loan or advances to the Company in full and in deficit shareholders' fund.

30.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group also manage its liquidity risk by entering into supplier factoring facilities when necessary.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The Company can also demand repayment of advances/dividends from subsidiaries to meet its ability as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

30. Financial instruments (continued)

30.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest/ profit rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group							
2021							
Non-derivative financial liabilities							
Revolving credit	50,177	1.51 – 4.94	51,857	51,857	-	-	-
Lease liabilities	166,191	3.76 – 6.20	198,869	30,196	28,557	69,465	70,651
Bank overdrafts	5,869	6.90 – 8.35	6,306	6,306	-	-	-
Bills payable	437,256	0.54 – 4.55	441,428	441,428	-	-	-
Term loans	839,876	1.34 – 8.00	893,499	278,958	287,975	304,489	22,077
Hire purchase liabilities	124	2.00 – 3.11	131	131	-	-	-
Trade and other payables	465,436	-	465,436	465,436	-	-	-
Supplier factoring facilities	58,471	2.50 – 2.59	58,582	58,582	-	-	-
	2,023,400		2,116,108	1,332,894	316,532	373,954	92,728
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	1,030	-	115,068	115,068	-	-	-
Inflow	-	-	(114,038)	(114,038)	-	-	-
Commodity future contracts	9	-	9	9	-	-	-
Cross currency swap	9,840	-	9,840	9,840	-	-	-
Interest rate swap	3,358	-	3,358	3,358	-	-	-
	2,037,637		2,130,345	1,347,131	316,532	373,954	92,728

30. Financial instruments (continued)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest/ profit rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group							
2020							
Non-derivative financial liabilities							
Revolving credit	85,605	2.43 – 5.56	87,934	87,934	-	-	-
Lease liabilities	148,278	2.80 – 4.92	184,590	26,171	26,048	65,183	67,188
Bank overdrafts	46,650	7.40 – 9.85	46,832	46,832	-	-	-
Bills payable	320,374	1.47 – 6.96	322,601	322,601	-	-	-
Term loans	852,956	1.29 – 7.42	900,118	208,401	245,065	446,652	-
Hire purchase liabilities	258	2.00 – 3.95	281	141	140	-	-
Trade and other payables	368,114	-	368,114	368,114	-	-	-
	1,822,235		1,910,470	1,060,194	271,253	511,835	67,188
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	2,819	-	128,276	128,276	-	-	-
Inflow	-	-	(125,457)	(125,457)	-	-	-
Commodity future contracts	(365)	-	(365)	(365)	-	-	-
Cross currency swap	(4,547)	-	(4,547)	(4,547)	-	-	-
Interest rate swap	4,998	-	5,040	5,040	-	-	-
	1,825,140		1,913,417	1,063,141	271,253	511,835	67,188

30. Financial instruments (continued)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest/ profit rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Company							
2021							
Non-derivative financial liabilities							
Revolving credit	26,177	1.51 – 3.69	26,857	26,857	-	-	-
Term loans	752,850	1.34 – 4.89	801,037	253,966	271,528	274,215	1,328
Trade and other payables	8,038	-	8,038	8,038	-	-	-
Amount due to subsidiaries	136,461	2.85 – 3.69	141,271	141,271	-	-	-
Financial guarantees	-	-	827,190	827,190	-	-	-
	923,526		1,804,393	1,257,322	271,528	274,215	1,328
Derivative financial liabilities							
Cross currency swap	9,840	-	9,840	9,840	-	-	-
Interest rate swap	3,358	-	3,358	3,358	-	-	-
	936,724		1,817,591	1,270,520	271,528	274,215	1,328

30. Financial instruments (continued)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest/ profit rate/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Company							
2020							
Non-derivative financial liabilities							
Revolving credit	56,000	3.70 – 4.43	58,276	58,276	-	-	-
Term loans	822,205	3.46 – 5.05	865,021	193,178	227,111	444,732	-
Trade and other payables	8,515	-	8,515	8,515	-	-	-
Amount due to subsidiaries	58,654	2.43 – 4.43	60,839	60,839	-	-	-
Financial guarantees	-	-	498,038	498,038	-	-	-
	945,374		1,490,689	818,846	227,111	444,732	-
Derivative financial liabilities							
Cross currency swap	(4,547)	-	(4,547)	(4,547)	-	-	-
Interest rate swap	4,998	-	5,040	5,040	-	-	-
	945,825		1,491,182	819,339	227,111	444,732	-

30. Financial instruments (continued)

30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's and the Company's financial position or cash flows.

30.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk arising from transactions that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily US Dollars.

The management does not view the exposure to other currencies to be significant.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's foreign exchange management policies are to minimise exposures arising from currency movements. The Group monitors currency movements closely and may enter into foreign currency swaps, forward foreign currency contracts and options to limit its exposure when the needs arise.

Exposure to foreign currency risk

The Group's and the Company's main exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD	
	2021 RM'000	2020 RM'000
Group		
Trade receivables	36,999	23,906
Loan and borrowings	(831,369)	(811,970)
Trade payables	(93,366)	(24,757)
Forward exchange contracts	59,950	128,276
Cross currency swap	652,162	674,428
Cash and cash equivalents	49,157	7,770
Net exposure	(126,467)	(2,347)
Company		
Trade and other receivables	49,293	28,241
Loan and borrowings	(752,850)	(797,204)
Cross currency swap	652,162	674,428
Cash and cash equivalents	5,405	2,917
Net exposure	(45,990)	(91,618)

30. Financial instruments (continued)

30.6 Market risk (continued)

30.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 1.50% (2020: 1.50%) strengthening of RM against USD at the end of the reporting period would have increased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or (loss)	
	2021 RM'000	**2020 RM'000**
Group		
USD	1,442	27
Company		
USD	524	1,044

A 1.50% (2020: 1.50%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

30.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

In managing interest rate risk, the Group and the Company maintain a balanced portfolio of fixed and floating rate instruments. All interest rate exposures are monitored and managed by the Group and the Company on a regular basis.

30. Financial instruments (continued)

30.6 Market risk (continued)

30.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial assets	26,678	27,182	56,826	42,147
Financial liabilities	(569,370)	(439,398)	(162,638)	(114,654)
Lease liabilities	(166,191)	(148,278)	-	-
	(708,883)	(560,494)	(105,812)	(72,507)
Floating rate instruments				
Financial assets	459,815	281,018	504,318	490,741
Financial liabilities	(822,403)	(866,445)	(752,850)	(822,205)
	(362,588)	(585,427)	(248,532)	(331,464)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and the post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or (loss)			
	50 bp increase 2021 RM'000	**50 bp decrease 2021 RM'000**	**50 bp increase 2020 RM'000**	**50 bp decrease 2020 RM'000**
Group				
Floating rate instruments	(1,378)	1,378	(2,225)	2,225
Company				
Floating rate instruments	(944)	944	(1,260)	1,260

30. Financial instruments (continued)

30.7 Hedging activities

30.7.1 Cash flow hedge

The Group entered into forward exchange contracts as hedges for purchases denominated in foreign currencies. The Group and the Company also entered into cross currency swap and interest rate swap to hedge against its exposures of borrowings in foreign currency and movements in interest rates. The commodities futures were entered into with the objective of managing and hedging the Group's exposure to adverse commodity price movements.

During the year, the Group and the Company had recognised net gain of RM19,879,000 and RM19,014,000 (2020: net loss of RM26,424,000 and RM24,199,000) respectively in other comprehensive income.

30. Financial instruments (continued)

30.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings approximate fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate borrowings and long term advances to subsidiaries approximate fair values as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2021										
Financial assets										
Forward exchange contracts	-	208	-	208	-	-	-	-	208	208
Liquid investments	65,824	-	-	65,824	-	-	-	-	65,824	65,824
	65,824	208	-	66,032	-	-	-	-	66,032	66,032
Financial liabilities										
Term loans	-	-	-	-	-	-	(24,507)	(24,507)	(24,507)	(23,342)
Interest rate swap	-	(3,358)	-	(3,358)	-	-	-	-	(3,358)	(3,358)
Hire purchase liabilities	-	-	-	-	-	-	(127)	(127)	(127)	(124)
Forward exchange contracts	-	(1,238)	-	(1,238)	-	-	-	-	(1,238)	(1,238)
Commodity future contracts	-	(9)	-	(9)	-	-	-	-	(9)	(9)
Cross currency swap	-	(9,840)	-	(9,840)	-	-	-	-	(9,840)	(9,840)
	-	(14,445)	-	(14,445)	-	-	(24,634)	(24,634)	(39,079)	(37,911)

30. Financial instruments (continued)

30.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2020										
Financial assets										
Commodity future contracts	-	365	-	365	-	-	-	-	365	365
Forward exchange contracts	-	17	-	17	-	-	-	-	17	17
Cross currency swap	-	4,547	-	4,547	-	-	-	-	4,547	4,547
Liquid investments	747	-	-	747	-	-	-	-	747	747
	747	4,929	-	5,676	-	-	-	-	5,676	5,676
Financial liabilities										
Term loans	-	-	-	-	-	-	(36,108)	(36,108)	(36,108)	(33,161)
Interest rate swap	-	(4,998)	-	(4,998)	-	-	-	-	(4,998)	(4,998)
Hire purchase liabilities	-	-	-	-	-	-	(257)	(257)	(257)	(258)
Forward exchange contracts	-	(2,836)	-	(2,836)	-	-	-	-	(2,836)	(2,836)
	-	(7,834)	-	(7,834)	-	-	(36,365)	(36,365)	(44,199)	(41,253)

30. Financial instruments (continued)

30.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Company										
2021										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	56,269	56,269	56,269	56,521
Liquid investments	599	-	-	599	-	-	-	-	599	599
	599	-	-	599	-	-	56,269	56,269	56,868	57,120
Financial liabilities										
Cross currency swap	-	(9,840)	-	(9,840)	-	-	-	-	(9,840)	(9,840)
Interest rate swap	-	(3,358)	-	(3,358)	-	-	-	-	(3,358)	(3,358)
	-	(13,198)	-	(13,198)	-	-	-	-	(13,198)	(13,198)
2020										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	41,897	41,897	41,897	41,610
Cross currency swap	-	4,547	-	4,547	-	-	-	-	4,547	4,547
Liquid investments	545	-	-	545	-	-	-	-	545	599
	545	4,547	-	5,092	-	-	41,897	41,897	46,989	46,756
Financial liabilities										
Interest rate swap	-	(4,998)	-	(4,998)	-	-	-	-	(4,998)	(4,998)

30. Financial instruments (continued)

30.8 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2020: no transfer in either directions).

Level 1 fair value

The fair values of liquid investments are their last quoted bid prices at the end of the reporting period.

Level 2 fair value

Derivatives

The fair value of forward exchange contracts and commodity option are based on the market price obtained from licensed financial institutions.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Hire purchase liabilities, term loan and amounts due from subsidiaries	Discounted cash flow using a rate based on the current market rate of borrowing of the Group at the reporting date.

31. Capital and other commitments

	Group	
	2021 RM'000	2020 RM'000
Capital commitments:		
Property, plant and equipment		
Contracted but not provided for	81,381	56,246

32. Capital management

The Group and the Company define capital as the total equity and debt. The objective of the Group's and the Company's capital management is to maintain an optimal capital structure and ensuring funds availability to support business operations and maximises shareholders value. The Group and the Company monitor debts to equity ratio to ensure compliance with management policies as well as maintaining shareholders' confidence in the management.

33. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group and the Company have related party relationship with its subsidiaries, associates and Directors.

33. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are as follows:

	Group	
	2021 RM'000	2020 RM'000
With companies in which certain Directors and/or person(s) connected to them have interests:		
M.B. Agriculture (Sandakan) Sdn. Bhd.:		
Sales	(10,404)	(7,921)
M.B. Agriculture (Sabah) Sdn. Bhd.:		
Sales	(22,881)	(16,784)
Arena Dijaya Sdn. Bhd.:		
Sales	(6,316)	(3,578)
Sin Teow Fatt Trading Co.:		
Purchases	776	828
Cheah Joo Kiang Enterprise:		
Sales	(4,395)	(3,639)
E Koon Plastic Trading:		
Purchases	1,300	2,538
E Koon Trading:		
Purchases	1,151	-
Fusipim Sdn. Bhd.:		
Sales	(6,206)	(1,431)
C-Care Enterprise Sdn. Bhd.:		
Sales	(2,872)	(2,227)
With companies in which certain Directors of certain subsidiaries and person(s) connected to them have interests:		
Keang Huat Trading Sdn. Bhd.:		
Purchases	529	1,227
Perikanan Sri Tanjung Sdn. Bhd.:		
Purchases	1,061	1,302
Timurikan Terengganu Sdn. Bhd.:		
Purchases	633	897
Associates		
Gross dividends received	(4,823)	(5,363)
Warehousing services	10,461	10,263
Purchases	1,856	-
Construction services	4,587	-

33. Related parties (continued)

Significant related party transactions (continued)

	Company 2021 RM'000	Company 2020 RM'000
Subsidiaries		
Finance income	(46,917)	(50,287)
Dividend received	(129,670)	(146,913)
Finance costs	1,969	1,844
Management fee expense	6,894	4,367

The key management personnel compensation are as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Directors of the Company				
- Fees	1,690	1,651	1,170	1,170
- Remuneration	16,219	14,437	48	37
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	213	201	-	-
	18,122	16,289	1,218	1,207
Directors of subsidiaries				
- Fees	529	477	45	36
- Remuneration	10,675	8,594	-	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	312	224	-	-
	11,516	9,295	45	36
	29,638	25,584	1,263	1,243

34. Subsidiaries

The principal activities of the subsidiaries and the interest of QL Resources Berhad are as follows:

Name of company	Principal activities	Effective ownership interest 2021 %	Effective ownership interest 2020 %
QL Feedingstuffs Sdn. Bhd. and its subsidiaries	Investment holding, provision of management services	100	100
QL Agrofood Sdn. Bhd.	Processing and sale of animal feeds, trading of raw materials for animal feeds, lubricants, foodstuffs and trading of livestock	100	100
QL Agroventures Sdn. Bhd.	Layer and broiler farming	100	100
Chingsan Development Sdn. Bhd.	Property holding	100	100
QL Tawau Feedmill Sdn. Bhd.	Manufacture and sale of animal feeds and providing chicken parts processing service	100	100
QL Feed Sdn. Bhd.	Marketing and distribution of animal feed raw material and food grain	100	100
QL Realty Sdn. Bhd. and its subsidiaries	Investment holding	100	100
PT. QL Trimitra[(a)]	Integrated broiler farming and its related activities	100	100
PT. QL Agrofood[(a)]	Layer farming, broiler farming, breeder farming and feed milling	100	100
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary	Investment holding	90	90
QL Pacific Vet Group Sdn. Bhd.	Trading of feed supplement, animal health food and agricultural products	90	90
QL AgroResources Sdn. Bhd. and its subsidiaries	Investment holding, feed milling, selling and distribution of animal feeds, raw materials and other related products	100	100
QL Livestock Farming Sdn. Bhd.	Poultry farming, selling and distribution of animal feeds, poultry and related products	100	100
Gelombang Elit (M) Sdn. Bhd.	Property holding	100	100
QL TP Fertilizer Sdn. Bhd.	Producing and selling organic fertiliser	51	51
QL Farms Sdn. Bhd. and its subsidiaries	Layer and broiler farming, wholesale of frozen chicken parts, trading of goods, wholesale and distribution of rice flour, oil palm cultivation, manufacturing and sales of organic fertiliser, and investment holding	100	100

34. Subsidiaries (continued)

Name of company	Principal activities	Effective ownership interest 2021 %	2020 %
Adequate Triumph Sdn. Bhd.	Property holding	100	100
QL Inter-Food Sdn. Bhd.	Dormant	100	100
QL Breeder Farm Sdn. Bhd.	Poultry breeding and farming and oil palm cultivation	100	100
Merkaya Sdn. Bhd.	Property holding	100	100
QL Agrobio Sdn. Bhd.	Commercial production and supply of biologically digested feeding raw materials	100	100
QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries	Investment holding, poultry farming, and provision of ancillary transportation services	90	90
QL Rawang Poultry Farm Sdn. Bhd.	Property holding	90	90
Haji Hussin Markom Sdn. Bhd.	Dormant	54	54
QL Vietnam AgroResources Liability Limited Company[b]	Poultry farming	100	100
QL International Pte. Ltd.	Marketing and trading of animal raw materials	100	100
PT. QL Feed Indonesia(a)	Trading of animal feed raw materials and related products	88	88
QL Palm Pellet Sdn. Bhd.	Investment holding	90	90
QL Feedingstuffs Vietnam Limited Liability Company[b]	Trading of poultry products	100	100
QL Farms (Tay Ninh) Liability Limited Company[b]	Poultry farming	100	100
KS Galah Sdn. Bhd.	Dormant	100	100
Icon Blitz Sdn. Bhd.	Dormant	100	100
QL Poultry Farms Sdn. Bhd.	Layer farming	100	100
QL Eco Farm Sdn. Bhd.	Layer farming and provision of ancillary transportation services	100	100
QL Oil Sdn. Bhd. and its subsidiaries	Investment holding	100	100
QL Plantation Sdn. Bhd. and its subsidiary	Investment holding, oil palm cultivation, processing and marketing of oil palm products	100	100
QL Tawau Biogas Sdn. Bhd.	Operating a biogas power plant	100	100

34. Subsidiaries (continued)

Name of company	Principal activities	Effective ownership interest 2021 %	2020 %
QL BioEnergy Sdn. Bhd.	Dormant	100	100
QL Mutiara (S) Pte. Ltd.[c] and its subsidiary	Investment holding	78.42	78.42
PT. Pipit Mutiara Indah[a]	Oil palm plantation and crude palm oil milling	74.50	74.50
QL Fishery Sdn. Bhd. and its subsidiaries	Investment holding	100	100
QL Marine Products Sdn. Bhd. and its subsidiary	Investment holding, manufacturing of surimi, surimi-based products and fishmeal as well as processing and sale of frozen seafood	100	100
QL Deep Sea Fishing Sdn. Bhd.	Deep sea fishing and sale of subsidised diesel to fishermen	100	100
QL Foods Sdn. Bhd. and its subsidiaries	Investment holding, manufacturing of surimi and surimi-based products	100	100
QL Aquaculture Sdn. Bhd.	Dormant	100	100
QL Aquamarine Sdn. Bhd.	Shrimp farming	100	100
Citra Jernih Sdn. Bhd.	Dormant	70	70
Mesra Prima Sdn. Bhd.	Dormant	70	70
QL Prima Sdn. Bhd.	Dormant	70	70
QL Fishmeal Sdn. Bhd. and its subsidiary	Investment holding, manufacturing and trading of fishmeal	100	100
PT. QL Hasil Laut[a] and its subsidiary	Manufacturing of surimi, surimi-based products and fishmeal	100	100
PT. QLNutri Foods Indonesia[a]	Trading, importing and supplying surimi and surimi-based products	100	100
QL Endau Marine Products Sdn. Bhd. and its subsidiaries	Investment holding, manufacturing of surimi and provision of ancillary transportation services	70.59	70.59
QL Endau Deep Sea Fishing Sdn. Bhd.	Deep sea fishing and trading of fish	70.59	70.59
QL Endau Fishmeal Sdn. Bhd.	Manufacturing and trading of fishmeal	70.59	70.59
Pilihan Mahir Sdn. Bhd.	Letting of property	70.59	70.59
Rikawawasan Sdn. Bhd.	Deep sea fishing	70.59	70.59

Notes to the Financial Statements (Continued)

34. Subsidiaries (continued)

Name of company	Principal activities	Effective ownership interest 2021 %	2020 %
QL Figo Foods Sdn. Bhd.	Leasing of properties	100	100
QL Figo (Johor) Sdn. Bhd.	Manufacturing and sale of "halal" food products	100	100
QL Fresh Choice Seafood Sdn. Bhd.	Coastal fish trawling and wholesale of marine products	100	100
QL Lian Hoe Sdn. Bhd.	Manufacturing and sale of surimi-based products	82	82
QL Lian Hoe (S) Pte. Ltd.[c] and its subsidiary	Investment holding	100	100
Zhongshan True Taste Food Industrial Co. Ltd.(e)	Manufacturing and sale of food products	100	100
Kuala Kedah Fish Meal Sendirian Berhad	Property investment	100	100
KS Monodon Sdn. Bhd.	Dormant	100	100
Kembang Subur Sdn. Bhd. and its subsidiaries	Hatchery and culturing of shrimps and fishes	87.22	87.22
Kembang Subur (Perak) Sdn. Bhd.	Dormant	87.22	87.22
KS Pekan Hatchery Sdn. Bhd.	Breeding, genetic selection and hatchery operation for the production of shrimps	87.22	87.22
QL Green Resources Sdn. Bhd. and its subsidiaries	Investment holding	100	100
QL Tawau Palm Pellet Sdn. Bhd.	Dormant	100	100
QL NatureCo Sdn. Bhd.	Dormant	100	100
QL ESCO Sdn. Bhd.	Supply of biomass	100	100
Leisure Pyramid Sdn. Bhd.	Manufacturing of wood pellet	76.47	76.47
Boilermech Holdings Berhad and its subsidiaries[f]	Investment holding	50.53	-
Boilermech Sdn. Bhd.[f]	Manufacturing, repairing and servicing of boilers	50.53	-
Boilermech Cleantech Sdn. Bhd.[f]	Producing integrated biomass electric power generation system	50.53	-
Zenith Index Sdn. Bhd.[f]	Business of manufacturing biomass renewable energy system	50.53	-

34. Subsidiaries (continued)

Name of company	Principal activities	Effective ownership interest 2021 %	2020 %
PT Boilermech and its subsidiary[a]	Trading services especially in design, manufacturing, installation and commissioning of biomass boilers	50.53	-
PT Boilermech Manufacturing Indonesia[a]	Manufacturing, repairing and servicing of boilers	50.53	-
Boilermech Oretech Sdn. Bhd.[f]	Supplying palm oil recovery enhancement system	50.53	-
Tera VA Sdn. Bhd.[f]	Installation of solar green power energy products and electrical machineries products	30.32	-
Teknologi Enviro-Kimia (M) Sdn. Bhd. and its subsidiaries[f]	General trading, contractor of water treatment chemicals and equipment and investment holdings	30.43	-
T.E.K. Greencare Sdn. Bhd.[f]	Water treatment, chemicals and contract works	30.43	-
T.E.K. Water Sdn. Bhd.[f]	Supplier of water treatment chemical and related accessories and contractor for water treatment facilities	30.43	-
TEK Biotechnology Sdn. Bhd.[f]	Management services, technical consultancy services, project management, laboratory testing, trading and engineering works	24.35	-
QL IPC Sdn. Bhd. and its subsidiaries	Investment holding	100	100
Axrail Pte. Ltd.[g] and its subsidiary	Provision of information technology related works and services	50.10	-
Axrail Sdn. Bhd.	Consultancy in information technology	50.10	-
QL Carbon Sdn. Bhd. and its subsidiaries	Investment holding	100	100
QL Maxincome Sdn. Bhd.	Operating and franchising of convenience stores	100	100
QL Kitchen Sdn. Bhd.	Operation of centralised kitchen	100	100
QL Corporate Services Sdn. Bhd.	Provision of management services	100	100

34. Subsidiaries (continued)

(a) Subsidiaries incorporated in Indonesia and audited by another firm of accountants.

(b) Subsidiaries incorporated in Vietnam and audited by a member firm of KPMG.

(c) Subsidiaries incorporated in Singapore and audited by another firm of accountants.

(d) Subsidiary incorporated in Indonesia and consolidated based on management accounts.

(e) Subsidiary incorporated in China and consolidated based on management accounts.

(f) Subsidiaries incorporated in Malaysia and audited by another firm of accountants.

(g) Subsidiary incorporated in Singapore and consolidated based on management accounts.

All other subsidiaries are incorporated in Malaysia and audited by KPMG.

34.1 The Company's shareholdings in non wholly-owned subsidiaries are as follows:

	Number of ordinary shares			
	At 1.4.2020	Bought	Sold	At 31.3.2021
Interest in non wholly-owned subsidiaries via QL Feedingstuffs Sdn. Bhd.				
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary	2,736,000	-	-	2,736,000
QL Pacific Vet Group Sdn. Bhd.	2,000,000	-	-	2,000,000
Interest in non wholly-owned subsidiaries via QL AgroResources Sdn. Bhd.				
QL TP Fertilizer Sdn. Bhd.	255,000	-	-	255,000
QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries	34,200,000	-	-	34,200,000
QL Rawang Poultry Farm Sdn. Bhd.	4,400,000	-	-	4,400,000
Haji Hussin Markom Sdn. Bhd.	60,000	-	-	60,000
PT. QL Feed Indonesia	500,000	-	-	500,000
QL Palm Pellet Sdn. Bhd.	3,870,000	-	-	3,870,000
Interest in non wholly-owned subsidiaries via QL Oil Sdn. Bhd.				
QL Mutiara (S) Pte. Ltd. and its subsidiary	11,919,998	-	-	11,919,998
PT. Pipit Mutiara Indah	2,983,000	-	-	2,983,000

34. Subsidiaries (continued)

34.1 The Company's shareholdings in non wholly-owned subsidiaries are as follows: (continued)

	Number of ordinary shares			
	At 1.4.2020	Bought	Sold	At 31.3.2021
Interest in non wholly-owned subsidiaries via QL Fishery Sdn. Bhd.				
QL Endau Marine Products Sdn. Bhd. and its subsidiaries	6,723,960	-	-	6,723,960
QL Endau Deep Sea Fishing Sdn. Bhd.	43,800,000	-	-	43,800,000
QL Endau Fishmeal Sdn. Bhd.	20,100,000	-	-	20,100,000
Pilihan Mahir Sdn. Bhd.	10,000	-	-	10,000
Rikawawasan Sdn. Bhd.	10,000,000	-	-	10,000,000
QL Lian Hoe Sdn. Bhd.	8,200,000	-	-	8,200,000
Kembang Subur Sdn. Bhd. and its subsidiaries	7,850,000	-	-	7,850,000
Kembang Subur (Perak) Sdn. Bhd.	500,000	-	-	500,000
KS Pekan Hatchery Sdn. Bhd.	4,000,000	-	-	4,000,000
Interest in non wholly-owned subsidiaries via QL Foods Sdn. Bhd.				
Citra Jernih Sdn. Bhd.	70,000	-	-	70,000
Mesra Prima Sdn. Bhd.	70,000	-	-	70,000
QL Prima Sdn. Bhd.	70,000	-	-	70,000
Interest in non wholly-owned subsidiary via QL Green Resources Sdn. Bhd.				
Leisure Pyramid Sdn. Bhd.	1,300,000	-	-	1,300,000
Boilermech Holdings Berhad and its subsidiaries	-	260,750,206	-	260,750,206
Boilermech Sdn. Bhd.	-	500,000	-	500,000
Boilermech Cleantech Sdn. Bhd.	-	1,000,000	-	1,000,000
Zenith Index Sdn. Bhd.	-	2	-	2
PT Boilermech and its subsidiary	-	30,000	-	30,000
PT Boilermech Manufacturing Indonesia	-	30,000	-	30,000

34. Subsidiaries (continued)

34.1 The Company's shareholdings in non wholly-owned subsidiaries are as follows: (continued)

	Number of ordinary shares			
	At 1.4.2020	Bought	Sold	At 31.3.2021
Boilermech Oretech Sdn. Bhd.	-	1,000,000	-	1,000,000
Tera VA Sdn. Bhd.	-	420,000	-	420,000
Teknologi Enviro-Kimia (M) Sdn. Bhd. and its subsidiaries	-	698,287	-	698,287
T.E.K. Greencare Sdn. Bhd.	-	50,000	-	50,000
T.E.K. Water Sdn. Bhd.	-	230,000	-	230,000
TEK Biotechnology Sdn. Bhd.	-	320,000	-	320,000
Interest in non wholly-owned subsidiary via QL IPC Sdn. Bhd.				
Axrail Pte. Ltd. and its subsidiary	-	1,002,000	-	1,002,000
Axrail Sdn. Bhd.	-	310,000	-	310,000

35. Acquisition of subsidiaries and non-controlling interest

35.1 Acquisition of subsidiaries and non-controlling interest in 2021

Boilermech Holdings Berhad ("Boilermech")

On 3 December 2020, QL Green Resources Sdn. Bhd. ("QLGR"), a wholly-owned subsidiary of the Group, entered into an unconditional Share Acquisition Agreement with Leong Yew Cheong to acquire 20,640,000 ordinary shares in Boilermech Holdings Berhad ("Boilermech share(s)") representing 4% equity interest in Boilermech for a total cash consideration of RM19,608,000 or RM0.95 per Boilermech share.

Upon completion of the acquisition, the equity interest of the QLGR in Boilermech increased from approximately 44.15% to approximately 48.15%. Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act 2007 ("CMSA") and Paragraph 4.01(b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("SC") ("Rules"), QLGR was obliged to extend a conditional mandatory take-over offer to acquire all the remaining ordinary share in Boilermech not already held by QLGR ("Offer Share") for a cash consideration of RM0.95 per Offer Share ("Offer").

As of 25 January 2021, the Group has obtained a controlling interest of Boilermech. Subsequent thereto, the shareholding of QLGR in Boilermech increased from 227,826,936 ordinary shares to 258,591,006 ordinary shares representing 50.11% of the issued and paid-up capital of Boilermech. Accordingly, Boilermech became a subsidiary of the Group via QLGR.

As of 11 March 2021, QLGR has acquired an additional of 2,159,200 Boilermech shares representing equity interest 0.42% of Boilermech for a total net cash consideration of RM2,171,000. Upon completion of the acquisition, the shareholding of QLGR in Boilermech has increased from 50.11% to 50.53%.

35. Acquisition of subsidiaries and non-controlling interest (continued)

35.1 Acquisition of subsidiaries and non-controlling interest in 2021 (continued)

Axrail Pte. Ltd. ("Axrail")

On 1 October 2020, the Group, via its wholly-owned subsidiary, QL IPC Sdn. Bhd. ("QL IPC") entered into an Investment Agreement with Kok Wan Shong and Axrail to subscribe for 1,002,000 new ordinary shares representing 50.1% of the enlarged issued and paid-up capital of Axrail for a total net cash consideration of RM2,000,000. Following the subscription, Axrail became a 50.1% subsidiary of the Group via QL IPC, whereby Axrail Sdn. Bhd. (a wholly-owned subsidiary of Axrail) has also became a subsidiary of the Group.

The following summarises the major classes of consideration transferred, the recognised amounts of assets acquired and liabilities assumed at the respective acquisition date:

Fair value of consideration transferred

	Acquisition of		
	Boilermech RM'000	Axrail RM'000	Group RM'000
Cash and cash equivalents	29,253	2,000	31,253

Identifiable assets acquired and liabilities assumed

	Pre-acquisition carrying amount			Recognised values on acquisition
	Boilermech RM'000	Axrail RM'000	Fair value adjustment Boilermech RM'000	Total RM'000
Property, plant and equipment	53,447	16	11,960	65,423
Right-of-use assets	42,893	-	56,685	99,578
Investment properties	5,978	-	22	6,000
Goodwill	5,831	-	-	5,831
Other intangible assets	-	-	5,802	5,802
Deferred tax assets	989	-	-	989
Inventories	44,590	-	-	44,590
Trade and other receivables	75,193	314	-	75,507
Contract assets	35,222	-	-	35,222
Contract costs	3,236	-	-	3,236
Current tax assets	909	-	-	909
Derivative assets	1,055	-	-	1,055
Cash and cash equivalents	37,849	2,160	-	40,009
Liquid investments	42,937	-	-	42,937
Employee benefit	(210)	-	-	(210)
Lease liabilities	(1,497)	-	-	(1,497)
Loans and borrowings	(5,558)	-	-	(5,558)
Deferred tax liabilities	(1,360)	-	(17,500)	(18,860)
Contract liabilities	(57,941)	-	-	(57,941)
Current tax liabilities	(2,149)	(13)	-	(2,162)
Trade and other payables	(45,017)	(217)	-	(45,234)
Total identifiable net assets	236,397	2,260	56,969	295,626

35. Acquisition of subsidiaries and non-controlling interest (continued)

35.1 Acquisition of subsidiaries and non-controlling interest in 2021 (continued)

The fair value adjustments have been determined as follows:

	Method
Property, plant and equipment, right-of-use assets and investment properties	Comparison approach or market approach, or income approach were adopted by independent valuers to value the properties.
Other intangible assets - License	Cost approach was adopted to reflect the time saved and cost required to reapply the license.
Other intangible assets - Contractual production backlog	Income approach – multiperiod excess earnings method was adopted.

Net cash outflow arising from acquisition of subsidiaries

	Group RM'000
Purchase consideration settled in cash and cash equivalents	(31,253)
Cash and cash equivalents acquired	40,009
Liquid investments acquired	42,937
	51,693

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	Acquisition of		
	Boilermech RM'000	Axrail RM'000	Group RM'000
Total consideration transferred	29,253	2,000	31,253
Fair value of previously held equity interest	225,549	-	225,549
Fair value of identifiable net assets	(293,366)	(2,260)	(295,626)
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	146,318	1,128	147,446
Goodwill	107,754	868	108,622

The goodwill is attributable to synergies expected to be achieved from integrating the companies into the Group's existing ESG Strategy. None of the goodwill recognised is expected to be deductible for income tax purposes.

The remeasurement of the Group's previously held equity interest in Boilermech resulted in a gain of RM79,031,000, which has been recognised as other income in the statement of profit or loss and other comprehensive income.

Acquisition-related costs

The Group incurred acquisition-related costs of RM260,000 of external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

35. Acquisition of subsidiaries and non-controlling interest (continued)

35.2 Acquisition of non-controlling interest in 2020

PT QL Trimitra

In August 2019, the Group, via its wholly-owned subsidiaries, QL Feedingstuffs Sdn. Bhd. ("QLF") and QL Realty Sdn. Bhd. ("QLR") entered into a share Sale and Purchase Agreement with minority shareholder to acquire 1,300,000 ordinary shares representing 10% of the issued and paid up capital in PT QL Trimitra ("PTQLT") for a total net cash consideration of RM3,745,000. Upon completion of the acquisition, the combined shareholding of QLF and QLR in PTQLT increased from 90% to 100%.

Kembang Subur Sdn. Bhd.

In February 2020, the Group via its wholly-owned subsidiary, QL Fishery Sdn. Bhd. ("QLFI") entered into a share Sale and Purchase Agreement with minority shareholder to acquire 350,000 ordinary shares in Kembang Subur Sdn. Bhd. ("KSSB") for a total consideration of RM1,457,000. Following the acquisition, shareholding of QLFI in KSSB increased from 83.33% to 87.22%.

36. Comparative figures

Certain comparatives have been restated to conform with current year presentation.

Statement of profit or loss and other comprehensive income

	As restated RM'000	As previously restated RM'000
Group		
Cost of sales	(3,348,426)	(3,329,762)
Administrative expenses	(253,539)	(273,625)
Distribution costs	(196,147)	(194,725)

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 103 to 209 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Chia Song Kun
Director

Chia Song Kooi
Director

Shah Alam

Date: 27 July 2021

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kang Boon Beng, the officer primarily responsible for the financial management of QL Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 103 to 209 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Kang Boon Beng, NRIC: 710327-08-5453, at Klang in the State of Selangor on 27 July 2021.

Kang Boon Beng

Before me:

Tee Hsiao Mei
Commissioner for Oaths
Klang, Selangor

Independent Auditors' Report

to the Members of QL Resources Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of QL Resources Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 103 to 209.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

i) Valuation of biological assets – Livestock

Refer to Note 2(i) – Significant accounting policies: Biological assets – livestock and Note 11 – Biological assets to the financial statements.

Key audit matter	How the matter was addressed in our audit
The Group held RM204,075,000 of biological assets measured at fair value less cost to sell as at 31 March 2021. In determining the fair value of the biological assets, the Group uses the discounted cash flow model. We have identified the valuation of biological assets as a key audit matter because significant judgement is involved in determining the key assumptions which will impact the amount of the fair value of biological assets recognised.	Our audit procedures performed over this area included, among others: • We gained an understanding of the process in determining the fair value of biological assets including the review of minutes of Management outlook meeting that discuss on the projected selling price and projected feed cost; • We evaluated the appropriateness of the methodology used by management in valuation of the biological assets; • We assessed the appropriateness of the key assumptions and relevant inputs used by the management in the valuation model by comparing to the external data as well as the historical data provided to us by the management;

Key Audit Matters (continued)

i) Valuation of biological assets – Livestock (continued)

Refer to Note 2(i) – Significant accounting policies: Biological assets – livestock and Note 11 – Biological assets to the financial statements.

Key audit matter	How the matter was addressed in our audit
	Our audit procedures performed over this area included, among others: (continued) • In respect of the projected selling prices and feed costs, we performed testing by comparing the projected selling prices against externally derived data, historical trends and other collaborative evidence available; • We tested the Group's control over the recording of livestock quantities. Our testing involved a comparison of actual quantity to our expectations, derived based on our understanding of the operation, size of the farms and subsequent quantities sold; and • We evaluated the adequacy of the disclosure, including disclosure of key assumptions, judgments and sensitivities analysis performed by the management.

ii) Purchase price allocation ("PPA") arising from acquisition of Boilermech Holdings Berhad

Refer to Note 2(a) – Significant accounting policies: Business combinations and Note 35.1 – Acquisition of subsidiaries to the financial statements.

Key audit matter	How the matter was addressed in our audit
Boilermech Holdings Berhad and its subsidiaries was an associate of the Group. On 25 January 2021, the Group has obtained a controlling interest in Boilermech Holdings Berhad and became a subsidiary of the Group. We have identified the PPA exercise as a key audit matter because determination of fair values in the identifiable assets acquired, and liabilities assumed, including the identification of intangible assets, requires significant judgement in estimating the underlying assumptions to be applied. Based on the PPA performed, the fair value of the net identifiable assets acquired is RM293,366,000, of which RM56,969,000 relates to fair value adjustments. The goodwill recognised amounted to RM107,754,000.	Our audit procedures performed over this area included, among others: • We obtained the underlying and the analysis of the transaction recognition in respect of compliance with *MFRS 3, Business Combinations*, including the purchase consideration and determination of the acquisition date; • We obtained the PPA report for the acquisition of the subsidiary which was prepared by an external party. We assessed the competency, capabilities and objectivity of management's expert who prepared the PPA report by considering their professional background, reputation and experience; • We engaged our valuation specialists in assessing the methodology applied in the PPA exercise and appropriateness of the key assumptions used in determining the valuation of intangible assets; and • Assessed the appropriateness and completeness of the disclosure in the financial statements in respect of this matter.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Independent Auditors' Report
to the Members of QL Resources Berhad
(Continued)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, the subsidiaries of which we have not acted as auditors are disclosed in Note 34 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ooi Eng Siong
Approval Number: 03240/02/2022 J
Chartered Accountant

Petaling Jaya

Date: 27 July 2021

List of Properties

as at 31 March 2021

Owner Company	Particulars of property	Date of revaluation or (date of acquisition)	Tenure	Existing use	Land & Build-up area	Net Book Value (RM'000)	Age of building (years)
PT. Pipit Mutiara Indah	Desa Sekatak Buji, Kecamatan Sekatak, Kabupaten Bulungan, Provinsi Kalimantan Utara	December 2009 (date obtained Hak Guna Usaha)	Leasehold to: 19.01.2045	Oil palm estate together with palm oil mill & building	14,177 ha Build-up area 20.0 ha	**111,521**	12
QL Farms (Tay Ninh) Liability Limited Company	Lot 261, 273, 290, 298, 311, 315 Thanh Phuoc Hamlet, Thanh Binh Commune, Tan Bien District, Tay Ninh Province, Vietnam	March 2018 (Land lease contract dated January 2019)	Rent land 50 years	Layer Farm (Percentage of work completed 84%)	Land Area: 450,365.9 m^2 Gross build-up area: 106,319 m^2	5,742 74,019 **79,761**	None 1
PT. QL Agrofood	HGB No. 1919 HGB No. 1920 Kelurahan Ciketing Udik, Kec. Bantar Gebang, Bekasi	(02.11.2013)	Leasehold to: 09.10.2042	Feedmill	4.46 acres 1.29 acres Build-up area 26,215.54 sq. m.	51,631 1,484 **53,115**	6 6
QL Kitchen Sdn. Bhd.	H.S.(D) 119695, Lot 139, Bandar Shah Alam, Daerah Petaling, Negeri Selangor No. 1, Jalan Kawat 15/18, Seksyen 15, 40200 Shah Alam, Selangor Darul Ehsan	(29.09.2019)	Leasehold 99 years (11.02.2075)	Vacant industrial land	20,438 sq. m.	**37,705**	N/A
QL Figo (Johor) Sdn. Bhd.	GRN238020, Lot 3627, Mukim of Kulai, District of Kulai Jaya, Johor	(June 2014)	Industrial land	2-storey detached office building, 8 blocks of single-storey detached factory	Land cost Site 5.5948 hectares Build-up area 245,000 sq. ft. (factory building)	18,000 19,617 **37,617**	 16
QL Foods Sdn. Bhd.	Lot 9122, 109, 110, 111, 112 GM2114, 3285, 3287, 3288, 3397 Mukim of Hutan Melintang District of Hilir Perak, Perak	13.01.2014	Freehold	2 units of surimi based products factory	Gross build-up of 16,840 square metre 3.55 ha	**34,084**	6

Owner Company	Particulars of property	Date of revaluation or (date of acquisition)	Tenure	Existing use	Land & Build-up area	Net Book Value (RM'000)	Age of building (years)
QL Marine Products Sdn. Bhd.	1. CL045081687 2. CL045076042 Kampung Bolong, District of Tuaran, Sabah	(27.12.2002) (19.09.2003)	1. Leasehold to 31.12.2104 2. Leasehold to 27.04.2929	Surimi, fishmeal & frozen seafood plant	26 acres 3 acres Build-up area 30,000 sq. m.	2,801 198 27,130 **30,129**	17
QL Palm Pellet Sdn. Bhd.	Geran 83005, Lot 1911, Mukim Buloh Kasap, Daerah Segamat, Negeri Johor	(30.11.2016)	Freehold	Land with existing oil palm estate	156.2815 hectares	**28,209**	N/A
QL Fishmeal Sdn. Bhd.	Lot 164, 2647 & 3314 &3315 & PT 7576 GM1653, GM1416 & GM2415 & GM1033 & H.S (M) 1638 Mukim of Hutan Melintang, District of Hilir Perak, Perak Lot 2647, Jalan Tepi Sungai 36400 Hutan Melintang, Perak	(November 2003)	Freehold	Fishmeal factory, warehouse, landing jetty cum office	Gross build-up area of 7,544 square metre 4.365 ha	**24,274**	17
KS Galah Sdn. Bhd.	1/3 undivided share of No. Pajakan Negeri 106522, Lot 169438, Mukim Klang, Daerah Klang, Negeri Selangor	(27.03.2019)	99-year leasehold expiring on 24.02.2097	Vacant industrial land Factory & office with 2 storey on Lot 169438 (WIP)	Provisional land area 9.605 acres or 418,393.8 sq. ft.	23,105 315 **23,420**	N/A

Shareholders' Analysis Report

as at 26 July 2021

Issued and paid-up capital	: RM620,025,000*
Type of shares	: Ordinary shares
Voting rights	: One vote per ordinary share

* As per audited financial statements, these figures are rounded to nearest thousand.

Shareholders by Size of Shareholdings, Directors' Shareholdings and Substantial Shareholders

Size of Shareholdings	No. of Shareholders	No. of Shares	% of Shareholding
less than 100	485	19,617	0.001
100 to 1,000	3,128	1,843,106	0.076
1,001 to 10,000	4,505	18,166,904	0.746
10,001 to 100,000	2,463	80,811,643	3.321
100,001 to less than 5% of issued shares	844	985,418,126	40.491
5% and above of issued shares	3	1,347,397,743	55.365
	11,428	2,433,657,139	100.000

Directors' Shareholdings

Name of directors	No. of shares held			
	Direct	%^	Indirect	%^
Chia Song Kun	1,316,250	0.054	1,001,491,271*	41.152
Chia Song Kooi	1,696,500	0.070	4,727,560**	0.194
Chia Seong Fatt	390,000	0.016	288,353,479#	11.849
Chia Mak Hooi	3,864,555	0.159	713,700##	0.029
Cheah Juw Teck	4,132,422	0.170	2,298,000**	0.094
Chia Seong Pow (Alternate Director)	3,540,000	0.145	291,510,796#	11.978
Chia Song Swa (Alternate Director)	1,105,650	0.045	4,222,900**	0.174
Chia Lik Khai (Alternate Director)	2,709,900	0.111	285,480##	0.012
Low Teng Lum	6,000	0.000	125,825##	0.005
Kow Poh Gek	-	-	13,845+	0.001
Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris	-	-	-	-
Chan Wai Yen	-	-	-	-
Cynthia Toh Mei Lee	-	-	-	-
Wee Beng Chuan	-	-	-	-

Notes:

- * *Deemed interest via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte. Ltd., Song Bak Holdings Sdn. Bhd., his and his spouse's indirect interest in Ruby Technique Sdn. Bhd. ("RT") and Pelita Global Sdn. Bhd. ("PG") as well as his spouse's and children's shares in QL.*
- ** *Indirect interest via his spouse's and children's shares in QL.*
- # *Deemed interest via his and his spouse's beneficial interest in Farsathy Holdings Sdn. Bhd., his and his spouse's indirect interest in RT and PG as well as his spouse's and children's shares in QL.*
- ## *Indirect interest via his spouse's shares in QL.*
- + *Indirect interest via her son's shares in QL.*
- ^ *Based on the issued and paid-up share capital of the Company comprising 2,433,657,139 ordinary shares.*

Substantial Shareholders

	Name of Shareholders	Direct	%	Indirect	%
1	CBG (L) Pte. Ltd.	979,596,109	40.252	-	0.000
2	CBG (L) Foundation	-	0.000	979,596,109	40.252
3	Farsathy Holdings Sdn. Bhd.	281,632,294	11.572	-	0.000
4	Chia Song Kun	1,316,250	0.054	1,001,491,271	41.152
5	Chia Seong Pow	3,540,000	0.145	291,510,796	11.978
6	Chia Seong Fatt	390,000	0.016	288,353,479	11.849
7	Employees Provident Fund Board	203,590,890	8.366	-	0.000

List of 30 Largest Shareholders

No.	Name of Shareholders	Shareholdings	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CBG (L) PTE LTD (PB)	873,831,859	35.906
2	FARSATHY HOLDINGS SDN BHD	281,632,294	11.572
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	191,933,590	7.886
4	CBG (L) PTE LTD	105,764,250	4.345
5	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	56,192,600	2.308
6	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	31,667,400	1.301
7	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	30,259,980	1.243
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	21,585,450	0.886
9	LEMBAGA TABUNG HAJI	17,083,800	0.701
10	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	16,296,123	0.669
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	14,363,440	0.590
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,676,630	0.561
13	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	13,482,764	0.554
14	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	10,984,455	0.451
15	LIU & CHIA HOLDINGS SDN BHD	10,466,350	0.430
16	CHIA SONG PHUAN	10,031,676	0.412
17	CHIA SIANG ENG	8,705,706	0.357
18	KEE SIOK HIN	8,040,375	0.330
19	LIU FUI MOY	7,835,040	0.321
20	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	7,410,300	0.304

Shareholders' Analysis Report
as at 26 July 2021
(Continued)

List of 30 Largest Shareholders (continued)

No.	Name of Shareholders	Shareholdings	%
21	ATTRACTIVE FEATURES SDN. BHD.	7,062,750	0.290
22	CHIA BAK LANG	6,765,450	0.277
23	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	6,543,030	0.268
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	6,255,345	0.257
25	PERTUBUHAN KESELAMATAN SOSIAL	6,088,600	0.250
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK DANA UNGGUL	5,832,813	0.239
27	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	5,601,200	0.230
28	TAN THEAN HOCK	5,597,048	0.229
29	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	5,574,400	0.229
30	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	5,533,666	0.227

Disclosure on Recurrent Related Party Transactions

Existing RRPT

(a) Transactions between QL Group and companies in which Mr. Chia Song Kun and person(s) connected to him have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 29 September 2020 to 26 July 2021 (RM'000)	Actual transacted value for the financial year ended 31 March 2021 (RM'000)
1.	QL Fishery Group	Purchase of raw fish; sale of surimi and surimi-based product; sale of frozen fish; renting of property	Sin Teow Fatt Trading Company Fusipim Sdn. Bhd. Cheah Joo Kiang Enterprise M.B. Agriculture (Sandakan) Sdn. Bhd. Credential Development Sdn. Bhd.	14,280	34,280	8,231	11,505
		Purchase of packing material[2]	E Koon Plastics Trading	-	3,100	224	1,300
		Sale of surimi-based product[3]	C-Care Enterprise Sdn. Bhd.	-	3,000	3,622	2,872
2.	QL Feedingstuffs Group	Purchase of raw material and packing material; sale of animal feed; sale of lubricant; sale of broiler, chicken part, egg, sundries, meat/frozen food, organic fertilizer and animal health product	M.B. Agriculture (Sabah) Sdn. Bhd. Arena Dijaya Sdn. Bhd. M.B. Agriculture (Sandakan) Sdn. Bhd. Highglobal Properties Sdn. Bhd. Total Icon Sdn. Bhd.	54,820	34,540	36,100	39,678
3.	QL Oil Group	Purchase of fresh fruit bunch and ERP fertilizer	M.B. Agriculture (Sandakan) Sdn. Bhd. Highglobal Properties Sdn. Bhd. Total Icon Sdn. Bhd.	2,100	1,600	1,071	1,082
	Total			**71,200**	**76,520**	**49,248**	**56,437**

Disclosure on Recurrent Related Party Transactions (Continued)

(b) Transactions between QL Group and companies in which Mr. Chia Seong Pow/Mr. Chia Seong Fatt and person(s) connected to them have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 29 September 2020 to 26 July 2021 (RM'000)	Actual transacted value for the financial year ended 31 March 2021 (RM'000)
1.	QL Fishery Group	Sale of frozen fish	M.B. Agriculture (Sandakan) Sdn. Bhd.	200	200	59	68
2.	QL Feedingstuffs Group	Purchase of raw material and packing material; sale of animal feed; sale of lubricant; sale of broiler, chicken part, egg, sundries, meat/frozen food, organic fertilizer and animal health product	M.B. Agriculture (Sabah) Sdn. Bhd. Arena Dijaya Sdn. Bhd. M.B. Agriculture (Sandakan) Sdn. Bhd. Highglobal Properties Sdn. Bhd. Total Icon Sdn. Bhd.	54,820	34,540	36,100	39,678
3.	QL Oil Group	Purchase of fresh fruit bunch and ERP fertilizer	M.B. Agriculture (Sandakan) Sdn. Bhd. Highglobal Properties Sdn. Bhd. Total Icon Sdn. Bhd.	2,100	1,600	1,071	1,082
	Total			**57,120**	**36,340**	**37,230**	**40,828**

(c) Transactions between QL Group and companies in which Mr. Sim Chin Swee and person(s) connected to him have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 29 September 2020 to 26 July 2021 (RM'000)	Actual transacted value for the financial year ended 31 March 2021 (RM'000)
1.	QL Fishery Group	Purchase of spare part and other consumable; purchase of fish[4]	Keang Huat Trading Sdn. Bhd. Perikanan Sri Tanjung Sdn. Bhd. Timurikan Trengganu Marine Products Sdn. Bhd. Perikanan Hap Huat Sdn. Bhd. Timurikan Trengganu Sdn. Bhd.	-	7,500	1,271	2,462
	Total			**-**	**7,500**	**1,271**	**2,462**

(d) Transactions between QL Group and companies in which Mr. Heng Hup Peng and person(s) connected to him have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 29 September 2020 to 26 July 2021 (RM'000)	Actual transacted value for the financial year ended 31 March 2021 (RM'000)
1.	QL Fishery Group	Purchase of fish	Perikanan Sri Tanjung Sdn. Bhd. Timurikan Trengganu Marine Products Sdn. Bhd. Perikanan Hap Huat Sdn. Bhd. Timurikan Trengganu Sdn. Bhd. Hai Hong Fishery Sdn. Bhd.	6,600	6,600	998	2,272
	Total			**6,600**	**6,600**	**998**	**2,272**

Notes:

(1) The new estimated value is based on the Management's estimate which takes into account the transacted amount for the FYE 31 March 2021 as well as the changing economic and competitive environment. Announcement will be made accordingly if the total actual value exceeds the total estimated value by 10% or more.
(2) QL Fishery Group had ceased transactions with E Koon Plastics Trading in November 2020. Thus, it will not be seeking shareholders' mandate.
(3) QL Fishery Group will not be seeking shareholders' mandate for this transaction following the resignation of Mr. Chia Teow Guan, as it is no longer a related party transaction.
(4) QL Fishery Group will not be seeking shareholders' mandate for transactions in which Mr. Sim Chin Swee and person(s) connected to him have interests following his resignation in certain subsidiaries.

Additional RRPT

(a) Transactions between QL Group and companies in which Mr. Chia Song Kun and person(s) connected to him have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)
1.	QL Fishery Group	Purchase of lubricant and packing material	Sin Teow Fatt Trading Company E Koon Trading	3,150
	Total			**3,150**

Disclosure on Recurrent Related Party Transactions (Continued)

(b) Transactions between QL Group and companies in which Mr. Chua Lee Guan and person(s) connected to him have interests

No.	Company	Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM[1] (RM'000)
1.	QL Fishery Group	Purchase of spare part and other consumable; purchase of fish	Keang Huat Trading Sdn. Bhd. Perikanan Sri Tanjung Sdn. Bhd. Timurikan Trengganu Marine Products Sdn. Bhd. Perikanan Hap Huat Sdn. Bhd. Timurikan Trengganu Sdn. Bhd.	7,500
	Total			**7,500**

Note:

(1) The new estimated value is based on the Management's estimate which takes into account the transacted amount for the FYE 31 March 2021 as well as the changing economic and competitive environment.

Classes of Related Parties

The Proposed Renewal of and New RRPT Mandate will apply to the following Related Parties:

(i) Sin Teow Fatt Trading Company is a sole proprietor dealing with marine products, sundry goods and ice and it is owned by Mr. Cheah Yaw Song who is also Director of QL Foods Sdn. Bhd. ("**QL Foods**"), QL Fishmeal Sdn. Bhd. and a member of the Chia Family.

(ii) Fusipim Sdn. Bhd. ("**Fusipim**") is a company involved in manufacturing of frozen fish based products. The Directors and shareholders of Fusipim are Madam Chia Kah Chuan and her spouse Mr. Eng Seng Poo. Madam Chia Kah Chuan is a member of the Chia Family.

(iii) Cheah Joo Kiang Enterprise is a sole proprietorship established by Mr. Cheah Joo Kiang, which is engaged in the trading of fish ball. Mr. Cheah Joo Kiang is the son of Mr. Cheah Yaw Song and the brother of Mr. Cheah Juw Teck. Mr. Cheah Yaw Song is a Director of QL Foods and member of the Chia Family. Whereas, Mr. Cheah Juw Teck is a Director of QL Foods as well as Director and shareholder of QL.

(iv) Keang Huat Trading Sdn. Bhd. ("**KH**") is a trading company of all kinds of hardware, marine engines, fishing and other related activities. KH is a Major Shareholder (10.88%) of QL Endau Marine Products Sdn. Bhd. ("**QLEMP**"). Mr. Chua Lee Guan is a Director of QLEMP and QL Endau Fishmeal Sdn. Bhd. ("**QLEFM**") and deemed as a Major Shareholder of QLEMP and QLEFM by virtue of his interests via PK Chua Resources Sdn. Bhd. He is also the Director and deemed as a Major Shareholder of KH by virtue of his interest via PK Chua Resources Sdn. Bhd. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

(v) Perikanan Sri Tanjung Sdn. Bhd. ("**PST**") is a company engaged in manufacturing, trading and processing of deep sea fish, diesel and provision of transportation services. Mr. Chua Lee Guan is a Director of QLEMP and QLEFM and deemed as a Major Shareholder of QLEMP and QLEFM by virtue of his interests via PK Chua Resources Sdn. Bhd. He is also the Director and Major Shareholder of PST. Whereas, Mr. Heng Hup Peng is a Director of QLEMP, QLEFM and shareholder of QLEMP as well as a Director and Major Shareholder of PST. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

(vi) Timurikan Trengganu Marine Products Sdn. Bhd. ("**TTMP**") is a company engaged in marine products manufacturing, trading of edible fishes, frozen fishes and other aquatic animals. Mr. Chua Lee Guan is a Director of QLEMP and QLEFM and Major Shareholder of QLEMP and QLEFM by virtue of his interests via PK Chua Resources Sdn. Bhd. He is also the Director and Major Shareholder of TTMP. Whereas, Mr. Heng Hup Peng is a Director of QLEMP and QLEFM and shareholder of QLEMP as well as a Director and Major Shareholder of TTMP. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

The Proposed Renewal of and New RRPT Mandate will apply to the following Related Parties (continued):

(vii) M.B. Agriculture (Sabah) Sdn. Bhd. ("**MB (Sabah)**") is engaged in livestock farming and is 77.67% and 22.33% owned by Imbangan Lestari Sdn. Bhd. ("**Imbangan**") and Farsathy Holdings Sdn. Bhd. ("**Farsathy**") respectively. Imbangan is a wholly-owned subsidiary of CBG (L) Foundation ("**CBG Foundation**"), an entity that has indirect interests in QL via CBG (L) Pte. Ltd. ("**CBG (L)**"), a Major Shareholder of QL. Farsathy is also a Major Shareholder of QL.

(viii) C-Care Enterprise Sdn. Bhd. ("**C-Care**") is engaged in businesses of wholesale and retail of sundry and other consumable goods and frozen foods. Mr. Chia Soon Hooi and his spouse Madam Low Sok Peng are Directors and shareholders of C-Care. Mr. Chia Soon Hooi is the son of Mr. Chia Teow Guan and the brother of Mr. Chia Mak Hooi. Mr. Chia Teow Guan has resigned as a Director in QL Foods effective 26 February 2021. However, Mr. Chia Teow Guan is a Director under Para 1.01 in the MMLR of Bursa Malaysia Securities Berhad. Therefore, the transaction with C-Care will be monitored for six (6) months until 25 August 2021. Mr. Chia Teow Guan is a member of the Chia Family whereas Mr. Chia Mak Hooi is a Director and shareholder of QL.

(ix) Arena Dijaya Sdn. Bhd. ("**Arena**") is engaged in livestock farming and is 77.67% and 22.33% owned by Imbangan and Farsathy respectively. Imbangan is a wholly-owned subsidiary of CBG Foundation, an entity that has indirect interests in QL via CBG (L), a Major Shareholder of QL. Farsathy is also a Major Shareholder of QL.

(x) M.B. Agriculture (Sandakan) Sdn. Bhd. ("**MB (Sandakan)**") is engaged in livestock farming and is 77.67% and 22.33% owned by Imbangan and Farsathy respectively. Imbangan is a wholly-owned subsidiary of CBG Foundation, an entity that has indirect interests in QL via CBG (L), a Major Shareholder of QL. Farsathy is also a Major Shareholder of QL.

(xi) E Koon Trading ("**E Koon**") is a sole proprietorship engaged in wholesale of metal, kitchenware, glass and plastic. E Koon is owned by Mr. Cheah Jui Koon. He is the son and brother of Mr. Cheah Yaw Song and Mr. Cheah Juw Teck respectively. Mr. Cheah Yaw Song is a Director of QL Foods and QL Fishmeal Sdn. Bhd. ("**QLFM**") and member of the Chia Family. Whereas, Mr. Cheah Juw Teck is a Director of QL Foods and QLFM as well as Director and shareholder of QL.

(xii) Perikanan Hap Huat Sdn. Bhd. ("**PHH**") is a wholesaler and engaged in trading of frozen edible fishes and other aquatic animals. Mr. Chua Lee Guan is a Director and Major Shareholder of PHH. He is also deemed as a Major shareholder of QLEMP and QLEFM by virtue of his interests via PK Chua Resources Sdn. Bhd.. Whereas, Mr. Heng Hup Peng is a Director of QLEMP and QLEFM and shareholder of QLEMP as well as a Director and Major Shareholder of PHH. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

(xiii) Hai Hong Fishery Sdn. Bhd. ("**HHF**") is engaged in trading of fish, all types of fishery and seafood products as well as carry on fisheries activities. Mr Heng Hup Peng is a Director of QLEMP and QLEFM and shareholder of QLEMP as well as a Director and Major Shareholder of HHF. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

(xiv) Highglobal Properties Sdn. Bhd. ("**HP**") is engaged in the cultivation of oil palm, sales of fresh fruit bunches, sales of gravel and rearing of swiftlets. It is 33% owned by MB (Sandakan), which in turn is 77.67% and 22.33% owned by Imbangan and Farsathy respectively. Imbangan is a wholly-owned subsidiary of CBG Foundation, an entity that has indirect interests in QL via CBG (L), a Major Shareholder of QL. Farsathy is also a Major Shareholder of QL.

(xv) Total Icon Sdn. Bhd. ("**TI**") is engaged in sales of fresh fruit bunches and rearing of swiftlets. Mr. Chia Seong Fatt, Mr. Chia Lik Khai and Mr. Chia Seong Pow are Major Shareholders of TI with a total shareholding of 40% in TI. Mr. Chia Seong Fatt is Director of QL Plantation Sdn. Bhd. ("**QLP**") and QL Farms Sdn. Bhd. whilst Mr. Chia Lik Khai is Director of QLP. Mr. Chia Seong Fatt and Mr. Chia Seong Pow are brothers and they are also Directors and Major Shareholders of QL. Mr. Chia Lik Khai is also the Director and shareholder of QL.

Disclosure on Recurrent Related Party Transactions (Continued)

The Proposed Renewal of and New RRPT Mandate will apply to the following Related Parties (continued):

(xvi) Timurikan Trengganu Sdn. Bhd. ("**TT**") is a company engaged in deep sea fishing. Mr. Chua Lee Guan is a Director of QLEMP and QLEFM and deemed to be a Major Shareholder of QLEMP and QLEFM by virtue of his interests via PK Chua Resources Sdn. Bhd.. He is also the Director and Major Shareholder of TT. Whereas, Mr. Heng Hup Peng is a Director of QLEMP and QLEFM and shareholder of QLEMP as well as a Director and Major Shareholder of TT. QLEFM is a wholly-owned subsidiary of QLEMP, which in turn is 70.59% owned by QL.

(xvii) Credential Development Sdn. Bhd. ("**CD**") is an investment holding company and a wholly-owned subsidiary of CBG Holdings Sdn. Bhd. ("**CBG**"). Mr. Chia Song Kun ("**SKun**") is a Director and Major Shareholder of CBG and CD by virtue of his deemed interest via CBG. SKun is deemed to have interest in QL Foods by virtue of his interests in QL, a body corporate in which SKun and his spouse is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting ("AGM") of QL Resources Berhad ("QL" or the "Company") will be conducted entirely through live streaming from the broadcast venue at QL Training Hall, No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor ("Broadcast Venue") on Wednesday, 22 September 2021 at 10.00 a.m. to transact the following businesses:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 together with the Directors' and Auditors' Report thereon. — Refer to Explanatory Note 1

2. To approve the payment of a final single tier dividend of 3.50 sen per ordinary share in respect of the financial year ended 31 March 2021. — Ordinary Resolution 1

3. To re-elect the following Directors who retire in accordance with Clause 124 of the Company's Constitution and being eligible, offers themselves for re-election:

   Prof. Datin Paduka Setia Dato' Dr. Aini Binti Ideris — Ordinary Resolution 2
   Chan Wai Yen — Ordinary Resolution 3
   Cynthia Toh Mei Lee — Ordinary Resolution 4

4. To re-elect the following Directors who retire in accordance with Clause 129 of the Company's Constitution and being eligible, offers themselves for re-election:

   Chia Seong Fatt — Ordinary Resolution 5
   Chia Mak Hooi — Ordinary Resolution 6
   Cheah Juw Teck — Ordinary Resolution 7

5. To approve the proposed payment of Directors' fees amounting to RM973,500 from 1 October 2021 until the next Annual General Meeting, and further, to authorise the Directors to apportion the fees and make payment in the manner as the Directors may determine. — Ordinary Resolution 8

6. To approve the proposed payment of Directors' benefits amounting to RM61,185 from 1 October 2021 until the next Annual General Meeting. — Ordinary Resolution 9

7. To approve the additional payment of Directors' fees of RM88,500 following the postponement of the Annual General Meeting in 2021. — Ordinary Resolution 10

8. To approve the additional payment of Directors' benefits of RM6,000 following an additional Board of Directors' Meeting held in December 2020. — Ordinary Resolution 11

9. To re-appoint Messrs. KPMG PLT as the auditors of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 12

As Special Business:

To consider and if thought fit, pass the following resolutions:-

10. **Authority to Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016** — Ordinary Resolution 13

    "THAT pursuant to Section 75 and Section 76 of the Companies Act 2016, and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

11. **Proposed Renewal for the Company to purchase its own shares of up to 10% of the total number of issued shares ("Proposed Renewal of Share Buy Back Authority")** Ordinary Resolution 14

"THAT approval be and is hereby given to the Company to, from time to time, purchase through Bursa Securities such number of ordinary shares in the Company as may be determined by the Directors of the Company upon such terms and conditions as the Directors may deem fit and expedient in the best interests of the Company provided that:

(1) the aggregate number of shares purchased and/or retained as treasury shares shall not exceed 10% of the total number of issued shares of the Company at the time of purchase ("Proposed Renewal of Share Buy Back Authority");

(2) the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy Back Authority shall not exceed the Company's aggregate retained profits;

(3) such authority from shareholders of the Company will be effective immediately upon passing of this ordinary resolution and will continue to be in force until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities or any other relevant authority;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to:-

(a) cancel all or part of the shares so purchased;
(b) retain all or part of the shares so purchased as treasury shares;
(c) distribute the treasury shares as share dividends to the Company's shareholders for the time being;
(d) transfer the treasury shares or any part thereof as purchase consideration and/or for the purposes of or under an employees' share scheme; and/or
(e) to resell the treasury shares on Bursa Securities;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary, including the opening and maintaining of a central depositories account(s) and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to and to implement the Proposed Renewal of Share Buy Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

12. **Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of and New RRPT Mandate")** Ordinary Resolution 15

"THAT approval be and is hereby given to the Company and its subsidiaries to renew the shareholders' mandate and seek new shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as set out in Part A, Section 2.4 of the Circular to Shareholders dated 20 August 2021 with the related parties described therein which are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not detriment of the minority shareholders;

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(ii) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of and New RRPT Mandate."

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

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final single tier dividend, if approved, will be paid on 15 October 2021 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 5 October 2021.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 5 October 2021 in respect of transfers; and

(b) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

Ng Geok Ping
SSM PC No. 202008000006
Company Secretary

Shah Alam, Selangor Darul Ehsan
20 August 2021

NOTES:-

PROXY:

1. The Broadcast Venue of the 24th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue of the meeting.

   Shareholders/proxy(ies) will not be allowed to attend the 24th AGM in person at the Broadcast Venue.

   Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 24th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Guide and take note of Notes (2) to (11) below in order to participate remotely via RPV**.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 14 September 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

3. A Member, including an Authorised Nominee, may appoint not more than two (2) proxies to participate and vote instead of the Member or Authorised Nominee on the same occasion via RPV.

4. An Exempt Authorised Nominee (which holds ordinary shares in the Company for the Omnibus Account) may appoint one (1) or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. Where a Member, an Authorised Nominee or an Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.

6. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.

7. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 24th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH online website at https://tiih.online. **Please follow the Procedures for RPV in the Administrative Guide**.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic form

   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

10. Last date and time for lodging the proxy form is **Monday, 20 September 2021 at 10.00 a.m**.

11. In the case of a corporation, the instrument appointing a proxy or proxies must be in accordance with the corporation's constitution.

EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1

With reference to Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 27 May 2021, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made on 15 October 2021 in accordance with the requirements under Section 132(2) and (3) of the Act.

3. Ordinary Resolutions 2 to 7

Clause 124 of the Company's Constitution provides that one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office but shall be eligible for re-election. Hence, 3 out of 8 Directors of the Company are to retire in accordance with Clause 124 of the Company's Constitution.

Clause 129 of the Company's Constitution provides that the directors may appoint a person who is willing to act as Director, either to fill a casual vacancy or as an additional Director, in accordance with the Company's Constitution. The directors so appointed shall hold office only until this annual general meeting and shall then be eligible for re-election.

4. Ordinary Resolutions 8 and 9

The actual payment of Directors' fees incurred for the financial year 2021 was RM1,170,000.

The proposed Ordinary Resolutions 8 and 9, if passed, will give authority to the Company to pay the Directors' fees and benefits from 1 October 2021 until the next AGM.

The Directors' fees and benefits comprise the following and will be paid as and when incurred:

Fees	Amount
Chairman of the Board	RM11,000 per month
Chairman of the Board Committees	RM10,000 per month
Group Managing Director	RM9,000 per month
Executive Director	RM7,000 per month
Independent Director	RM7,500 per month
Benefits	
Meeting Allowance	RM1,000 per meeting day
Directors' and Officers' Indemnity Insurance	RM25,185

5. **Ordinary Resolution 10**

The approved payment of Directors' fees commencing the conclusion of the 23rd AGM up till August 2021 was at RM973,500. Following the postponement of the 24th AGM from August to September 2021, the additional payment of Directors' fees amounted to RM88,500.

6. **Ordinary Resolution 11**

The approved payment of Directors' benefits commencing the conclusion of the 23rd AGM up till August 2021 was at RM61,185. Following an additional Board of Directors' Meeting held in December 2020, the additional payment of Directors' benefits amounted to RM6,000.

7. **Ordinary Resolution 13**

The proposed resolution is a renewal of the general authority for the Directors to issue shares pursuant to Section 75 and Section 76 of the Act. If passed, it will empower the Directors from the conclusion of the above AGM until the conclusion of the next AGM to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

The Company has not issued any new shares pursuant to Section 75 and Section 76 of the Act under the general mandate which was approved at the 23rd AGM of the Company held on 29 September 2020 and which will lapse at the conclusion of the 24th AGM. A renewal of this authority is being sought at the 24th AGM.

The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares.

8. **Ordinary Resolution 14**

The proposed resolutions, if passed, will empower the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the conclusion of the next AGM of the Company or within which the next AGM after the date is required by law to be held, whichever occurs first. For further information, please refer to Part B of the Circular to Shareholders dated 20 August 2021.

9. **Ordinary Resolution 15**

The proposed resolutions pertains to the shareholders' mandate required under Part E, Chapter 10.09(2) of the MMLR of the Bursa Securities. The said Proposed Renewal of and New RRPT Mandate if passed, will mandate the Company and/or its subsidiaries to enter into categories of recurrent transactions of a revenue or trading nature and with those related parties as specified in Part A, Section 2.2 of the Circular to Shareholders dated 20 August 2021. The mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year. The director, major shareholder or person connected with a director or major shareholder, who has interest in the transaction, must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstain from voting on the resolutions approving the transactions.

全利資源有限公司
QL Resources Berhad
Registration No. 199701013419 (428915-X)

Form of Proxy

No. of ordinary shares held	
CDS Account No.	
Email address	

I/We ______________________________ (NRIC No./Passport No ______________)
(FULL NAME IN BLOCK LETTERS)

of ______________________________
(FULL ADDRESS)

being a member of **QL RESOURCES BERHAD**, hereby appoint ______________________________
(FULL NAME)

(NRIC No./Passport No ______________) (Proxy 1) of ______________________________,
(FULL ADDRESS)

and, ______________________ (NRIC No./Passport No ______________________) (Proxy 2)

of ______________________________
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the 24th Annual General Meeting ("AGM") of the Company, to be conducted fully virtual at the Broadcast Venue at QL Training Hall, No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor on Wednesday, 22 September 2021 at 10.00 a.m. or any adjournment thereof.

My/our proxy is to vote as indicated below:

Resolutions	For	Against
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		
Ordinary Resolution No. 7		
Ordinary Resolution No. 8		
Ordinary Resolution No. 9		
Ordinary Resolution No. 10		
Ordinary Resolution No. 11		
Ordinary Resolution No. 12		
Ordinary Resolution No. 13		
Ordinary Resolution No. 14		
Ordinary Resolution No. 15		

Please indicate with an "X" or "✓" in the space provided as to how you wish your votes to be cast on the resolutions specified in the Notice of 24th AGM. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this ____________ day of __________ 2021

For appointment of two (2) proxies, percentage of shareholding to be represented by the proxies:		
	No. of Shares	**Percentage**
Proxy 1		
Proxy 2		
Total		

____
Signature of Shareholder

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The Share Registrar

QL RESOURCES BERHAD
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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www.ql.com.my

QL Resources Berhad (Registration No. 199701013419 (428915-X))

No. 16A, Jalan Astaka U8/83, Bukit Jelutong,
40150 Shah Alam, Selangor Darul Ehsan.

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