SUSTAINABILITY STATEMENT (CONT'D)

MANAGING SUSTAINABILITY

ENVIRONMENTAL RESPONSIBILITY

Being an agro-based company, our operations are sensitive to climate change. QL is committed to minimising our environmental impact. This year, QL focused on energy and water efficiency management as well as conserving the environment through renewable energy, advanced waste management system and biodiversity

In line with the national aspiration of becoming carbon neutral by year 2050, we expanded our renewable energy and water treatment solutions through the POCE business pillar, enabling us to support our clients' carbon footprint reduction initiatives.

Generated over **53,061 GJ** of renewable energy from solar and biogas

Diverted **97.0% non-hazardous waste** generated away from landfill; composted **over 95.3%** manure into organic fertiliser

Reduced **24.5% GHG** intensity from base year FY2020

Avoided over **26,240 tCO_2e** in GHG emissions from solar energy generation

Reduced water withdrawal intensity **30.2% Year-Over-Year**

Planted **1,000 mangrove** seedlings; 99% survival rate

Material Matters	Progress Across the Years		
	FY2020	FY2021	FY2022
Climate Changes & Emissions	• Started installation and use of solar energy	• Set GHG emissions intensity reduction target to be achieved by FY2026	• Increased solar installation in more operations • Encouraged renewable energy solutions adoption; installed solar solutions for 162 businesses (clients)
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 monitoring at production sites • Started tracking and monitoring water withdrawal by source	• Increased water meter installation for data collection and enhanced analysis • Increased rainwater harvesting
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	• Created recycling awareness among employees via training • Increased chicken manure composting capacity • Enabled clients to manage discharge with wastewater treatment solutions
Biodiversity	• Collaboration with strategic partner for mangrove conservation programme		• Planted 1,000 mangrove seedlings

CLIMATE CHANGE & EMISSIONS

Performance

- **24.5% GHG** intensity reduction from base year FY2020
- Generated over **53,061 GJ** of renewable energy from solar and biogas
- Avoided over **26,240 tCO_2e** of GHG emissions from solar energy generated
- Planted **1,000 mangrove** seedlings in Biodiversity Programme

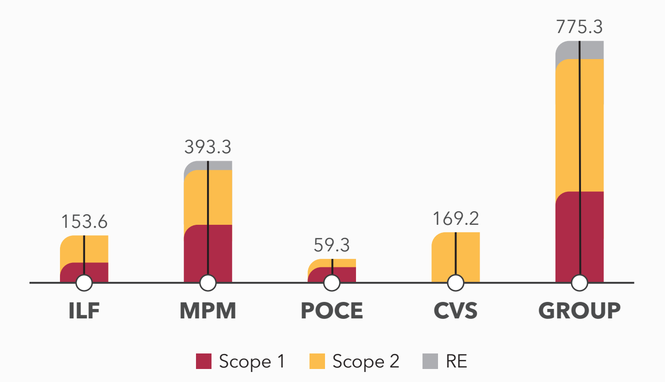
Our Approach

Climate change is a key challenge in our supply chain, affecting the sourcing of raw materials, productions and logistics. QL implements programmes and activities that are aligned with our climate impact management roadmaps. We actively contribute towards a cleaner environment by harnessing renewable energy from several resources, providing solar energy solution to more clients and rolling out a mangrove reforestation and rehabilitation programme.

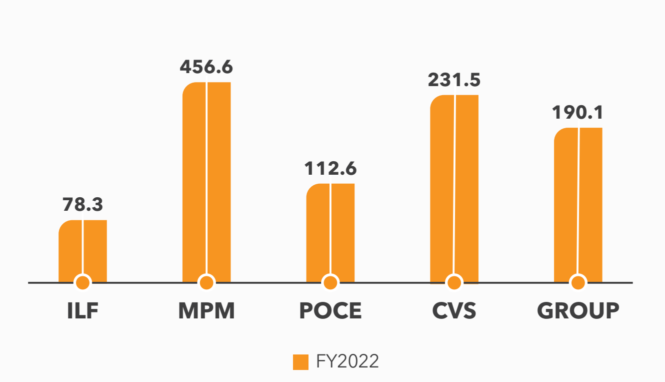
Managing Our Energy Consumption and GHG Emissions

The Group's total energy consumption in FY2022 is approximately 775,345 Gigajoule (GJ) and correspondingly, energy intensity stands at 190.10 GJ/million (mil) RM revenue. The total GHG emissions amounted to 99,458 tCO_2e, equivalent to intensity of 24.38 tCO_2e/mil RM Revenue. Our GHG emission intensity reduced by 24.5% from FY2020, mainly attributable to the higher average unit selling price. GHG emissions from other sources such as chicken manure and palm oil mill effluent (POME) was recorded at 5,261 tCO_2e, a 21.3% reduction from base year FY2020.

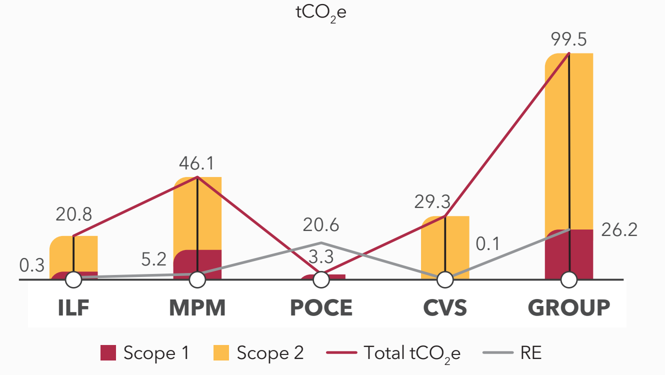
Total Energy Consumption (GJ)
- (Scope 1, 2 & Renewable Energy) by Business Pillar
'000 GJ



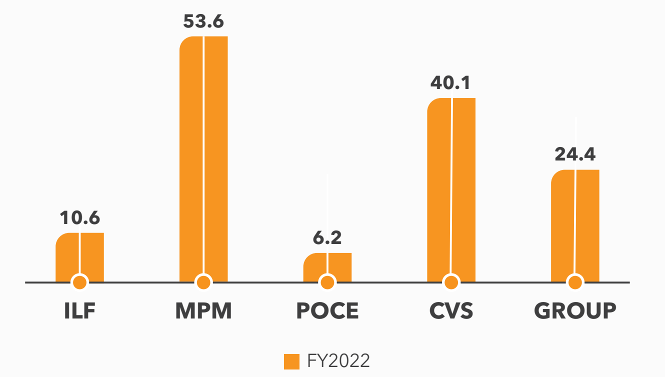
Energy Intensity (Scope 1,2 & Renewable) by Business Pillar
GJ/Mil
RM Revenue



GHG Emission from Total Energy
(Used in Scope 1 & 2 and Avoidable in Renewal Energy)
by Business Pillar
tCO_2e

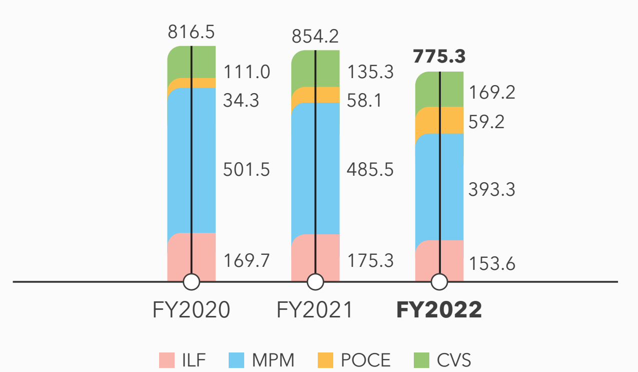


GHG Emission (Scope 1, 2 & Renewable Energy)
by Business Pillar
tCO_2e/ mil RM Revenue

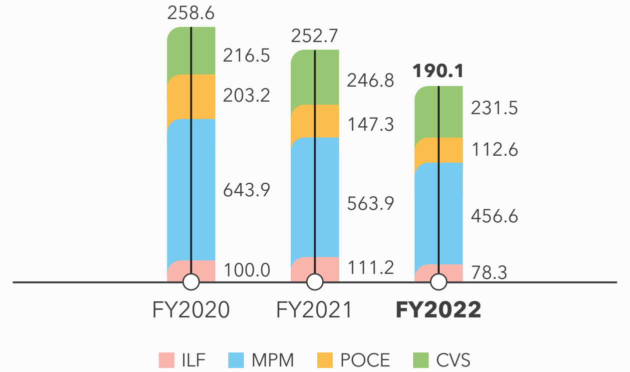


SUSTAINABILITY STATEMENT (CONT'D)

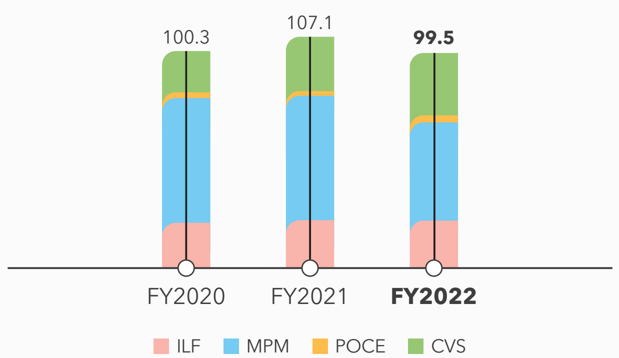
Total Energy Consumption (Scope 1, 2 & Renewable Energy)
'000 GJ



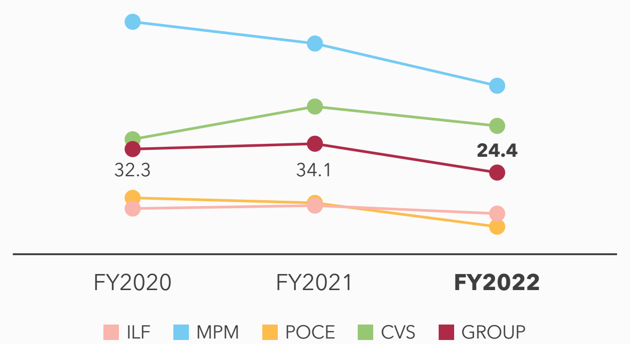
Energy Intensity (Scope 1, 2 & Renewable Energy)
GJ/mil RM revenue



Total GHG Emission (Scope 1 & 2)
'000 tCO_2e



Total GHG Emission (Scope 1 &2)
'000 tCO_2e



*GHG emissions intensity in FY2021 have been restated with revised calculation

*Energy consumption is reported in GJ this year to align with the unit of consumption used in energy intensity report

CLIMATE CHANGE & EMISSIONS (Cont'd)

HARNESSING RENEWABLE ENERGY

In QL's strategic decision to reduce consumption of fossil fuel-based energy, we progressively increased solar panel installations in our operation sites and actively supply renewable energy generated from the biogas plant to the grid.

In FY2022, 7.5% of total energy consumption was supplied from our renewable energy initiatives, which is 2.0% higher than FY2021. QL generated 53,061 GJ of renewable energy, avoiding 26,240 tCO_2e in GHG emissions.

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 FY2022, the biogas plant generated a total of 10,688.4 GJ of electricity, avoiding a total of 20,240 tCO_2e GHG emissions. Approximately 55% of the generated energy was used on-site. The biogas plant performance was affected by lower processing activities in palm oil mill.

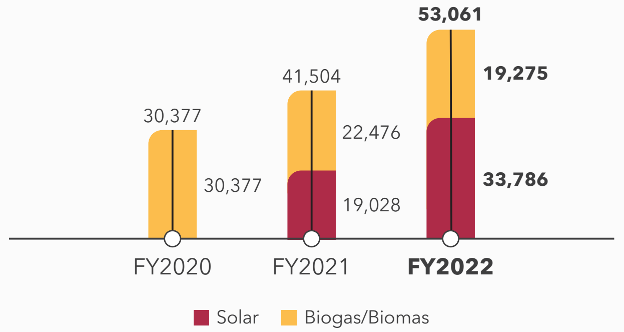
Solar Panel at Breeder farm

Renewable Energy installation to client's site

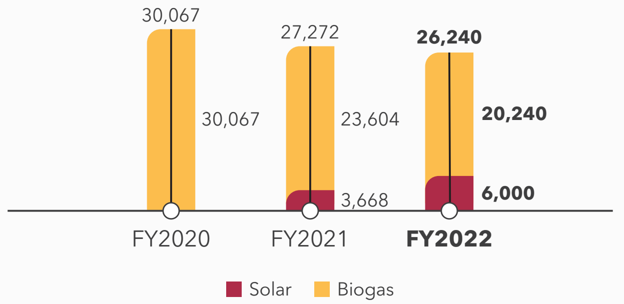
Renewable Energy Enabler

QL has also extended our business activities into the Clean Energy sector through Boilermech Holdings Berhad, a solar and biomass renewable energy engineering company. We offer a wider range of clean energy solutions across the group and to clients. This year, we enabled approximately 13.87-megawatt peak (MWp) of installed capacity from total 162 projects.

Total Renewable Energy Generated
GJ



Total GHG Emissions Avoided from Renewable Energy
tCO_2e



SUSTAINABILITY STATEMENT (CONT'D)

WATER SECURITY

Performance	Our Approach
• **30.2%** water withdrawal Intensity reduction YoY • **4,033 m³** of rainwater harvesting for non-potable uses	Water scarcity affects many communities globally. QL emphasises water scarcity matter in our materiality priorities. We are committed to safeguarding water resources and optimising consumption at all sites with our tracking system. We also enhance the wastewater treatment solutions to prevent the depletion of water quality. To increase water scarcity awareness and availability, we ventured into water treatment solutions to meet the growing demand for clean water and wastewater treatment services for industrial applications.

Effective Water Management

In FY2022, the Group's water withdrawal intensity amounted to 594.5 m³/mil RM revenue compared to 851.5 m³/mil RM revenue in FY2021. This marked a 30.2% reduction YoY. The performance is mainly due to the higher average unit selling price, and inclusion of Boilermech.

WATER SAVING INITIATIVES

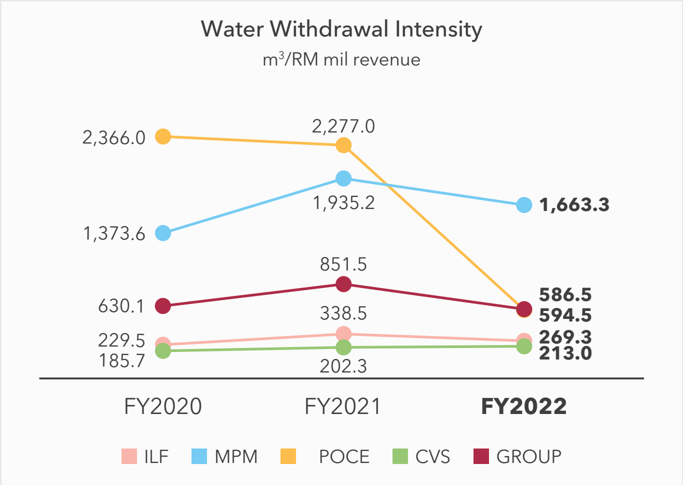
Access to water is a fundamental right for all. Water is critical for life and living. Water use has increased in tandem with, if not outpacing, population growth.

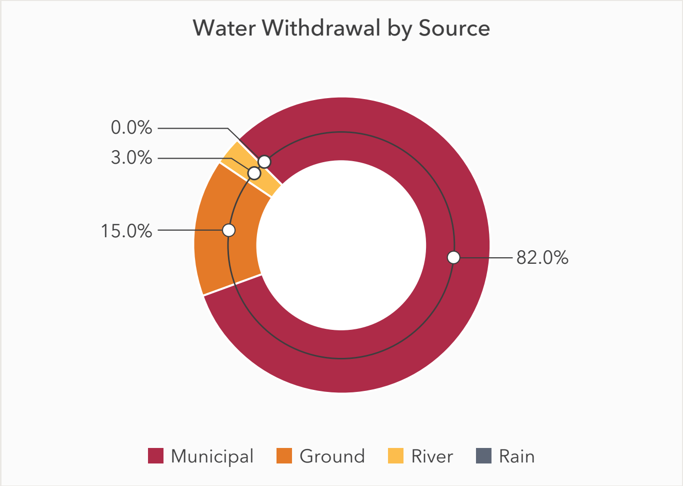
QL identified three key strategies for our effective water management roadmap which are increase monitoring, optimise water consumption to reduce wastage and enhance rainwater harvesting.

Since FY2020, QL has progressively installed over 100 units of water meters in production sites. The initiative has increased the visibility of the water consumption by each process and the active data monitoring and analysing has helped optimise water consumption and reduce water wastage.

Additionally, QL continuously evaluates our water withdrawal sources to mitigate water scarcity risk. Rainwater harvesting is one our new source of water supply. We installed a rainwater harvesting system in QL Breeder February 2021 and harvested 86 m³ in last two months of FY2021. In FY2022, this rainwater harvesting system collected 4,033 m³.

Rainwater harvesting system in QL Breeder





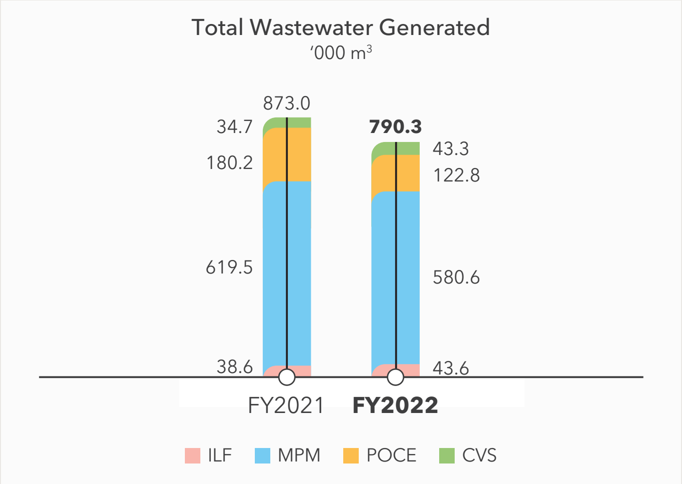
MANAGING OUR EFFLUENTS

QL understands the risks associated with pollution from discharge. We take strict measures to ensure wastewater generated from our sites is compliant with regulatory requirements before being discharged into the environment.

As part of our wastewater management plan, a new wastewater treatment plant (WWTP) was installed and commissioned in QL Ansan Poultry farm in August 2021 and it treated 12,298 m³ of wastewater in seven months.

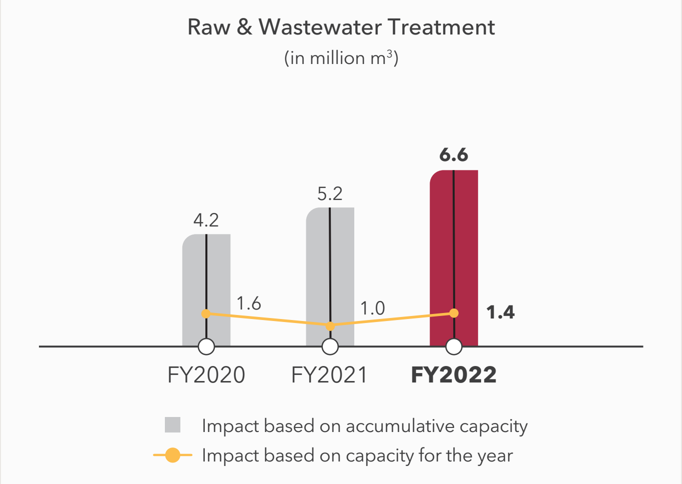
In FY2022, an estimated 802,773 m³ of wastewater was generated from our sites and treated before being discharged. The YoY 9% dip was mainly due to lower production during COVID-19 pandemic. The quality of effluents was closely monitored and reported to Department of Environment (DOE).

In addition, POME generated from Fresh Fruit Bunches (FFB) at our palm oil mills is also closely monitored and reported with regular quality testing. In FY2022, a total of 133,071 m³ POME was generated, with average BOD concentration of 18 mg/L.



WASTEWATER TREATMENT SOLUTION

As our company invests into technologies and solutions for clean environment, water treatment solution is one of the important strategies in line with our sustainability journey. The POCE business pillar offers total water management solutions to enable industrial plants to achieve water impact efficiency in a cost-effective manner. A total of 19 new installations were completed in FY2022 and approximately 1.4 million m³ of wastewater and raw water was treated by our solutions.



Water Treatment installation at client's facility

SUSTAINABILITY STATEMENT (CONT'D)

WASTE MANAGEMENT

Performance

- Recycled over **174,850 tonnes** of non-hazardous waste
- Diverted **97.0%** of non-hazardous waste from landfill
- Composted **95.3%** of chicken manure to organic fertiliser

Our Approach

As a responsible food producer, we manage the waste generated from our processes. We are committed to reduce, recycle and repurpose as part of our waste management practices.

- We reduce and recycle the waste generated across our value chain by proper planning and monitoring. All types of waste are recorded and monitored closely. The data contributes to the formulation of the improvement plan.
- In the repurpose approach, we optimise our chicken manure composting process to convert into organic fertiliser.

Enhancing Waste and Recycling Practices

In FY2022, an estimated 180,100 tonnes of non-hazardous waste and 12.6 tonnes of hazardous waste were generated from our business operations. Of the non-hazardous waste, 97.0% was diverted from landfills through recycling and repurposing which is as follows:

- 71.7% was repurposed (composted)
- 25.3% was reused or recycled

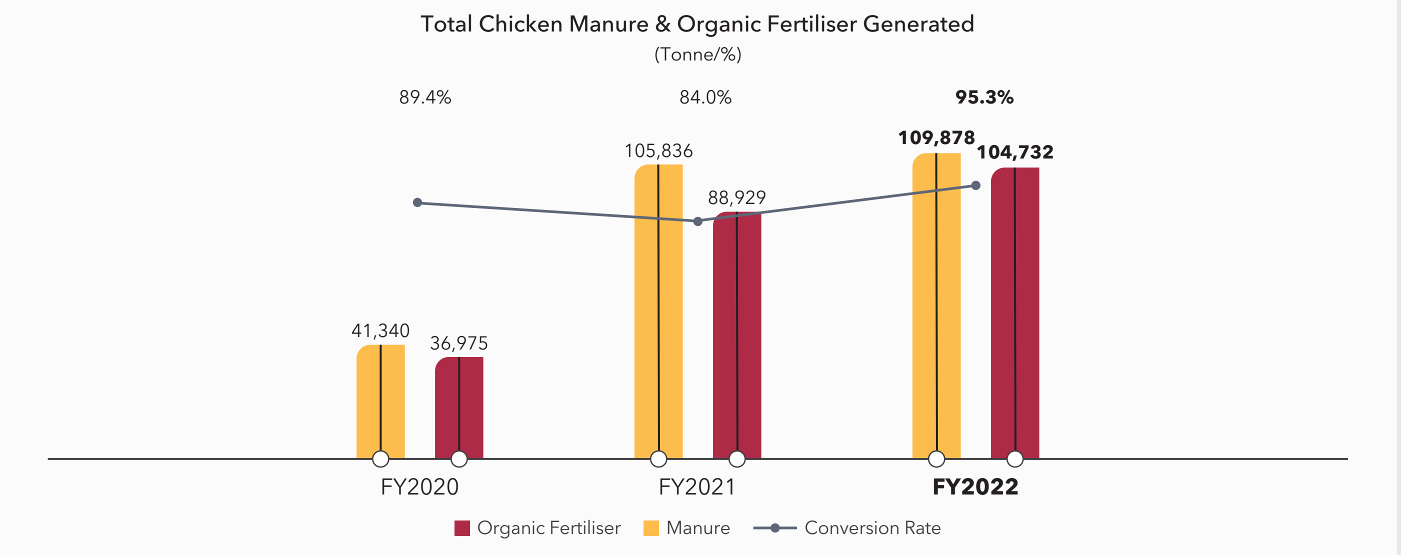
On repurpose (compost), the chicken manure (60.9%) was composted into organic fertiliser while food and feed waste (10.8%) were repurposed into fertiliser or animal feeds.

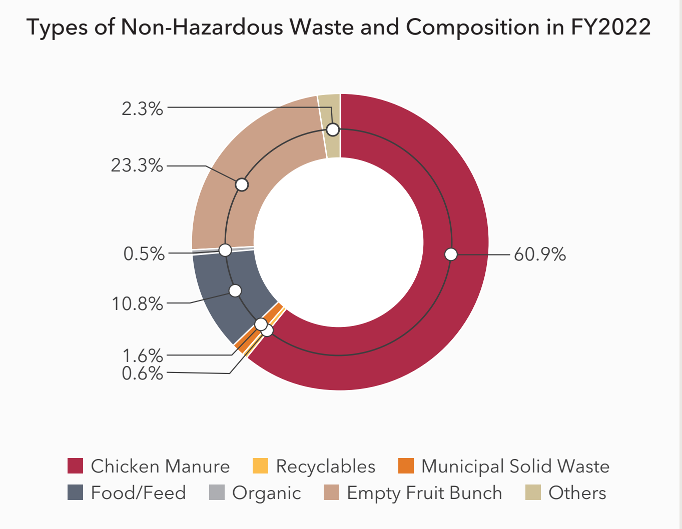
All disposals were done through licensed waste contractors in accordance with local regulations.

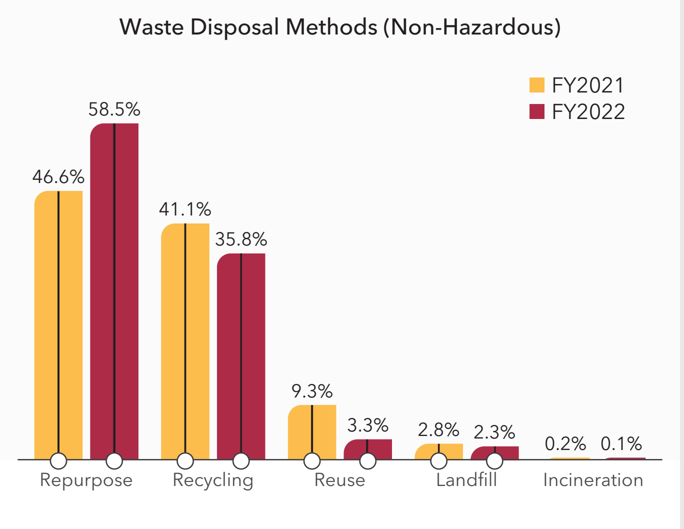
In comparison with FY2021, there was a reduction of 3.7% of non-hazardous waste and 51.6% of hazardous waste due to lower production caused by COVID-19 pandemc disruption.

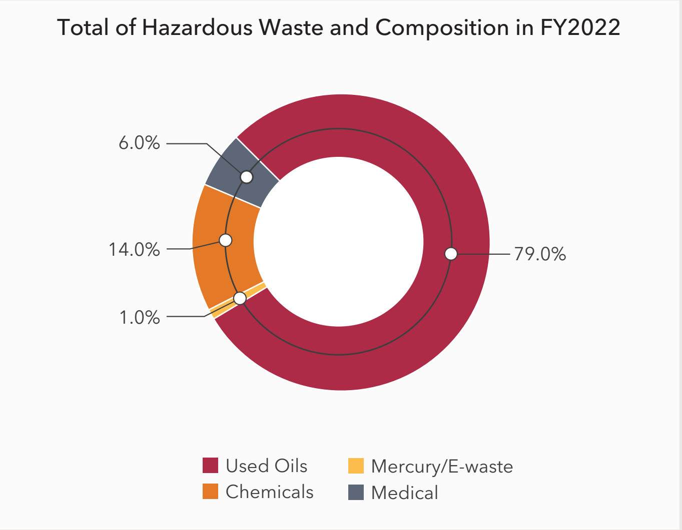
Enhancing Repurpose Practices

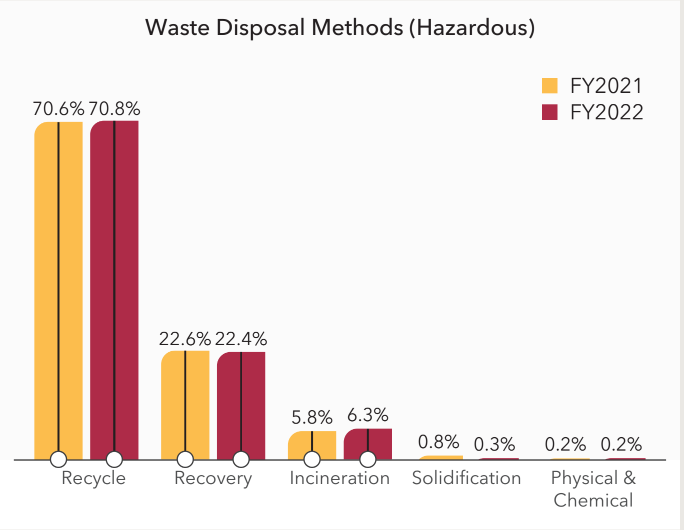
109,878 tonnes of chicken manure were generated from our ILF operations of which 95.3% was composted into organic fertiliser. This conversion of chicken manure to organic fertiliser avoids GHG emissions from the biodegradation process. Even though QL has increased total tonnage of composting by 18% in FY2022, we strive to improve this rate further.











BIODIVERSITY

Performance

- Planted **1,000 mangrove** seedlings in Banjar Utara Forest Reserve, Tanjung Karang
- **99% survival rate** after three months

Our Approach

Biodiversity holds the key to life. Continued globalisation and industrialisation impact biodiversity. We understand the need to leave a positive legacy for future generations and are dedicated to playing a role in restoring balance through regeneration and enhancement of biodiversity. QL collaborated with Wetlands International as strategic partner to roll out a mangrove reforestation and rehabilitation programme in Malaysia. Driven from the top, QL extends our biodiversity programme by including employees' families in our activity to nurture awareness starting from young.

Mangrove Conservation Programme

Mangrove forests support a myriad of flora and fauna and mitigate climate change risk while supporting livelihood of riparian community. We are excited with the success of our first mangrove reforestation and rehabilitation programme with our strategic partner Wetlands International in Banjar Utara Forest Reserve, Tanjung Karang. 50 volunteers participated in the planting activity in February 2022, which comprised QL employees and family members and 15 volunteers from the local university. A total of 1,000 seedlings were planted and 99% of the survival rate was achieved after three months. QL is delighted that these seedlings are flourishing.

99% of mangrove seedling survived after 3 months

MANAGING SUSTAINABILITY

SOCIAL RESPONSIBILITY

QL recognises that there are many contributing factors to its business success. One of which is the mutual growth of the Company and the communities in which we operate in.

Developing talents to empower them to contribute to the socio-economy of the nation alongside QL's growth is one of our strategic pillars. We create a safe and conducive environment as part of our care for employees.

Formalised a Health and Nutrition Statement

Zero fatality and LTIFR improvement of 2.95% from FY2021

Over 106,490 employee development hours

Assisted **13,200 beneficiaries** via our Corporate Philanthropy collaborations at an investment of over RM980,000

Upgraded the fishing tools of 914 fishermen via **RM20.81 million** interest-free Fishermen Financial Assistance Scheme (FFAS)

We strive to maintain a safe, healthy and engaged workplace by upholding fair labour practice and caring for the wellbeing of our people. Occupational Safety & Health (OSH) is an area of critical importance at QL. We create a safe and conducive environment so that the loved ones of our employees can welcome them home after their productive day at work.

Building business resilience assures our stakeholders including suppliers and communities of long-term shared value creation. Our prosperity co-depends on each other upholding the same values. QL shares our win-win value with stakeholders throughout the pandemic and beyond.

Material Matters	Progress Across the Years		
	FY2020	FY2021	FY2022
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 local and international recognised standards	• Established a Health and Nutrition Committee	• Formalised a Health and Nutrition Statement
Biosecurity	• Biosecurity practices in place	• Enhanced biosecurity audits to strengthen biosecurity practices	• Increased biosecurity audit frequency • Strengthened product handling and logistics process
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	• Employee briefings on Human Rights and Labour Standards Policy • Established Internal HR Social Compliance and Audit Checklist • Force Labour Training for HR Professionals

SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Progress Across the Years		
	FY2020	FY2021	FY2022
Talent Management	• Completed pioneer batch of Accelerated Learning Process Programme	• Commenced second batch of Accelerated Learning Process Programme • Enhanced LEAD Programme framework	• Quality and quantity of employee upskilling programmes improved • Commenced third batch of the Accelerated Learning Process Programme
Occupational Health and Safety	• Established Group OSH Policy	• Established Group OSH Work Committee • Established "WECARE", OSH Guiding Principles	• Established OSH Legal Register and Hazard & Risk Register • Implemented ISO 45001 (OSH Management System) pilot project at QL Poultry Farm, Pajam • OSH Reinduction training Programme for our employees
Commitment to Our Communities	• Conducted Corporate Philanthropy activities throughout the year	• Embarked on journey to establish a corporate citizenship and philanthropy guidelines	• Identified longer term flagship programmes to support QL's ongoing corporate citizenship and philanthropy efforts

GROWING OUR BUSINESS

Performance

- **RM221.59 million invested** to support business growth

Our Approach

QL continuously innovates and is steadfast in enlarging capacity to offer resource-efficient protein nourishments to consumers. When undertaking expansion via organic growth or through acquisitions, we make informed and strategic decisions to focus on businesses that offer sustainable growth potential and strengthens our value chain.

We allocate and deploy six capitals – Natural, Manufactured, Intellectual, Human, Social and Financial – to deliver sustainable value for stakeholders.

Our Growth Performance

Even as the business environment roiled with the pandemic and waves of challenges, QL continued to invest to ensure growth. Guided by value creation strategy, QL invested RM221.59 million in FY2022 into strengthening our Core Focus activities and Cultivate high-potential opportunities.

QL's business impacts the economic conditions of our stakeholders and economic systems at local, national, and global levels. Our economic value generated and distributed (EVG&D) is summarised below:

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000
Direct Economic Value Generated			
Sale of goods	4,155,826	4,308,421	**4,968,001**
Construction contracts	-	70,362	**267,975**
Dividend income	112	17	**73**
	4,155,938	4,378,800	**5,236,049**
Operating Costs			
Cost of sales and others (Suppliers, service etc)	3,243,834	3,383,270	**4,196,725**
Depreciation and amortisation	166,123	180,247	**195,871**
Expenses arising from leases/rental	27,072	35,169	**45,411**
One-off remeasurement gain of previously held equity interest in an associate	-	(79,031)	**-**
	3,437,029	3,519,655	**4,438,007**
Employee Wages and Benefits			
Contributions to state plans	23,047	26,225	**30,030**
Expenses related to defined benefit plans	1,257	3,997	**646**
Wages, salaries and others	352,506	372,966	**434,730**
	376,810	403,188	**465,406**
Community Investments			
Fishermen financial assistance scheme*	843	777	**700**
Support for communities & community infrastructure	500	570	**982**
	1,343	1,347	**1,682**
Payment to Government			
Tax expense	67,972	107,383	**85,670**
	67,972	107,383	**85,670**
Payment to Provider of Capital			
Loan providers	43,125	36,503	**30,233**
Shareholders	73,010	73,010	**85,178**
	116,135	109,513	**115,411**
Economic Value Distributed	3,999,289	4,141,086	**5,106,176**
Economic Value Retained	156,649	237,714	**129,873**

**Computed based on estimated net financing cost. Total advance is disclosed under commitment to Our Communities.*
**Interest opportunity costs*

SUSTAINABILITY STATEMENT (CONT'D)

FOOD QUALITY, SAFETY AND NUTRITION

Performance

- Over **700 products** are Halal Certified
- ILF, MPM and CVS process are certified to **local and international standards**
- **Formalised** a Health and Nutrition Statement

Our Approach

Pursuing our vision, we hold ourselves accountable to creating nourishing products that are of quality. We subject our products to scrutiny by local and international certification bodies.

QL also believes in playing our role as a contributor to national food security. As a responsible food producer, QL ensures consumers have reliable access to quality nourishing products. We relentlessly enhance our standards, processes and controls to provide consistent levels of quality products for consumers.

Producing Quality and Safe Food

The business units in ILF, MPM and CVS consciously enforced stringent quality controls and promote food safety to ensure our products meet the highest food quality and safety requirements to provide value to local and international customers. We strictly adhere to the standards from all certifications despite the challenges encountered due to COVID-19 pandemic. The business units remain committed to strengthening quality control measures and processes, and developing an employee competency culture.

We ensure peace-of-mind and safe consumption for all by subjecting our products and processes to halal certification. These comprise hygiene, quality and safety conditions from sourcing to distribution. Over 700 of our products are certified halal by the relevant halal certification bodies and authorities confirmed by Jabatan Kemajuan Islam Malaysia (JAKIM).

Certifications and Standards

Commitment to Develop Healthy and Nutritious Products

Consumers are becoming increasingly conscious of their health and demand healthy food choices. QL is dedicated to offering healthy and nutritious products to consumers. We formalised our Health and Nutrition Statement, demonstrating our commitment to develop products that meet nutritional requirements as well as consumer demands. QL emphasises providing consumers affordable, tasty and nutritious food that they can enjoy and trust.

QL's Health & Nutrition Committee (HNC) and R&D Committee are led by the Group Managing Director to support the development of high quality, safe and nutritious food for consumers. We continuously improve food quality and enhance the nutrition of products based on industry recognised health and nutrition standards, in compliance with national and international standards, guidelines and regulatory requirements.

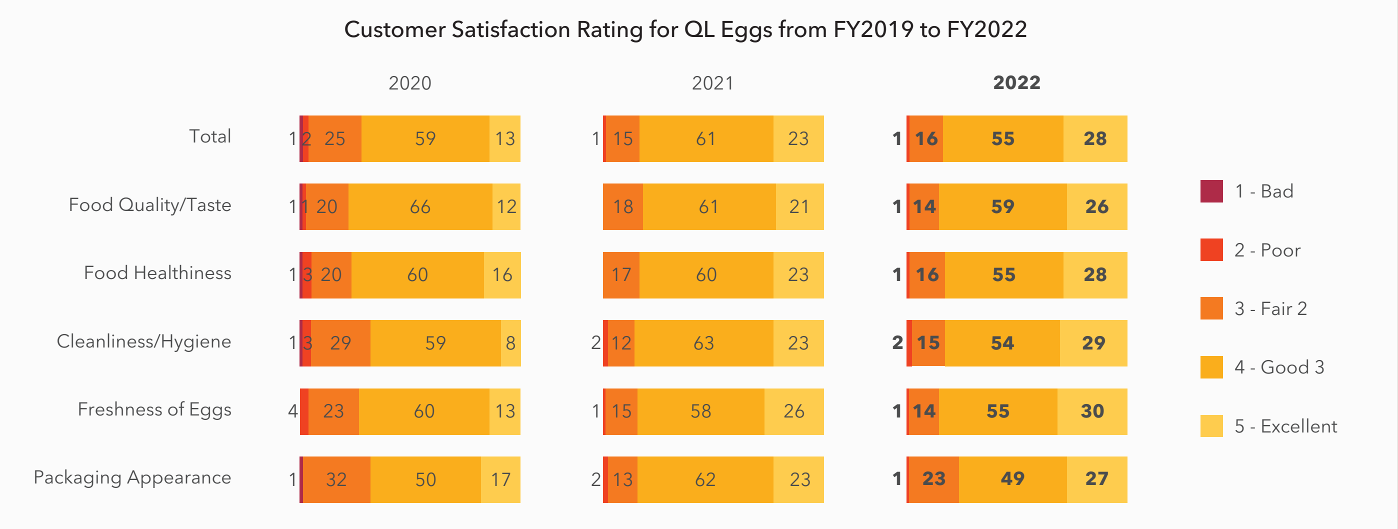
CUSTOMER SATISFACTION, A REFLECTION OF OUR PRODUCTS

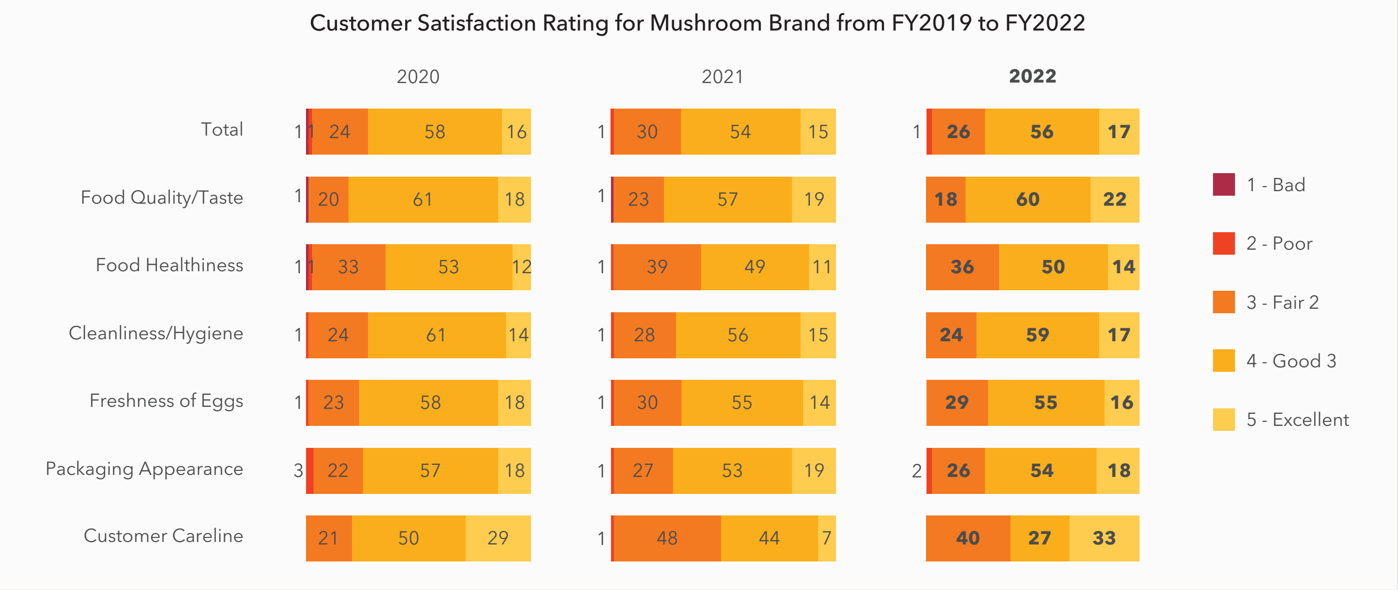
Customer satisfaction and feedback propels QL towards industry leadership. QL conducts annual surveys through an independent external subject matter expert to obtain valuable feedback from customers on two core brands – QL Eggs and QL Mushroom. Customer feedback is crucial to our improvement efforts.

We are humbled to note that customers remained satisfied with QL Eggs and QL Mushroom products; both brands maintained 99% Fair to Excellent rating.

Customers' Excellent rating for QL Eggs increased to 28%, while QL Mushroom brand's Excellent rating rose to 17%. Customers rated food quality/taste, healthiness, and cleanliness/hygiene of QL Mushroom brand products higher.

We also track the number of customer feedback received through our feedback channels. In FY2022, we received a total of 2,129 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 customers.





BIOSECURITY

Performance

- **16 biosecurity** audits in 12 farms

Our Approach

Adhering to good farm management practices and strict biosecurity measures is central to healthy and hygienic poultry. The QL Poultry Centre of Excellence (QLPCOE) continuously improves disease surveillance for timely response. Audits are conducted regularly for continuous identification of improvement areas. We also invest in latest technology and equipment for more accurate and timely data collection from diagnosis test to improve the effectiveness and efficiency of farm operations.

BIOSECURITY DEVELOPMENT

Three key initiatives were conducted in FY2022 to strengthen biosecurity controls and improves its effectiveness.

1. QL ensured compliance with Malaysian Good Agricultural Practice (myGAP), improved Closed House System (CHS) management, and recruited experienced veterinarians for better biosecurity and farm management.
2. We established an internal team to provide laboratory test and support for better diagnostic and biosecurity assurance in an effective and timely manner.
3. QLPCOE increased the biosecurity audit frequency to twice a year to ensure adherence to Standard Operating Procedure (SOP). During the year, 16 audits were conducted despite the pandemic. All corrective and preventive actions were completed within three months. With the implementation of this enhancement plan, biosecurity quality and control had improved at all our farms.

FAIR LABOUR PRACTICES

Performance

- Established an **Internal HR Social Compliance and Audit Checklist**
- **1,927 employees** attended the Human Rights and Labour Standards Policy briefing
- **54%** of Human Resources Professionals attended training on Forced Labour awareness

Our Approach

QL firmly upholds our commitment to conducting business in a manner that respects the rights and dignity of our people. We remain focused on enhancing and improving the management of our workforce in line with ensuring that all businesses within QL comply with relevant legal requirements, human rights and fair labour practices.`

Staying Abreast and Strengthening Our Labour Practices

Our Human Rights and Labour Standards Legal Register has been updated to reflect the changes in the laws and regulations in line with our commitment to update and communicate the Legal Register periodically to all business units.

Accompanying the updated version of the Legal Register, an Internal HR Social Compliance and Audit Checklist was established to further intensify compliance efforts. This checklist enables all business units to carry out structured self-assessments against existing compliance levels and take remediation actions to address any gaps. Plans are underway to carry out formal internal audits following our business units' initial self-assessment.

QL continues to pay close attention to ensuring compliance to key human rights and fair labour practices. As the business units hire migrant workers to fill resource gaps resulting from the prolonged pandemic, we ensure no migrant worker is required to pay any recruitment, hiring or employment fee.

In line with the RM1,500 minimum wage announcement by the Malaysian government effective 1st May 2022, QL is committed to comply with the revision. QL constantly reviews and monitors compliance levels relating to wages, work hours, overtimes and benefits to meet and where possible exceed basic human rights requirements.

Solidifying QL's stance on Respect and Support for Human Rights

QL continues to reinforce the Human Rights and Labour Standards Policy since its inception in February 2020. A total of 1927 employees[1] attended internal briefings that aimed to cultivate employee awareness on QL's uncompromising stance on human rights and labour standards.

Additionally, in FY2022, a total of 54% of our Human Resources Professionals[2] across the various business units participated in a Human Rights Training to deepen knowledge on Forced Labour. This enables our Human Resources Team to be the gatekeepers and advisors in ensuring that the QL workplace is free from forced labour and poor labour practices.

A copy of QL's Human Rights and Labour Standards Policy can be found on the QL's website[3].

Workplace Grievance and Harassment Handling

QL believes that all employees have the right to seek redress for any grievance, harassment or area of discontentment. All our business units have an established Grievance and Harassment Policy. We actively track, report and monitor grievances related to workplace bullying, sexual harassment, discrimination, as well as work conditions relating to workload, pay and benefits.

In FY2022, we had 2 reported cases relating to harassment which have been resolved in accordance with the Grievance and Harassment Policy.

Reinforcement of Migrant Workers' Zero Recruitment Cost Across QL Group of Businesses

In addition to the Grievance and Harassment Policy and formal channel of complaints, QL is committed to and encourages an open and transparent workplace atmosphere where an employee will be comfortable to raise their grievance directly to their immediate superior prior to escalating it through the formal channel.

Footnote:

[1] *Employees refer to full-time permanent employees.*

[2] *Human Resources professional refers to those employed in the capacity as Human Resources Executives and above for Companies under the sustainability scope of reporting.*

[3] *Read more about our Human Rights and Labour Standards Policy at https://ql.com.my/corporate-governance/.*

SUSTAINABILITY STATEMENT (CONT'D)

TALENT MANAGEMENT

Performance

- **5,200** new hires across all business pillars
- **Over 106,490** of employee development hours
- Commenced the 3rd batch of **28 key talents** for the Accelerated Learning Process Programme
- **198 employees** attended the 7 habits of Highly Effective People programme by Franklin Covey Co; four internal trainers certified to conduct the programme in-house

Our Approach

Strengthening our human capital management practices and embedding QL's core values amongst our employees is vital to fuelling QL's growth and driving our business outcomes.

We place strong emphasis on attracting and retaining a diverse pool of talents, developing organisation talents, and empowering key leadership talents. We are committed to improving employee engagement, experience, and interaction. This enables our talents to perform to the best of their abilities with passion and dedication towards creating shared value.

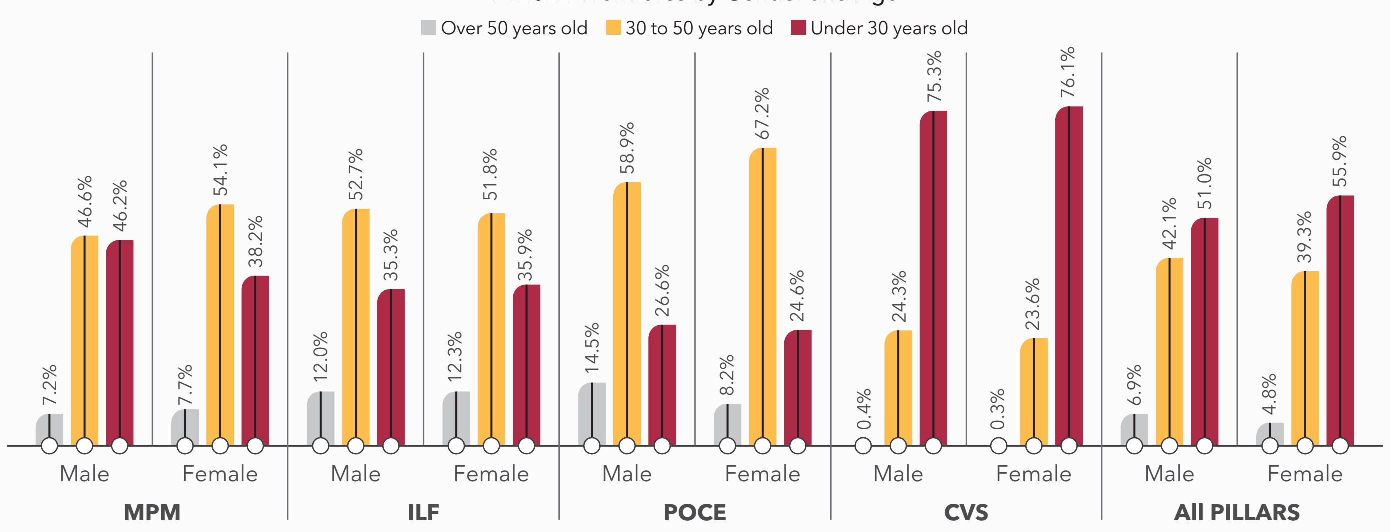
Valuing Differences in Our Diverse Workforce

QL recognises that fostering and valuing a diverse workplace is a competitive advantage. It enables us to attract a larger pool of new talents and help retain existing talents. The Group continues to ensure that our human resource practices in particular employment and talent development and advancement are evaluated solely based on merits and without discrimination.

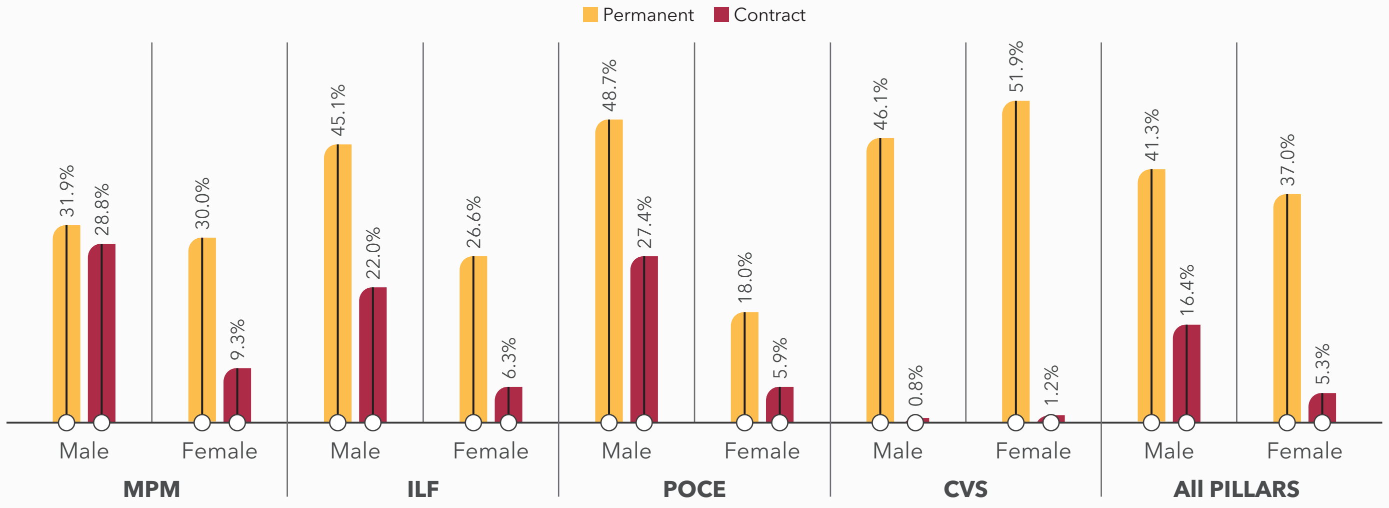
As at March 2022, QL has a total of 7,530 employees[1], out of which 5,896 are permanent employees and the remainder are contract workers. Of the total, 75.1% (5,674) are locals.

QL provides equal employment opportunity as reflected in our 42.3% female workforce We are pleased that the majority of our current workforce is young at 53.5% under 30 years of age. They bring new ideas as well as provide a healthy pipeline of talents to be nurtured into leadership position in the future. The 40.7% of employees aged between 30 to 50 helps provide on-the-job training and guidance to the young pool of talents. The remaining 5.8% are above 50 years of age.

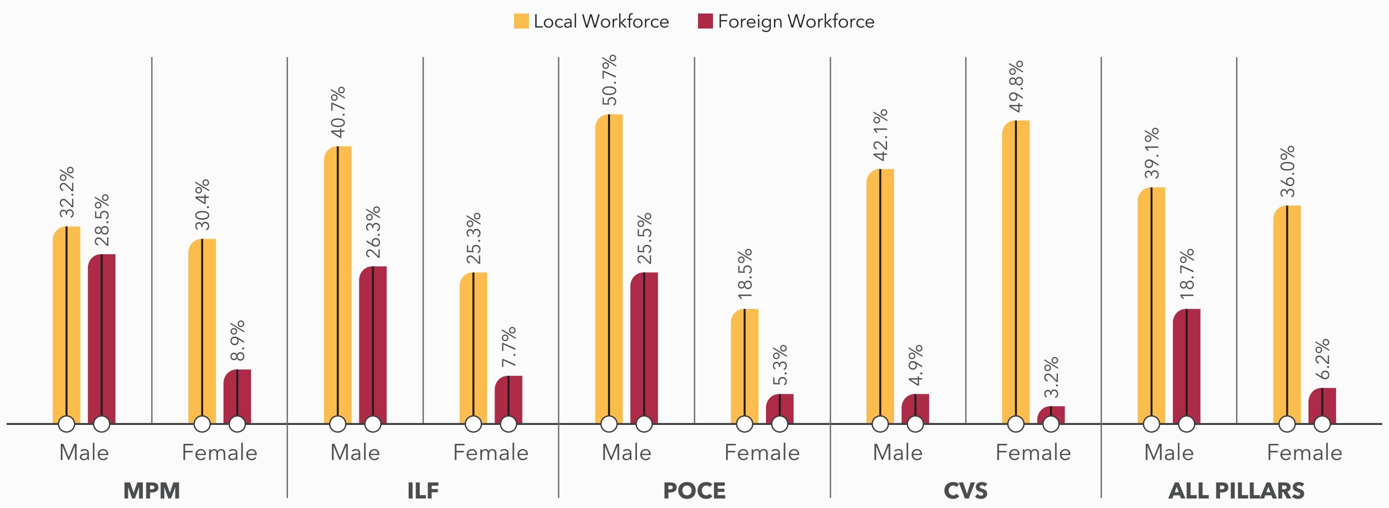
FY2022 Workforce by Gender and Age



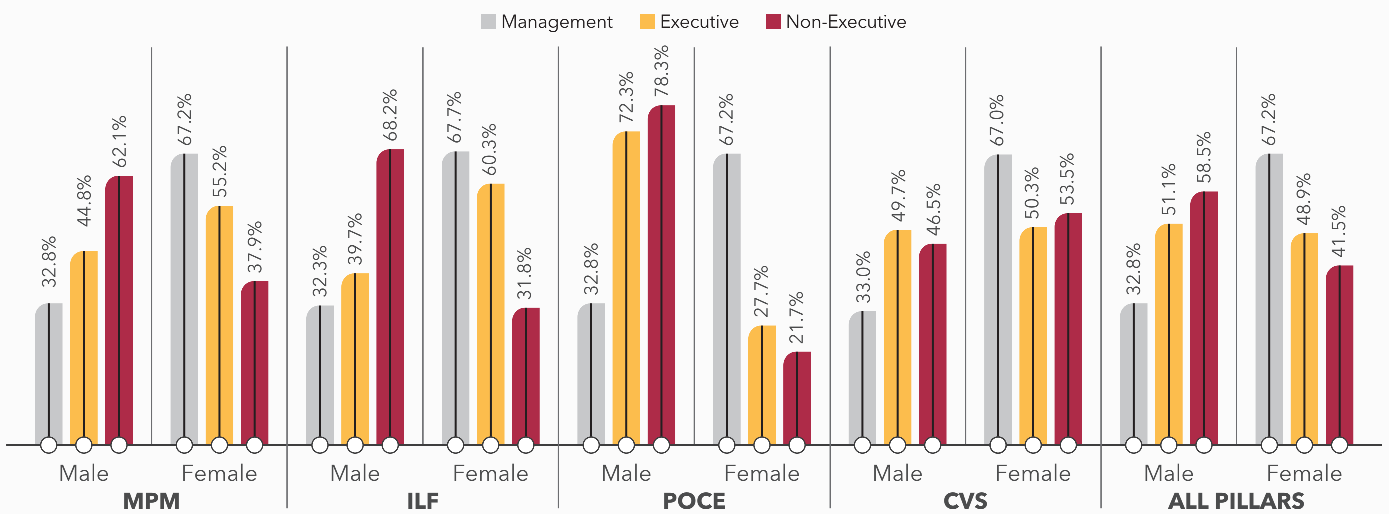
FY2022 Workforce by Gender and Employment Type



FY2022 Workforce by Gender by Local & Foreign Employees

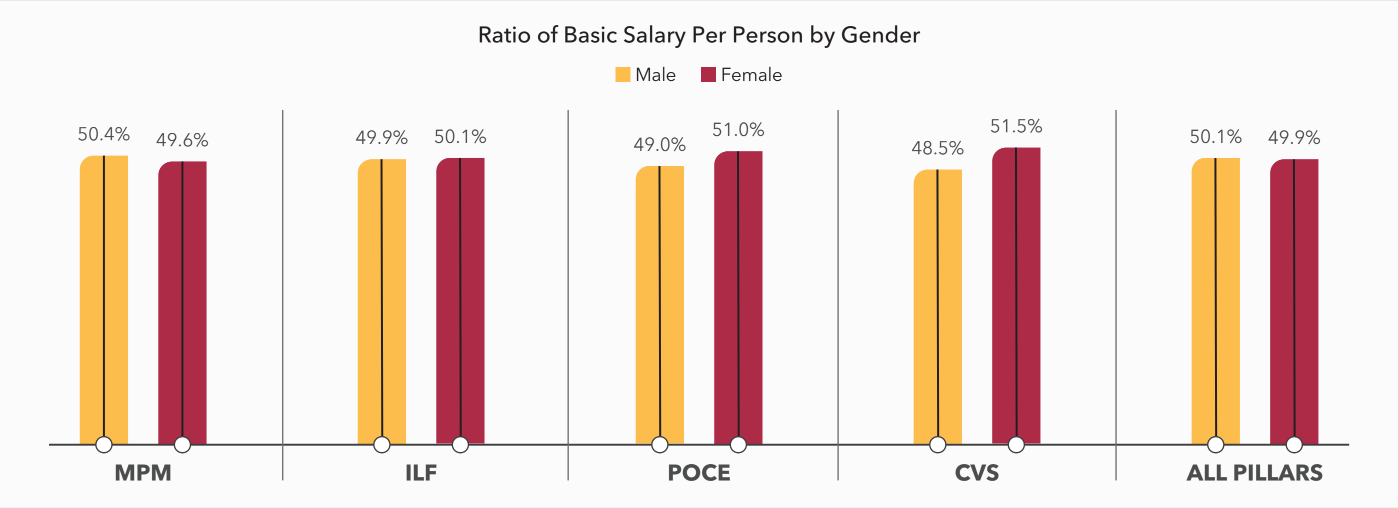


FY2022 Workforce by Gender by Job Band



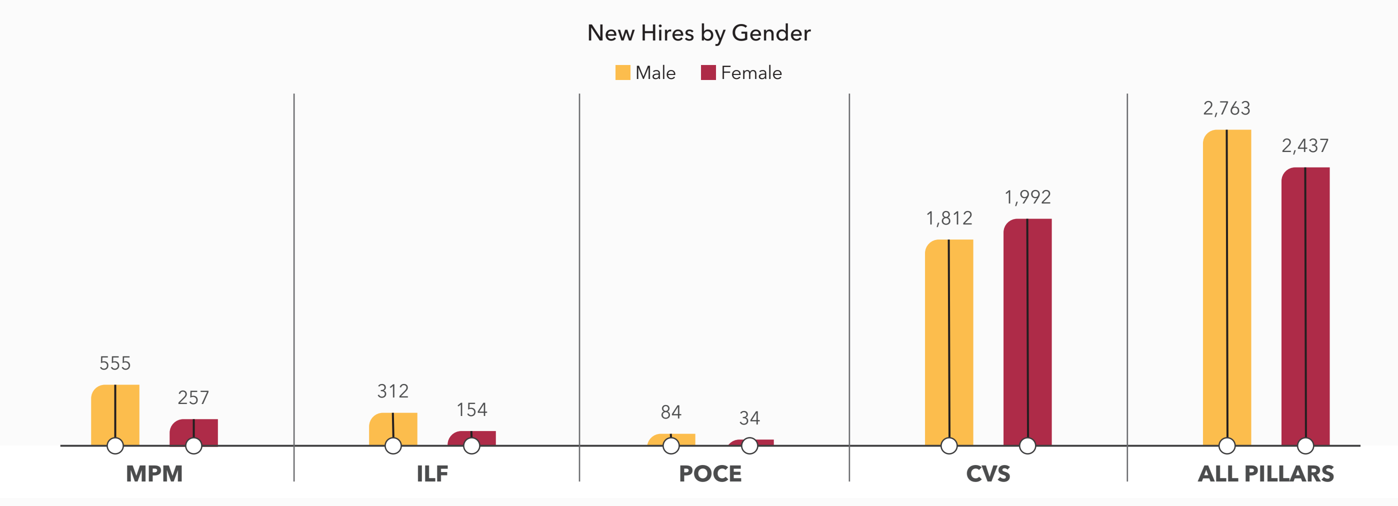
SUSTAINABILITY STATEMENT (CONT'D)

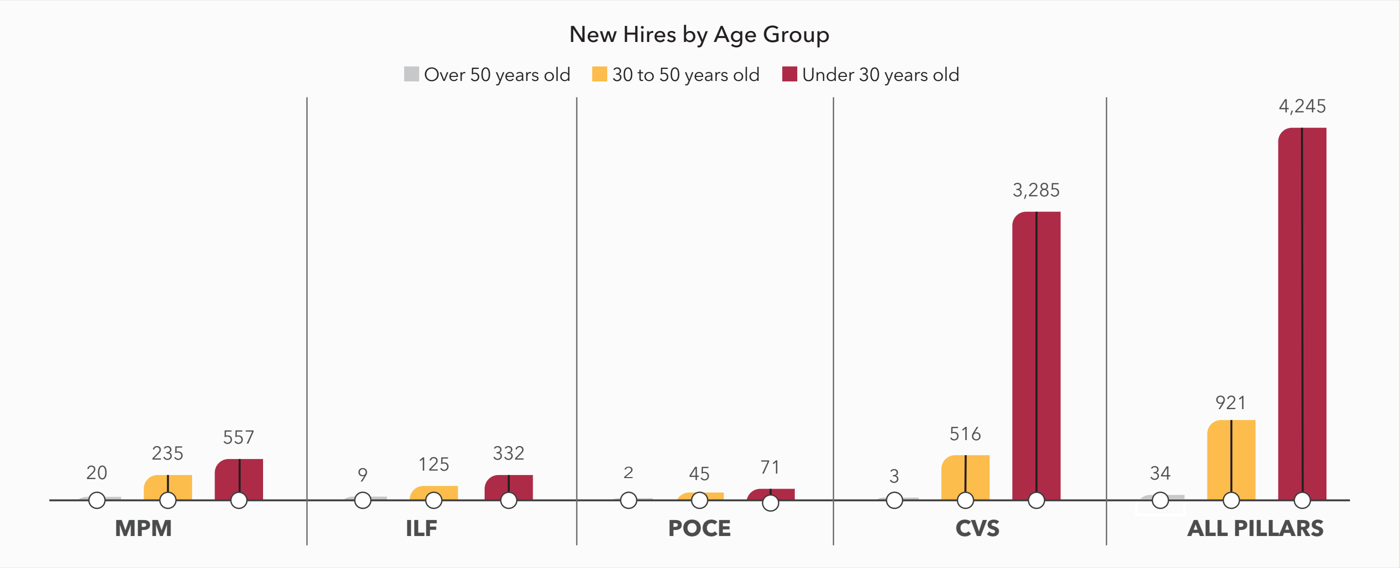
Gender equality is important to QL. Our human resource practices of recruitment, opportunities for advancement and remuneration policies are free from gender bias. It is QL's practice that the pay policies are based on merit and market data to ensure the retention, competitiveness and quality of talent. The data below illustrates the ratio of basic salaries of men to women in the organisation.



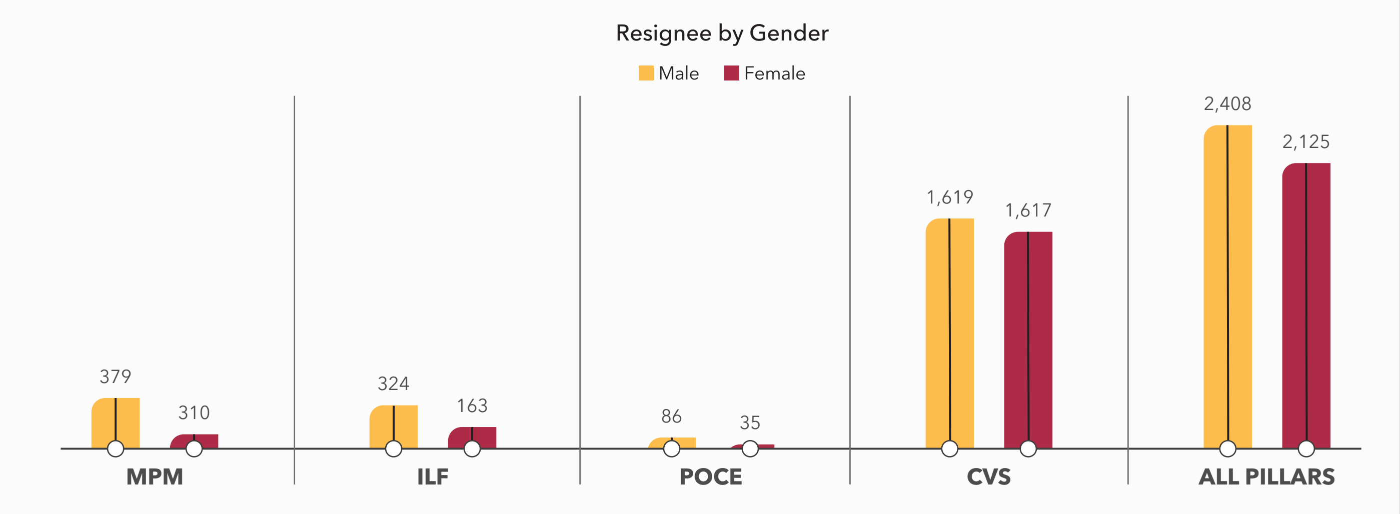
Attracting and Retaining Talents

During the year, a total of 5,200 new hires were employed across our business pillars. This reflects a hiring rate[2] of 73.2%. FamilyMart continues to have the highest hiring rate due to continuous business expansion. Women made up 46.9% of new hires. Of the hires, 81.6% were under 30 years of age.

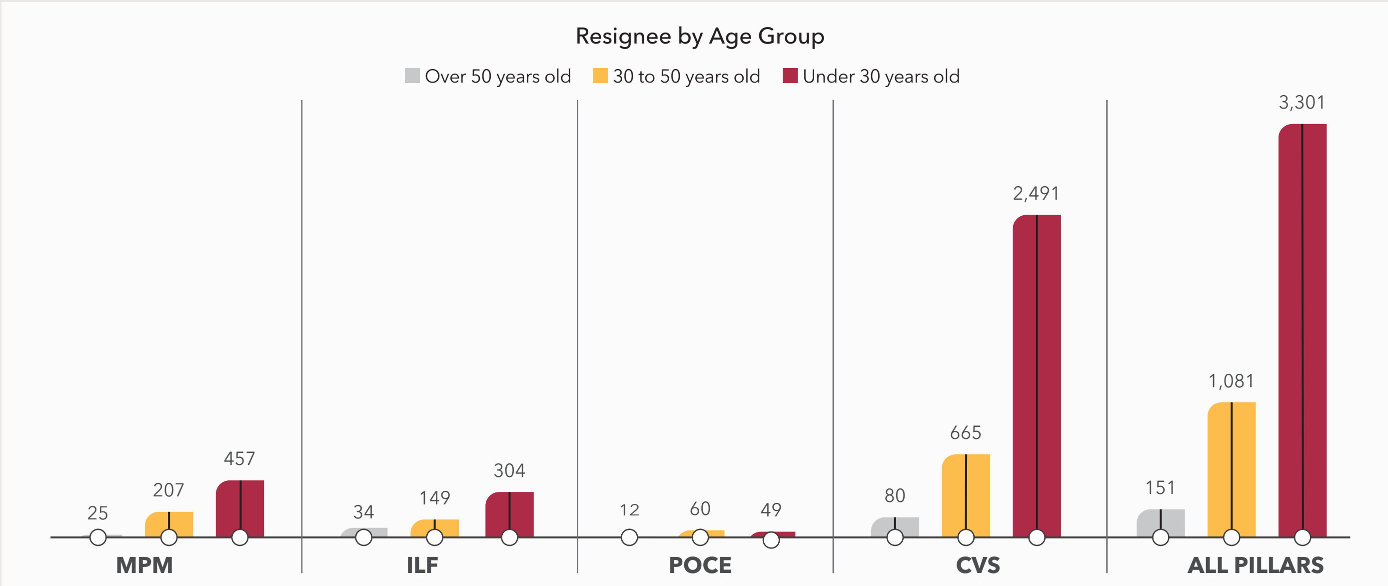




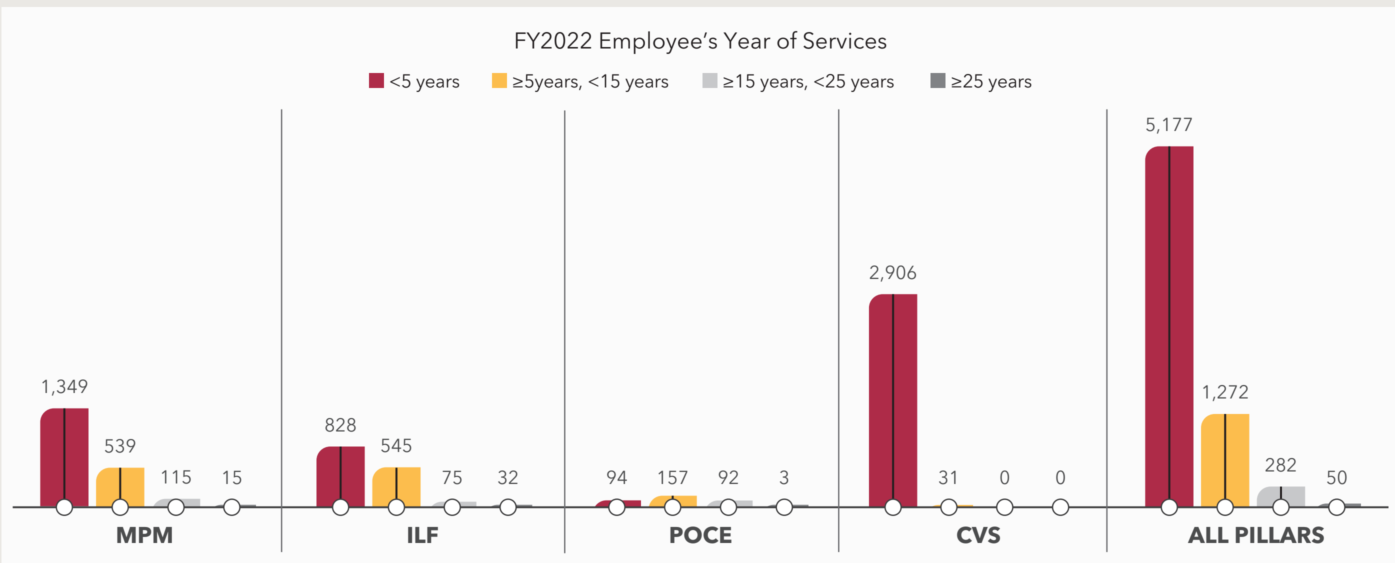
During the reporting period, our voluntary turnover rate[3] stood at 60.2%, lower than that of our hiring rate. 46.9% of our turnover were women, and 72.8% of turnover were from employees under the age of 30.



SUSTAINABILITY STATEMENT (CONT'D)



As illustrated in the graph, approximately 30% of our workforce have been with QL for over 5 years, with 50 employees serving more than 25 years. Approximately 50% of employees with less than 5 years of service are from CVS as this business pillar was established less than six years ago, in 2016.



Engaging and retaining talents are important focus area in managing our organisation talents. Continuous efforts are made to boost engagement. This year, the ILF business pillar conducted the first employee engagement survey among all executive employees. The objective of the survey is to understand how employees feel by getting their feedback on 13 engagement drivers across Work Culture, Leadership, Talent Management and Work Area.

Out of a total of 185 executive employees that were invited to participate, 68% of respondents who have participated had engagement scores of 75%. The survey insights indicated improvement opportunities in some key engagement drivers such as recognition and communication. Organisation policy and company's practice top the list of engagement drivers.

Further focus group sessions have been set up to work on key actions to improve employee engagement based on the insights. Plans are also being made to conduct the employee engagement survey in other business pillars and to extend the survey to all employees.

Strategic Talent Sourcing and Partnership Approach

Demonstrating QL's efforts in building a sustainable talent pipeline, our teams, from different business pillars proactively engage with various stakeholders. The engagement included collaborations with higher learning institutions, government and non-government agencies and our local communities. Through the various initiatives and engagements with stakeholders, QL aims to develop a healthy talent pipeline starting from entry level right through to professional level for employment.

Over the course of the year, we worked with colleges and higher learning institutions to offer internship placements for soon-to-be graduates. A total of 148 internship placements were offered to students to gain practical work experience in various departments in FY2022. Offering these internship placements has alsoenabled us to indentify and hire quality talents across our businesses.

The ILF business pillar also had the privilege of participating in the Ministry of Higher Education's Professional Certification (KPT-PACE) Programme. This programme serves to aid the government's effort to support soon-to-be graduates by providing opportunities for them to improve their skills before graduating. Working collaboratively with Universiti Malaysia Kelantan (UMK), five graduates were selected to undergo 14 days of the Poultry Farm Veterinarians Familiarisation Programme: Towards National & Regional Food Security in February 2022. As an outcome, QL also offered employment opportunities to these soon-to-be graduates.

Caring for Employee Well-Being

In a continuous effort to promote a conducive workplace, QL takes cognisance of changes in life pace. We are aware that the COVID-19 pandemic has elevated our employees' stress and anxiety level as they adjust their lifestyle to the changes demanded. In conjunction with the 2021 World Mental Health Day and World Diabetes Day, QL initiated two engagement programmes. 427 employees from various business units participated in talks on Mental Health Awareness and Diabetes.

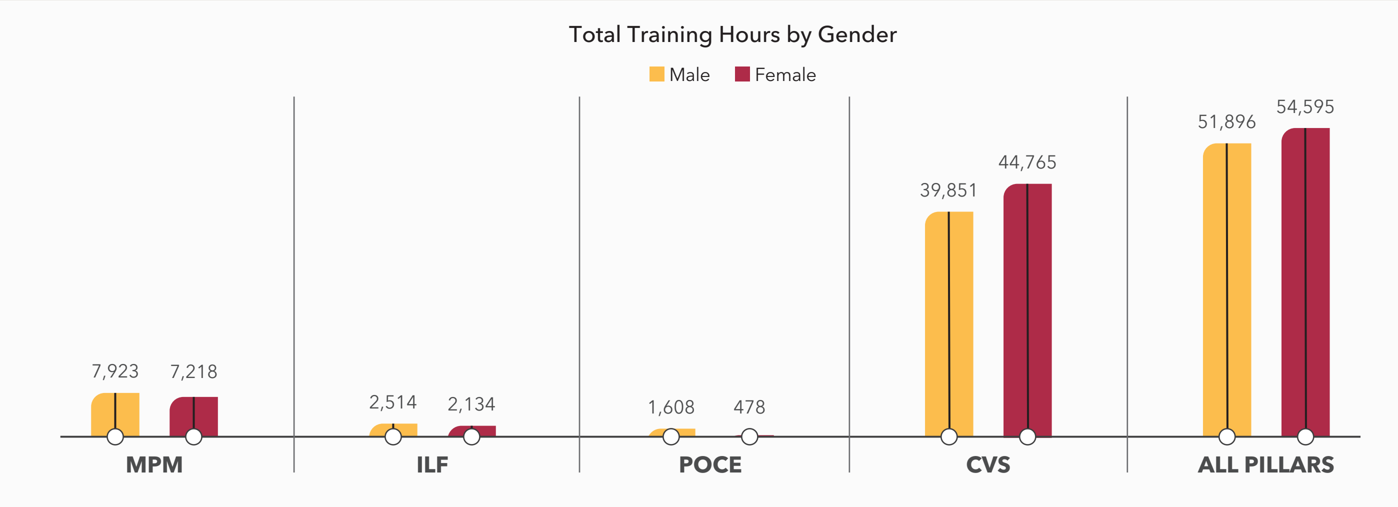
The Group also continued to provide employees with an annual salary increment despite the pandemic. Bonus pay-outs were also made to employees based on business units' financial performance and individual performance. QL maintained all existing employees' benefits, fluctuating business performances as a result of the pandemic notwithstanding. Our efforts are centred on providing our employees peace-of-mind on assured employment and salary during such times of uncertainty.

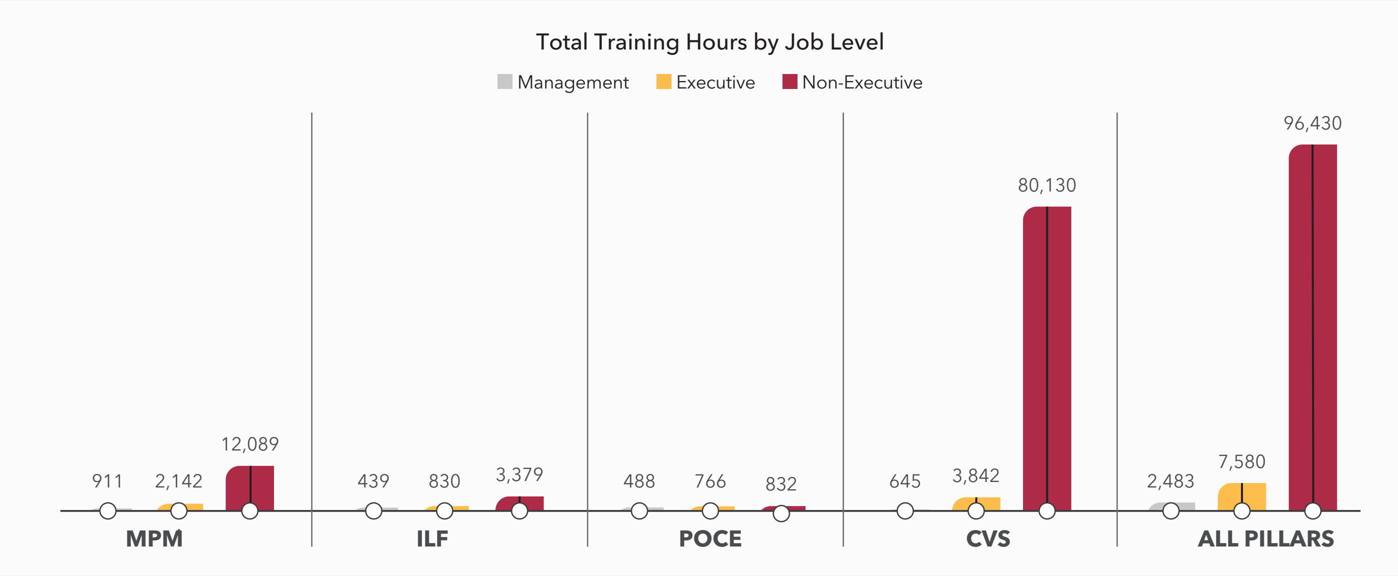
Nurturing a Culture of Learning and Growth Mindset

Investing in the development and growth of our people is a non-negotiable priority for QL. We recognise that QL's mission is inextricably linked to the personal and professional growth of our employees. Our training programmes are holistically designed to cater to all employees. The suite of courses offered range from building workplace culture such as QL Core Values and ESG Policy Briefings, Leaders Enhancement and Development (LEAD) programmes focusing on personal effectiveness, to interpersonal excellence, leadership excellence as well as organisational performance. Training programmes are curated and structured accordingly to the various employee job levels.

Throughout the reporting year, QL maintained its unwavering commitment to develop employee skills and capabilities despite the challenges posed by the pandemic. We are happy to note QL recorded an increase in total training hours compared to FY2021. Our employees completed a total of 106,490 training hours, representing a 101% increase from the previous year. This averaged out to 14.6 hours per employee higher than FY2021's 9.25 hours per employee. The investment in training was RM608,203; a YoY increase of 3.7 times.

SUSTAINABILITY STATEMENT (CONT'D)





The increase in training hours was made possible with the adoption of on-line learning tools. The adoption of technology enabled QL to organise more training programmes across and for various business units. These virtual training sessions enabled employees from different business units to interact and learn from each other's experience.

In our effort to accelerate development of our employees, we are working towards a target of 16 total completed hours of training per year for Executives[4] and a total of 10 hours of training per year for Non-Executives. Currently, our Executives level and above averaged 8.76 training hours per employee, while Non-Executives recorded 14.62 hours per employee, which is above the targeted 10 hours of training per year.

With regards to our ongoing Accelerated Learning Process Programme, we are proud to report that the second batch of 17 participants has graduated from the programme. The Company has also initiated the third batch of participants, which will see a total of 28 participants undertaking the programme over the next two years. This number of participants is higher than the 20 key talents target outlined in FY2021.

As for our LEAD programme, a total of 354 participants participated in FY2022, which is a 32.6% increase in participation from the previous reporting year.

Performance and Career Development Review

Every employee has the right to be provided with a fair assessment of their work performance. All permanent employees of QL undergo an annual year-end performance review, which commences in April each year.

QL improved the performance appraisal in the effort to improve the existing process. Appraisals now incorporate goal setting based on the Management by Objectives concept. This improvement involved the systematic use of agreed measurable targets based on the identified key results areas and key performance indicators when setting job goals at the commencement of each financial year. The roll out of this updated performance appraisal system covered all Senior Management who finalised the setting of their job goals in Q1 FY2023. Plans are also underway for all Managers and Executives to adopt the updated performance appraisal system within three years.

Understanding the importance of providing employees with a formal channel to discuss their short and long-term career goals, the performance appraisal system also incorporated a new career development review section. For the FY2022 year-end review, all Managers and above are required to discuss their strengths, areas of development and the development plans required to achieve these goals with their superiors.

Empowering our Talents with Personal and Professional Growth

This year, QL made a significant decision to embark on a journey to reintroduce the 7 Habits of Highly Effective People programme. This programme which was first introduced among our talents in 2012 advocates timeless principles that resonate deeply with the QL's Core Values. As such, QL decided to reintroduce the programme to all employees from Executive level and above, across all business units. Employees who have participated in the programme previously will be offered a refresher class. The programme serves to expose our employees to the habits that contribute to an effective life, relationship, and career towards productive living.

198 employees have attended the training since its reintroduction in November 2021. With the aim of accelerating the participation of employees within the next two years, four internal trainers have been trained and certified to conduct the programme in-house for our targeted pool of employees.

First session held on the 24 November 2021 at the QL headoffice in Bukit Jelutong, Shah Alam

Participants attending "The 7 Habits of Highly Effective People" in Hutan Melintang, Perak

Footnotes:

[1] Employees refer to employees under the Sustainability Reporting scope.
[2] The hiring rate is based on number of new hires against total number of employees.
[3] The turnover rate is based on number of voluntary turnovers against total number of employees.
[4] Executives refer to employees under the supervisory, profesional and management categories of employment.

SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH

Performance

- Implementation of **ISO 45001** (OSH Management System) pilot project at QL Poultry Farm, Pajam, Negeri Sembilan.
- **65.3%** of employees attended QL Safety Reinduction Programme
- Established **OSH Legal Register**
- Established **Hazard and Risk Register**

Our Approach

QL is committed to upholding the safety and health of our employees, contractors and the communities through continuous improvement of our Occupational Safety and Health ("OSH") management system and practices.

Our work approaches and decisions are guided by our OSH Guiding Principles, with the acronym WECARE, which underpins our Occupational Safety and Health Policy. These beliefs have been widely communicated and continue to be reinforced to all employees of QL business units through OSH managers and OSH coordinators at each subsidiary.

OSH Guiding Principles - "WECARE"

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

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

Leading and Driving Safety and Health Practices

QL Group OSH Work Committee leads and drives safety and health improvement across our businesses. It meets on a quarterly basis to collectively review performance, trends and improvement activities. This includes identifying OSH measures and controls that are appropriate and applicable for business-wide approach. Similarly, members of the committee help by identifying improvement opportunities. This contributes to the setting of OSH objectives, targets and programmes at subsidiary level. This approach is essential to manage safety and health issues.

In an effort to nurture the appropriate knowledge and skills of safety personnel, Sharing & Learning Sessions and Safety Moments have been introduced to the Group OSH Work Committee where focused topics and current issues concerning safety and health are frequently communicated and discussed.

Elevating Our Occupational Safety and Health Management System

Ongoing initiatives are being undertaken to raise awareness of QL Group Occupational Safety and Health Policy and to embed the OSH Safety Principles for safety related decisions and actions among all employees and contractors.

QL continues to put effort into elevating safety awareness through the adoption of essential safe work practices. QL's journey to strengthen its Management System has progressed to a pilot project on ISO 45001 certification at one of the business units in the ILF business pillar, namely, QL Poultry Farm in Pajam. The project is in the final stage of the implementation and certification process. Upon the successful completion of this project, business units from other business pillars will be identified to follow suit.

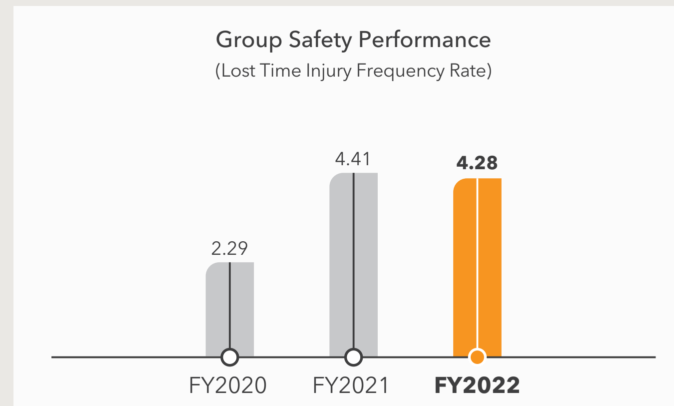
Introduction to ISO 45001 to 450001 Training held in QL Poultry Farm, Pajam, Negeri Sembilan

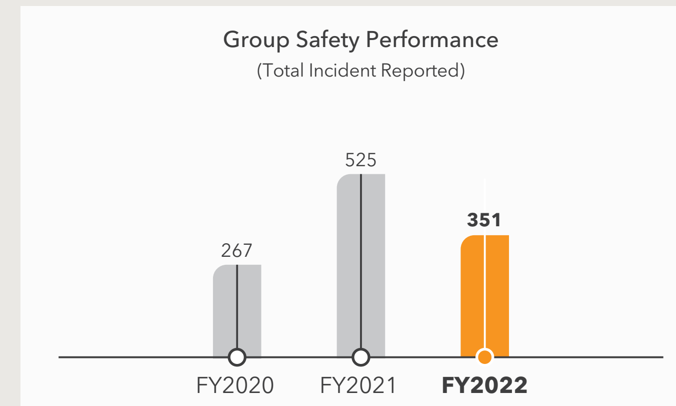
Managing Our Safety Performance

Advocating our WECARE safety principles of "All Injuries Can Be Prevented", QL has identified a business-wide process to manage safety risks and people behaviour in the workplace. As part of the OSH Management System, all business units in the operation areas have completed the initial risk and legal compliance assessment. This is to identify and anticipate potential OSH issues and to mitigate deviations, especially in safety compliance and safe practices. This includes the establishment of a Legal Compliance Register and Hazard and Risk Register at each subsidiary.

For FY2022, we are pleased to report that there were no fatal injuries. The Group closed the year with a LTIFR[1] of 4.28 LTI per million hours, an improvement of 2.95%.

As part of our commitment to continuous performance's improvement, business units have deployed several safety programmes that support the Group OSH improvement strategy, specifically on risk management and behaviour-based safety practices. Among them are visual communication with images of safety performance and acceptable safe practices to the workforce. This is done on a frequent basis via toolbox meetings, safety moment sessions and safety dashboard.





GROUP SAFETY PERFORMANCE

	Fatality	Lost Time Injury	Non-Lost Time Injury	Occupational Illness, Poisoning & Diseases	Near-miss/ Significant Safety Occurrence	Non-compliance
2020	1	32	233	0	1	0
2021	1	67	428	1	25	3
2022	0	72	245	0	33	1

Occupational Safety and Health Training

Living by another WECARE safety principle "Continuous Training of Employees to Work Safely Is Essential", training programmes are purposefully identified, designed and delivered. This includes safety induction, on-the-job training on the safe operation of tools, equipment and machineries, incident investigation, and risk management.

QL Group OSH Work Committee has targeted to have all employees attend the OSH Reinduction Programme that the team has collectively developed.

A train-the-trainer session was introduced and attended by safety representatives from each subsidiary who subsequently conducted trainings for their own business units. Currently, approximately 65.43% of the employees have been re-inducted, and this training will continue in FY2023.

Footnote:

[1] LTIFR is calculated based on number of lost time injuries against hours worked.

SUSTAINABILITY STATEMENT (CONT'D)

COMMITMENT TO OUR COMMUNITIES

Performance

- Created employment opportunities for **3,170 local individuals**
- Providing life skills through employment opportunities to **90 underserved Orang Asli communities**
- Assisted **13,200 beneficiaries** via our Corporate Philanthropy collaborations with an investment of over RM980,000
- Upgraded the fishing equipments of **914 fishermen via RM20.81 million** interest-free Fishermen Financial Assistance Scheme (FFAS)

Our Approach

Driven by our corporate Core Value of "win-win", QL is committed to invest and support worthy Corporate Philanthropy activities, focusing on building positive and lasting value for communities in which we operate.

We have established a corporate citizenship and philanthropy guideline to help us formulate and determine the programmes and activities to support cause whether once-off or on a long-term basis. The intent is to create value for both communities and shareholders.

Our programmes are aligned with the UN SDGs[1] and QL's business drivers. Among them are programmes which create employment opportunities for local community, advance the cause for the less privileged group and sustain the eco system through biodiversity activities.

Providing Local Communities with Employment Opportunities

Over the years, QL has been intentional in creating local employment opportunities within the communities which we operate. For this reporting period, QL provided employment to a total of 3,170 locals, representing 61% of our total new hires. A reliable income helps uplift the living standards of the local communities and provide a means to progress above the poverty line.

Recruitment Drives at the Orang Asli Settlement in Raub, Pahang

Underserved Orang Asli Communities Outreach Through Employment Opportunities

Another focus is on providing gainful employment for the underserved Orang Asli communities. As a a regional agro-based food group with operating locations across Malaysia, especially rural areas, QL is well positioned to provide the Orang Asli community with opportunities to learn and be exposed to various essential life skills. The objective is to equip them for employment.

QL Kitchen Sdn. Bhd. (QLK) piloted a project partnering the East Coast Economic Region Development Council (ECERDC) and Jabatan Kemajuan Orang Asli (JAKOA) to reach out and provide employment opportunities to Orang Asli. Outreach programmes and tailored benefits packages were crafted to cater to their needs. The outcome of this engagement is encouraging, with 16 Orang Asli onboarded into QLK.

In addition, our other business pillars have also engaged the residents around our farms and factories concerning learning and employment opportunities, especially for the underserved communities. QL was able to provide a total of 74 Orang Asli employment opportunities in this reporting year, of which 44 are in the MPM business pillar with the remainder in the ILF business pillar.

In the coming years, we will develop more sustainable longer-term Corporate Philanthropy programmes to support the cause of Orang Asli aiming to equip them with skills that can uplift their living standards.

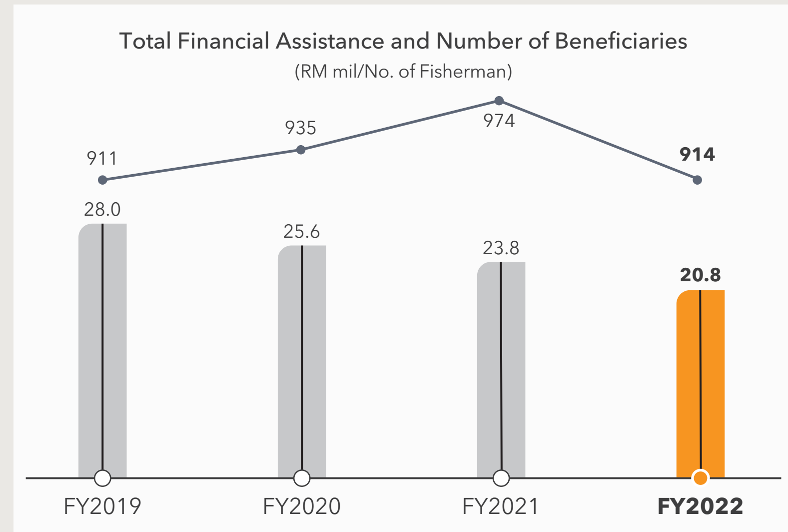
Supporting Our Local Fishermen

QL traces its origins to a fishing village and has experienced the same challenges endured by the fishing community in establishing a stable income, such as being at Mother Nature's mercy in particular the weather.

The lack of stable income makes it difficult for fishermen to obtain financing to build, upgrade or improve their fishing capabilities, as commercial banks have strict credit risk assessment. High interest rates charged by these institutions and the strict repayment schedule can be a challenge.

It is this understanding of their hardships which prompted QL to initiate and formulate the Fishermen Financial Assistance Scheme (FFAS) as part of its Corporate Philanthropy. The interest-free scheme was conceptualised to provide a stepping stone for fishermen to overcome financial constraints.

Understanding the fishermen's dependence on the cyclical nature of fish catch, fishermen are provided flexibility on repayment where it corresponds with their catch. The FFAS was conceptualised to help fishermen modernise their fishing equipment leading to improved fish catch and earnings. Their harvests will also be purchased by QL at market competitive prices.



Initiated over two decades ago, FFAS is the epitome of a mutually beneficial arrangement. Fishermen have access to assistance to improve their livelihood and are assured of a market for their catch and in turn, QL has first right of refusal to their catch, improving QL's supply chain resiliency. This ultimately creates a positive economic and social impact for both fishermen and the fishing industry.

More than 914 fishermen benefited from the RM20.81 million financial assistance under FFAS in FY2022. All resulting net financing cost incurred by the scheme, which is estimated to be almost RM700,000, is borne by QL.

Caring for the Community

Extending a lending hand and a caring heart, QL invested over RM982,157[2] in Corporate Philanthropy activities, benefitting 13,200 people.

In collaboration with Penang Buddhist Tzu Chi Merit Society, we contributed lifesaving medical devices to hospitals.

QL Group Managing Director, Penang Buddhist Tzu Chi Merit Society representative and hospital staff posing at the handover ceremony in Hospital Klang

SUSTAINABILITY STATEMENT (CONT'D)

Partnering both Non-Governmental and Governmental Organisations, contributions in kind and cash were made to alleviate the hardships of the hard-core poor who were badly affected by the pandemic and unexpected flood that deluged East and West Malaysia. Following the massive flood in Selangor towards the end of 2021, FamilyMart Malaysia teamed up with several NGOs and governmental bodies (e.g. ARUS Anak Muda, Fo Guang Shan, The Assembly Soup Kitchen and Global Peace Mission) to distribute food and beverages to affected families. FamilyMart provided over RM250,000 worth of nourishing Ready-To-Eat food and beverage to help fellow Malaysians in their time of need.

QL Agroventures Sdn Bhd General Manager, Alvin Lai handing over trays of eggs to displace victims of the flood in Beaufort, Sabah

It has been reported that Malaysians throw away 17,000 tonnes of food every day. As an agro-based food producer, QL is concerned about the food wastage. This year, QL provided monetary support to AIESEC Universiti Putra Malaysia, funding their flagship Clean Our Plate and MIRACLE Project programmes. Both programmes support the Goal 12 UN SDG Responsible Consumption and Production.

- Clean Our Plate Project focuses on tackling food waste
- MIRACLE Project focuses on tackling the rampant plastic waste issue in Malaysia.

Through the sponsorship, 324 of our employees benefited from a series of workshops conducted by the AIESEC[3] team on composting, green waste management and biodegradable plastics.

QL Foods Sdn Bhd, Executive Director, Eric Cheah handing over food boxes to Majlis Perbandaran Teluk Intan for distribution to the needy in Teluk Intan, Perak

MIRACLE Project's soapmaking workshops conducted by AIESEC for QL employees

Certificate of Appreciation presented by AIESEC to QL representative

Footnote:
[1] UN SDGs refers to United Nation Sustainable Development Goals.
[2] RM982,157 refers to amount spent on Corporate Philanthropy activities, this excludes the financial assistance cost of fund amount provided to fishermen.
[3] AIESEC is a youth leadership movement which brings global perspective to community and creates societal impacts via volunteer and internship experiences.

MANAGING SUSTAINABILITY

GOVERNANCE

High standards of integrity, accountability, transparency and fairness are the bedrock of good corporate governance practices. Anchored by our Core Values, company policies and updated Code of Business Ethics and Conduct, we continuously enhance and embed a culture of sound corporate governance practices. This enables us to build confidence while further strengthening the trust of our stakeholders. This in turn contributes to shared value creation through effective discharge of the Board duties in safeguarding the interests of QL's stakeholders.

100% of operations assessed for risk related to corruption

Zero violation on Anti-Bribery Policy

2,988 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics

Material Matters	Progress Across the Years		
	FY2020	FY2021	FY2022
Upholding Business Integrity	• Implemented Anti-Bribery Policy • Updated Whistleblower Policy	• Implemented Supplier and Business Associates Code of Business Ethics • Established a Crisis Management Plan	• Updated the Suppliers and Business Associates Code of Business Ethics ("COBE") • Rolled out training to Increase awareness of Code of Business Ethics and Conduct ("COBEC") for directors and employees

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING BUSINESS INTEGRITY

Performance

- 100% of operations assessed for risk related to corruption
- 2,988 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics
- Zero Violation on Anti-Bribery Policy (ABP)

Our Approach

We continue to inculcate and guide our business activities and relationships on compliance with our internal policies as well as relevant laws and regulations. With strong emphasis on Integrity, we ensured our Core Values and culture are communicated to internal and external stakeholders to manage third party risks and strengthen business resilience.

Standing Against Bribery and Corruption

One (1) complaint was made via the whistleblowing channel in FY2022. Management took prompt and appropriate action in accordance with the Whistleblowing Policy and the outcome was reported to the Audit Committee. Relevant data was collected and analysed, and discussions were held with relevant parties. The nature of the complaint was not related to bribery or corruption. Opportunities for improvement with regards to the SOP were identified.

QL continues its effort to strengthen the ABP. We have raised the awareness of Code of Business Ethics and Conduct (COBEC) through briefings to all directors and employees. 100% of directors and employees have read, acknowledged and are willing to comply with the COBEC.

Crisis Management for Business Continuity

Responding with agility, QL has adapted well to the pandemic outbreak since 2020. Accelerating our technology integration, QL introduced and adopted information systems and digital tools such as video conferencing applications to ensure the continuation of businesses during MCO.

Our pandemic response and SOPs are continuously being reviewed and updated in line with government control measures. In the event a Person Under Investigation (PUI) is reported, the COVID-19 Emergency Response Plan will be activated to contain the infection. PUI(s) are isolated and operations halted for disinfection and further investigation.

Recruitment Drives at the Orang Asli Settlement in Raub, Pahang

Mangrove reforestation and rehabilitation activity at Banjar Utara Forest Reserve, Tanjung Karang

Employment and upskilling of Orang Asli in QL Endau Marine Sdn Bhd

New solar panel installed at organic fertiliser plant, Tawau

WWTP facility at QL Food, Hutan Melintang

SUSTAINABILITY STATEMENT (CONT'D)

GRI CONTENT INDEX

GRI Standards 2016 (updated 2021)	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
	102-3	Location of headquarters	Corporate Information
	102-4	Location of operations	Principal Activities
	102-5	Ownership and legal form	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-6	Markets served	Principal Activities
	102-7	Scale of the organisation	Value Creation Strategy
	102-8	Information on employees and other workers	**Talent Management** Value Creation Strategy
	102-9	Supply chain	Stakeholder Engagement Upholding Business Integrity
	102-10	Significant changes to organisation and its supply chain	Chairman's Statement Business Review
	102-11	Precautionary principle or approach	QL's management approach is focused on risk-based guided by our internal audit framework than precautionary principle
	102-12	External initiatives	QL supports the UNSDGs **Commitment to Our Communities** **Materiality Boundary**
	102-13	Membership of associations	**Stakeholder Engagement**
	Strategy		
	102-14	Statement from senior decision-maker	Chairman's Statement
	102-15	Key impacts, risks and opportunities	Value Creation Strategy
	Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Value Creation Strategy
	102-17	Mechanisms for advice and concerns about ethics	**Corporate Governance Overview Statement** **Upholding Business Integrity**
	Governance		
	102-18	Governance structure	Key Senior Management **Sustainability Governance**
	Stakeholder Engagement		
	102-40	List of stakeholder groups	Stakeholder Engagement
	102-41	Collective bargaining agreements	QL does not have collective bargaining in place
	102-42	Identifying and selecting stakeholders	**Stakeholder Engagement**
	102-43	Approach to stakeholder engagement	**Stakeholder Engagement**
	102-44	Key topics and concerns raised	**Stakeholder Engagement**
	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**
	102-47	List of material topics	**Materiality Assessment** **Materiality Boundary**
	102-48	Restatements of information	**Climate Change & Emissions** ***Restatement due to change of measurement methods for Natural Gas emissions***
	102-49	Changes in reporting	**Materiality Assessment**
	102-50	Reporting period	**1 April 2021 - 31 March 2022**
	102-51	Date of most recent report	**July 2022**
	102-52	Reporting cycle	**Annual**
	102-53	Contact point for questions regarding the report	**Feedback**
	102-54	Claims of reporting in accordance with GRI Standards	**Preparation of This Statement**
	102-55	GRI content index	**GRI Content Index**
	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**
	103-2	The management approach and its components	Financial Statements, **Commitment to Our Communities**
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	

SUSTAINABILITY STATEMENT (CONT'D)

GRI Standards 2016 (updated 2021)	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
UPHOLDING BUSINESS INTEGRITY			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Upholding Business Integrity**
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruptions and actions taken	
CLIMATE CHANGE & EMISSIONS			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Climate Change & Emissions**
	103-3	Evaluation of the management approach	
GRI 302: Energy (2016)	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**
	103-2	The management approach and its components	**Water Security**
	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 Treatment Solution	
	303-5	Water discharge	
BIODIVERSITY			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Biodiversity**
	103-3	Evaluation of the management approach	
GRI 304: Biodiversity	304-3	Habitats protected or restored	

GRI Standards 2016 (updated 2021)	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
WASTE MANAGEMENT			
	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
GRI 103: Management Approach	103-2	The management approach and its components	**Waste Management**
	103-3	Evaluation of the management approach	
GRI 306: Waste (2020)	306-3	Waste generated	
	306-4	Waste diverted from disposal	
OCCUPATIONAL SAFETY & HEALTH			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Occupational Safety & Health**
	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**
	103-2	The management approach and its components	**Talent Management**
	103-3	Evaluation of the management approach	
GRI 401: Employment	404-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	
	404-2	Programs for upgrading employee skills and transition assistance programme	
	404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	
	405-2	Ratio of basic salary and remuneration of women to men	
GRI 406: Non discrimination	406-1	Incidents of discrimination and corrective actions taken	

SUSTAINABILITY STATEMENT (CONT'D.)

GRI Standards 2016 (updated 2021)	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
FAIR LABOUR PRACTICES			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Fair Labour Practices**
	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**
	103-2	The management approach and its components	**Commitment to Our Communities**
	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			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Food Quality, Safety & Nutrition**
	103-3	Evaluation of the management approach	
NA	NA	Performance measure based on QL specific performance indicator	
BIOSECURITY			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	**Materiality Boundary**
	103-2	The management approach and its components	**Biosecurity**
	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

Mr. Chia Mak Hooi
Executive Director

Mr. Cheah Juw Teck
Executive Director

Mr. Chia Seong Pow
Alternate Director to Chia Seong Fatt

Mr. Chia Song Swa
Alternate Director to Chia Mak Hooi

Mr. Chia Lik Khai
Alternate Director to Cheah Juw Teck
(Resigned on 4 January 2022)
Executive Director
(Appointed on 4 January 2022)

Mr. Low Teng Lum
Senior Independent Non-Executive Director

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

Ms. Kow Poh Gek
Independent Non-Executive Director

Ms. Chan Wai Yen
Independent Non-Executive Director

Ms. Cynthia Toh Mei Lee
Independent Non-Executive Director

Mr. Wee Beng Chuan
Independent Non-Executive Director

Madam Tan Ler Chin, Cindy
Independent Non-Executive Director
(Appointed on 4 January 2022)

COMPANY SECRETARY

Ms. Ng Geok Ping
(MAICSA 7013090)
(SSM PC No. 202008000006)

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

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

PRINCIPAL BANKERS

AmBank (M) Berhad
DBS Bank Limited
Hong Leong Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad

BOARD OF DIRECTORS

Standing from left to right: Ms. Chan Wai Yen, Millie (INED); Ms. Cynthia Toh Mei Lee (INED); Madam Tan Ler Chin, Cindy (INED); Ms. Kow Poh Gek (INED); Mr. Wee Beng Chuan (INED); Mr. Cheah Juw Teck (Executive Director); Mr. Chia Lik Khai (Executive Director); Mr. Chia Seong Fatt (Executive Director); Mr. Chia Seong Pow (Alternate Director to Chia Seong Fatt); Mr. Chia Mak Hooi (Executive Director); Mr. Chia Song Swa (Alternate Director to Chia Mak Hooi).

Seated from left to right: Datin Paduka Setia Dato' Dr. Aini Binti Ideris (INED); Mr. Chia Song Kooi (Group Managing Director); Dr. Chia Song Kun (Executive Chairman); Mr. Low Teng Lum (Senior INED).

PROFILE OF BOARD OF DIRECTORS

DR. CHIA SONG KUN
Executive Chairman

Gender Male
Age 72
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Dr. Chia Song Kun, aged 72, 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 Activities. The company has a market capitalisation of approximately twelve billion ringgit.

Dr. Chia 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. Boilermech became a subsidiary company of QL Resources Berhad in March 2022.

On 5 July 2008, Dr. Chia 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. On 28th June 2019, he was then conferred Honorary Doctorate of Management by INTI International University in acknowledgement of his professionalism and exemplary leadership in building businesses and propelling QL Resources from a local trader to a recognised multinational corporation.

Dr. Chia's leadership has been recognised by a number of noted organisations. 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.

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.

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.

MR . CHIA SONG KOOI
Group Managing Director

Gender Male
Age 62
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Chia Song Kooi, aged 62, 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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MR. CHIA SEONG FATT
Executive Director

Gender Male
Age 66
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Chia Seong Fatt, aged 66, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. During the period of 1 April 2019 to 1 April 2021, he was appointed as an Alternate Director to Mr. Chia Seong Pow. On 1 April 2021, he resigned as an Alternate Director to Mr. Chia Seong Pow and was appointed as an Executive Director of the Company.

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.

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.

MR. CHIA MAK HOOI
Executive Director

Gender Male
Age 57
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Chia Mak Hooi, aged 57, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. During the period of 1 April 2019 to 1 April 2021, he was appointed as an Alternate Director to Mr. Chia Song Swa. On 1 April 2021, he resigned as an Alternate Director to Mr. Chia Song Swa and was appointed as an Executive Director of the Company.

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 as 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 programme 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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MR. CHEAH JUW TECK

Executive Director

Gender Male
Age 53
Nationality Malaysian

Board Meeting Attendance In The Financial Year

6/6

Mr. Cheah Juw Teck, aged 53, male, Malaysian, was appointed as an Executive Director of the Company on 1 June 2011. During the period of 1 April 2019 to 1 April 2021, he was appointed as an Alternate Director to Mr. Chia Lik Khai. On 1 April 2021, he resigned as an Alternate Director to Mr. Chia Lik Khai and was appointed as an Executive Director of the Company.

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 programme in overseas.

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

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.

MR. CHIA LIK KHAI

Executive Director

Gender Male
Age 43
Nationality Malaysian

Board Meeting Attendance In The Financial Year

6/6

Mr. Chia Lik Khai, aged 43, male, Malaysian, was appointed as an Executive Director of the Company on 21 November 2016. During the period of 1 April 2018 to 1 April 2019 and 1 April 2021 to 4 January 2022, he was appointed as an Alternate Director to Mr. Cheah Juw Teck. On 4 January 2022, he resigned as an Alternate Director to Mr. Cheah Juw Teck and was appointed as an Executive Director of the Company.

He graduated from the MBA program 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.

He 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's strategic business planning and growth initiatives. He also oversees Convenient Store (CVS) business pillar. Mr. Chia Lik Khai is the corporate representative of QL Resources Berhad in its subsidiary Boilermech Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and held the position as the Deputy Managing Director from 25 February 2015 to 28 February 2021. On 1 March 2021, he was redesignated as Joint Managing Director of Boilermech Holdings Berhad.

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. Prior to that, 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 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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MR. CHIA SEONG POW
Alternate Director to Mr. Chia Seong Fatt

Gender Male
Age 66
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Chia Seong Pow, aged 66, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. During the period of 1 April 2018 to 1 April 2019 and on 1 April 2021, he was appointed as an Alternate Director to Mr. Chia Seong Fatt and resigned as an Executive Director of the Company.

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 38 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 Mr. 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.

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 Mr. Chia Mak Hooi

Gender Male
Age 62
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Chia Song Swa, aged 62, male, Malaysian, was appointed as an Executive Director of the Company on 3 January 2000. During the period of 1 April 2018 to 1 April 2019 and on 1 April 2021, he was appointed as an Alternate Director to Mr. Chia Mak Hooi and resigned as an Executive Director of the Company.

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

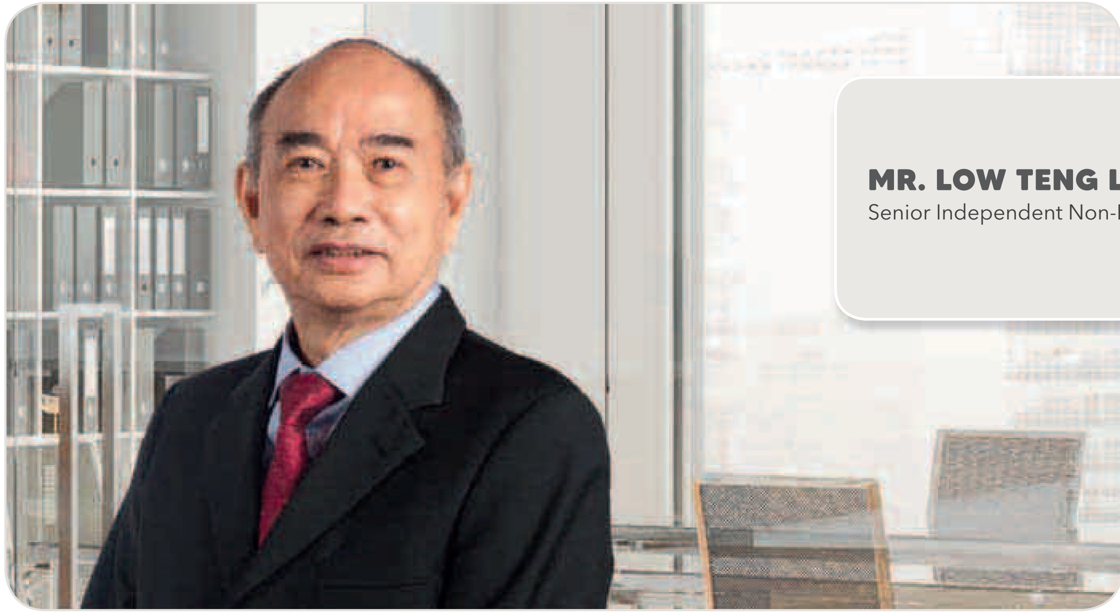
He began his career at Genting Berhad, a company listed on the Bursa Malaysia Securities Berhad as a Management Trainee in 1984 and served for 2 years.

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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)



MR. LOW TENG LUM
Senior Independent Non-Executive Director

Gender Male
Age 68
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Low Teng Lum, aged 68, 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 Programme 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.

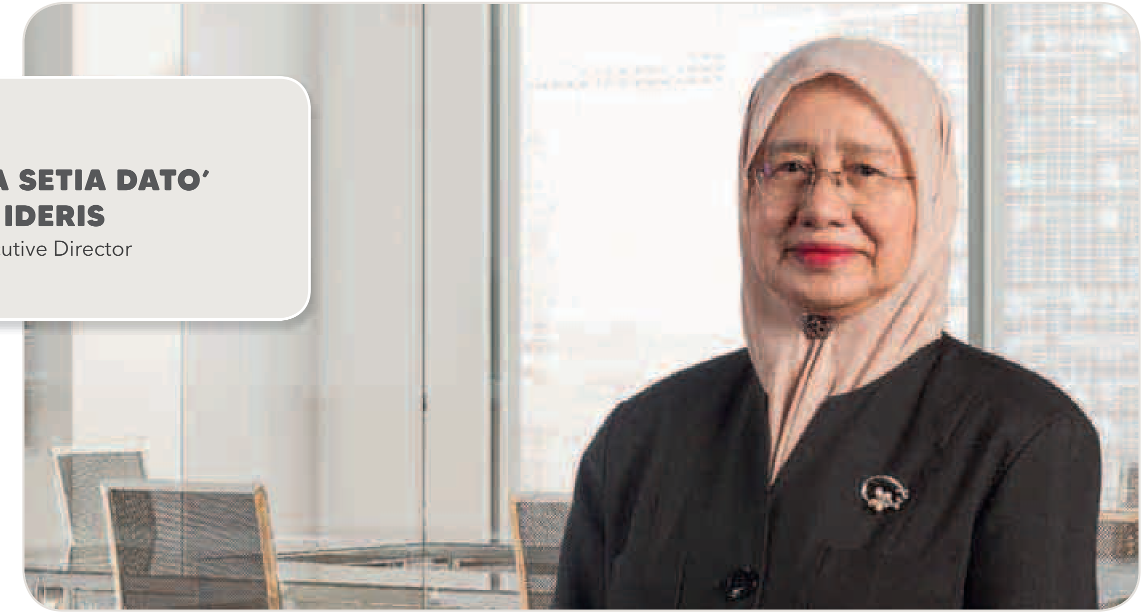
He has been a member of the Taxation and Trade committees of the Malaysian International Chamber of Commerce and Industry since 2002 and 2005 respectively. He was a founding committee member of Confederation of Malaysian Brewers.

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.

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.

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.



DATIN PADUKA SETIA DATO' DR. AINI BINTI IDERIS
Independent Non-Executive Director

Gender Female
Age 69
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Datin Paduka Setia Dato' Dr. Aini Binti Ideris, aged 69, 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.

Dato' Dr. Aini graduated with Doctor of Veterinary Medicine (DVM) degree in 1979 from Universiti Pertanian Malaysia (UPM) (currently, Universiti Putra Malaysia), Masters in Veterinary Science (MVSc) Degree in Avian Medicine from University of Liverpool, England (1981), and PhD Degree from UPM (1989). She continued to do post-doctoral training at the University of California Davis, USA (1990-1992) and was awarded Asian Development Bank Fellowship in 1993 for further post-doctoral training at Cornell University, USA.

Dato' Dr. Aini held various administrative positions in UPM, such as Chairman of Veterinary Teaching Hospital, Deputy Dean Faculty of Veterinary Medicine, Dean School of Graduate Studies, Deputy Vice Chancellor (Academic and International), the Founding Director for Corporate Strategy & Communications Office, and the 8th Vice-Chancellor of Universiti Putra Malaysia. She was also the Coordinator for the National Centre of Excellence for Swiftlets, under the Ministry of Agriculture, Vice President of Global World Veterinary Poultry Association (WVPA), 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 Education & Training, and member of International Advisors of Women Issues, under the Minister at Prime Minister's Department.

She finished her contract with UPM in January 2021 and currently, she is the Pro-Chancellor of International Medical University (IMU). She is also a Visiting Professor at the Management and Sciences University, EXCO member of Global WVPA and President of WVPA Malaysia. Dato' Dr. Aini is a Senior Fellow and EXCO of Academy of Sciences Malaysia, Fellow of World Islamic Academy of Sciences, Founding Fellow and Council member of Malaysian College of Veterinary Specialists, Fellow and Council member of Malaysian Science Association, Fellow of Malaysian Institute of Marketing, member of Board of Governance of International Medical University (IMU) and International Medical College (IMC), member of Board of Trustees Yayasan Inovasi Malaysia (YIM), EXCO Member of National Cancer Council (MAKNA) and member of Investigating Tribunal Panel for the Advocates and Solicitors Disciplinary Board of the Bar Council Malaysia.

Dato' Dr. 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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

Gender Female
Age 64
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Ms. Kow Poh Gek, aged 64, 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.

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.

Gender Female
Age 66
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Ms. Chan Wai Yen, Millie, aged 66, 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 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 ceased her legal practice with Borden Ladner Gervais and 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. In April 2019, Ms. Chan was appointed a Consultant of Shearn Delamore & Co, a legal firm in Malaysia.

Ms. Chan was appointed an Independent Non-Executive Director of Gamuda Berhad on 1 January 2022, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MS. CYNTHIA TOH MEI LEE
Independent Non-Executive Director

Gender Female
Age 48
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Ms. Cynthia Toh Mei Lee, aged 48, 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 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 was appointed as a Director of Unitrade Industries Berhad on 15 September 2021.

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.

MR. WEE BENG CHUAN
Independent Non-Executive Director

Gender Male
Age 59
Nationality Malaysian

Board Meeting Attendance In The Financial Year
6/6

Mr. Wee Beng Chuan, aged 59, 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 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.

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.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MADAM TAN LER CHIN, CINDY
Independent Non-Executive Director

Gender Female
Age 61
Nationality Malaysian

Board Meeting Attendance In The Financial Year
1/1

Madam Tan Ler Chin, Cindy, aged 61, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 4 January 2022. She is also a member of the Audit and Risk Management Committees.

She graduated with Honours degree in Economics, majoring in Statistics from Universiti Kebangsaan Malaysia in 1984, Diploma in Investment Analysis in 1988 from Malaysian Association of Productivity and Certified Diploma in Accounting and Finance, accorded by the Chartered Association of Certified Accountants in 1991. She also attended the Wharton-National University of Singapore Banking Programme in 1995.

Madam Tan began her career in 1984, in the finance and budget department of Employees Provident Fund ("EPF"). In 1988, she was transferred to the investment department, where she was responsible for the management of the EPF's external fund managers and other domestic investment assets, including Malaysian Government Securities, loans/debentures, equities and money market placements. Her experience includes specialisation in fixed income investments which includes several large privatisation projects in Malaysia.

In 2009, Madam Tan was appointed as the head of investment compliance and was responsible for ensuring all investment settlements were undertaken in compliance with internal policies/guidelines and other related legal requirements.

In 2019, Madam Tan was appointed as the head of risk department where she oversaw the management of amongst others, the operational risks, technology risks, investment risks and investment market risks of EPF. She retired from EPF in April 2021.

Madam Tan had also in the past served on the Board of Malaysia Building Society Berhad, Sunway Holdings Incorporated Berhad (now known as Sunway Holdings Sdn. Bhd.) and Malakoff Corporation Berhad.

Madam Tan is currently an Independent Non-Executive Director of Affin Islamic Bank Berhad, Senheng New Retail Berhad and Sunway Construction Group Berhad.

Madam Tan 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.

KEY SENIOR MANAGEMENT

01 DR. CHIA SONG KUN
Executive Chairman

Please refer to Directors' Profile on page 82.

02 MR. CHIA SONG KOOI
Group Managing Director

Please refer to Directors' Profile on page 83.

03 MR. CHIA SEONG FATT
Executive Director

Please refer to Directors' Profile on page 84.

04 MR. CHIA MAK HOOI
Executive Director

Please refer to Directors' Profile on page 85.

05 MR. CHEAH JUW TECK
Executive Director

Please refer to Directors' Profile on page 86.

06 MR. CHIA LIK KHAI
Executive Director

Please refer to Directors' Profile on page 87.

07 MR. CHIA SEONG POW
Alternate Director to Chia Seong Fatt

Please refer to Directors' Profile on page 88.

08 MR. CHIA SONG SWA
Executive Director

Please refer to Directors' Profile on page 89.

09 MR. CHIA SONG KANG
Executive Director

Mr. Chia Song Kang, aged 71, male, Malaysian, joined QL Group as an Executive Director in January 1987. He was appointed as an Executive Committee ("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.

10 MS. CHIA JUAK SUI
Executive Director

Ms. Chia Juak Sui, aged 46, 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 2022 (FY2022). This overview takes guidance from the three key principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG").

To ensure the Company continues to adopt the best CG practices, the Board reviews its practices annually with reference to the MCCG. The latest review was conducted in July 2022. 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 2022, the Company applied 42 out of the total of 48 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 FY2022 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)	6/6	-	4/4	-	-
Chia Song Kooi (Group Managing Director)	6/6	-	4/4	-	-
Chia Seong Fatt	6/6	-	-	-	-
Chia Mak Hooi	6/6	-	-	-	-
Cheah Juw Teck	6/6	-	-	-	-
Chia Lik Khai[1]	6/6	-	-	-	-
ALTERNATE DIRECTOR					
Chia Seong Pow	6/6	-	-	-	-
Chia Song Swa	6/6	-	-	-	-
INDEPENDENT NON-EXECUTIVE DIRECTOR					
Low Teng Lum	6/6	5/5	4/4	4/4	3/3
Datin Paduka Setia Dato' Dr. Aini Binti Ideris	6/6	5/5	4/4	-	-
Kow Poh Gek	6/6	5/5	4/4	4/4	3/3
Chan Wai Yen, Millie	6/6	5/5	4/4	-	-
Cynthia Toh Mei Lee	6/6	5/5	4/4	-	-
Wee Beng Chuan	6/6	5/5	4/4	4/4	3/3
Tan Ler Chin, Cindy[2]	1/1	1/1	1/1	-	-

Notes:
[1] He resigned as an Alternate Director and was appointed as an Executive Director on 4 January 2022.
[2] She was appointed as an Independent Director, Audit Committee and Risk Management Committee member on 4 January 2022.

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 reviewed and approved amendments to the Board Charter whereby the service of an Independent Director should not exceed a cumulative term limit of 9 years in accordance with Step Up 5.4 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 38% female representation.

During the financial year, the Nominating Committee met four times to review and assess the following:
- Board, individual Directors, Committee's evaluation and Independent Directors Self-evaluation; terms of reference of Nominating Committee and Board diversity policy;
- succession planning and gaps in skills for the Board and Board Committees;
- trainings attended by Directors;
- review on the additional recommendations raised in the MCCG; and
- review on the nomination of an additional Independent Non-Executive Director and Executive Director.

In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the Nominating Committee takes into account the guiding principles that the Board's composition should reflect an appropriate mix having regard to such matters as:
- skills and experience, integrity, competence and time to effectively discharge their role as a director;
- tenure; and
- diversity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

On 9 August 2021, the Company received a Nomination Letter from the Employees Provident Fund Board, a substantial shareholder of QL, to nominate an Independent Director to the Board. Upon assessing the independence, fitness and propriety of Madam Tan Ler Chin, she was appointed as an Independent Non-Executive Director of the Company on 4 January 2022. On the same day, Mr. Chia Lik Khai resigned as an Alternate Director and was appointed as an Executive Director of the Company.

In June 2022, the Board established the Directors' Fit and Proper Policy to ensure that any person to be appointed or elected/re-elected as a Director of the Company shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Directors' Fit and Proper Policy is available on the Company's website.

The Board through the Nominating Committee conducts the annual assessment on effectiveness of the Board, the Board Committees and the individual Directors of the Company. In FY2022, the Nominating Committee had conducted the Board effectiveness evaluation exercise internally and facilitated by the Company Secretary. In line with the MCCG of ensuring a periodic externally-facilitated Board evaluation by independent experts, the Board will engage independence experts to conduct the Board evaluation once in every 3 years, commencing FY2024 for the assessment of FY2023 onwards.

Our Board Evaluation Process involves the following:
- Completion of questionnaire on effectiveness of the Board and its Committees and individual Directors;
- Collation of results and preparation of findings and actions; and
- Deliberations in the Nominating Committee and Board meetings.

During the financial year, the Nominating Committee (together with the Executive Chairman) reviewed the detailed succession plans and talent management updates for the mission critical roles in the organisation as presented by the Head, Group Human Resources. The Nominating Committee also considered the succession bench strength of each senior critical role and operational critical role. The successors' development plans were developed based on their current readiness levels to increase their leadership capabilities and potential. Talents were also identified by Group Human Resources to cultivate their leadership skills and prepare them to be successors to critical roles.

The Group continues to remain cognisant and dedicated in attracting, developing and retaining capable, engaged and empowered employees. While 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 FY2022, the Board comprised seven Independent Non-Executive Directors, six Executive Directors and two Alternate Directors to Executive Directors. Of the seven Independent Directors, five 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
The Malaysian Code on Corporate Governance 2021 & the Securities Commission Guidelines on Directors' conduct - Implications to the Board of Directors and Management	QL in-house training
Deloitte Global Boardroom Program Webcast 2021 - Climate Series: Exploring Solutions for Decarbonizing Transport	Deloitte Luxembourg
The Invention of Tomorrow: Crafting Our New Collective Narrative	Khazanah Megatrends Forum 2021
Malaysian Code on Corporate Governance 2021	COSPEC Management Services Sdn. Bhd.
Delivering Business Resilience in Transformative Times - Setting an Efficient Growth Framework	Malaysian Institute of Corporate Governance
U.S. Soy Supply Workshops: Price & Risk Management Short Course	U.S. Soybean Export Council
Market Talk: Animal Proteins Supply & Demand Outlook 2021	U.S. Grains Council
2nd U.S. Grains and Soy Buyers Conference	U.S. Soybean Export Council & U.S. Grains Council
MCCG Revision 2021 - Changing the Game in Corporate Governance	Institute of Corporate Directors Malaysia
Understanding Board Decision-Making Process	Asia School of Business
Governance in Groups	Asia School of Business
Creating a Resilient Organisation: Crisis & Incident Readiness	Institute of Corporate Directors Malaysia
Implementing amendments in the Malaysian Code on Corporate Governance	Asia School of Business
Capital Market Conference 2021	Malaysian Institute of Accountants
Pre & Post IPO Obligations and Key Update 2019/2020 Listing Requirements	Malaysian Institute of Accountants
TCFD 101: Getting started with climate-related financial reporting	Bursa Malaysia
TCFD 102: Building experience in climate-related financial reporting	Bursa Malaysia
Key Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Director Appointment, Independence and Other Amendments	COSPEC Management Services Sdn. Bhd.
2nd Southeast Asia Agricultural Leadership Summit 2022	U.S. Agricultural
Sustainability Series: Sustainability & Impact on Organizations-What Directors Need to Know?	Asia School of Business - The Iclif Executive Education Center
Star Wealth Summit 2021	Star Media Group
Nutrition and Food Security: Enhancing Resilience Towards future pandemics	The Jeffrey Sachs Center on Sustainable Development
Perspectives on metal analysis	Steel Times International
Invest Fair 2021	Share Investor
Corporate law & practice in turbelent times?	University of New South Wales
Pandemic Recovery & East Asian Economic Resilience	Jeffrey Cheah Institute of Southeast Asia
FutureCFO 2021	Cxociety Pte Ltd

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

SEMINAR/COURSE	ORGANISER
Transfer Pricing Audits and Dispute Prevention Strategies	Crowe Malaysia PLT
Global payments: Challenge & Opportunity	Protocol
Crowe Expert Hour: Notable Updates in the Service Tax	Crowe Malaysia PLT
Be "Sassy" & Enable Secure Access Everywhere	Star Media Group
China's Fintech Future	Protocol
AOB Conversation with Audit Committees	Audit Oversight Board Securities Commission Malaysia
Russia - Ukraine Conflict - Will It Cause The End Of the Bull Run?	Shareinvestor Malaysia
World After Covid 2022	UOB Wealth Forum
How to start your Sustainability Journey	Climate Governance Malaysia
Talk on Anti Money Laundering Act	EY

Scan here to read the QL CG report

III. REMUNERATION

The Remuneration Committee reviewed and approved the remuneration policy for Directors. 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 and balanced to motivate Directors to achieve short-term and long-term success, promoting 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 Committee conducts the Directors' remuneration framework review every 2 to 3 years after its financial year and benchmarking its remuneration scheme with the market data source provided.

The remuneration breakdown of individual Directors which includes fee, allowance, salary, bonus, benefits-in-kind and other emoluments for the FY2022 is set out in the table below:

			Company ('000)							Group ('000)						
No	Name	Directorate	*Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	*Fee	**Allowance	Salary	Bonus	#Benefits-in-kind	@Other emoluments	Total
1.	Chia Song Kun	Executive Director	132	0	0	0	0	0	132	265.86	16	1,692.75	1,933.48	22.7	78.87	4,009.66
2.	Chia Song Kooi	Executive Director	108	0	0	0	0	0	108	240.40	1.6	1,082.64	1,679.71	22.7	52.15	3,079.20
3.	Chia Seong Fatt	Executive Director	84	0	0	0	0	0	84	222	0	825.14	964.38	28	52.23	2,091.75
4.	Chia Mak Hooi	Executive Director	84	0	0	0	0	0	84	114	0	655.59	651.67	23.95	91.65	1,536.86
5.	Cheah Juw Teck	Executive Director	84	0	0	0	0	0	84	130	12.8	690.55	1,992.65	0	303.16	3,129.16
6.	Chia Lik Khai^	Executive Director	48	0	0	0	0	0	48	60	0	1,030.2	434.36	35.20	168.22	1,727.98
7.	Chia Seong Pow^^	Executive Director	36	0	0	0	0	0	36	126.26	1.6	843.03	682.57	20.52	39.29	1,713.27
8.	Chia Song Swa^^^	Executive Director	36	0	0	0	0	0	36	68.4	0	652.14	931.14	22.70	36.74	1,711.12
9.	Low Teng Lum	Independent Director	120	6	0	0	0	0	126	120	6	0	0	0	0	126
10.	Datin Paduka Setia Dato' Dr. Aini Binti Ideris	Independent Director	90	6	0	0	0	0	96	90	6	0	0	0	0	96
11.	Kow Poh Gek	Independent Director	90	6	0	0	0	0	96	90	6	0	0	0	0	96
12.	Chan Wai Yen, Millie	Independent Director	90	6	0	0	0	0	96	90	6	0	0	0	0	96
13.	Cynthia Toh Mei Lee	Independent Director	90	6	0	0	0	0	96	90	6	0	0	0	0	96
14.	Wee Beng Chuan	Independent Director	90	6	0	0	0	0	96	90	6	0	0	0	0	96
15.	Tan Ler Chin, Cindy (Appointed on 4 January 2022)	Independent Director	22.5	1	0	0	0	0	23.5	22.5	1	0	0	0	0	23.50

Note:

^ Mr. Chia Lik Khai was the Alternate Director to Mr. Cheah Juw Teck from 1 April 2021 to 4 January 2022. On 4 January 2022, he resigned as an Alternate Director to Mr. Cheah Juw Teck and was appointed as an Executive Director of the Company.

^^ Mr. Chia Seong Pow is the Alternate Director to Mr. Chia Seong Fatt.

^^^ Mr. Chia Song Swa is the Alternate Director to Mr. Chia Mak Hooi.

** Fee is the Directors' fees and EXCO Members' fees received from QL and its subsidiaries.*

*** Allowance includes 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.

@ Other emoluments include Employees Provident Fund received from QL and its subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee ("AC") comprised seven 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 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 page 106.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board fulfils 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 Head of Group Risk Management & Internal Audit.

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 completed and will be repeated on a continuous basis 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 were 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 Risk Management Committee is available at page 109.

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 48 engagements with the investment community were carried out in FY2022. 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 FY2022	Number of activities
Briefing to Analysts and Fund Managers	18
Participating in Investor Conferences organised by Investment banks for domestic as well as foreign fund managers	6
ESG Engagement	6
In-house Investor meetings	8
Engagement with other stakeholders	10
Total	**48**

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.

The 24th AGM of the Company held on 22 September 2021 was conducted entirely through live streaming and online remote voting via remote participation and voting facilities ("RPV") via Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") Online website at https://tiih.online. RPV enabled remote shareholders' participation and online remote voting by leveraging on 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 313 shareholders and the Board of Directors answered questions submitted by shareholders prior and during the AGM. Some questions were answered via email.

The Company conducted poll voting on all the resolutions proposed at its 24th AGM in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. TIIH was appointed as the poll administrator to conduct the polling voting electronically, and Messrs Deloitte Business Advisory 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 12 July 2022.

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 consist of seven (7) members, all of whom are Independent Non-Executive Directors. The list of Audit Committee members in the financial year under review (FY2022) is available in the Corporate Governance Overview Statement at page 99.

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 FY2022, 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 99.

The Executive Chairman, Group Managing Director and Chief Financial Officer were present by invitation in all the meetings. Other members of management are invited whenever necessary to provide additional support or counsel to the Committee. The Secretary to the Committee is the Company Secretary.

In the financial year under review, the Audit Committee held three (3) 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 to the Board for approval, 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 to the Board for approval, the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control.

Reviewed the Crisis Management process update.

Reviewed the Terms of Reference of the Audit Committee.

Reviewed and approved the Non-Audit Services fees.

Reviewed summary of whistleblowing case.

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 July, November 2021 and February 2022 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 global audit firm to undertake periodic and systematic reviews of the adequacy and effectiveness of internal controls 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.

By adopting a risk-based approach, the internal audit methodology has considered the Group's identified risks and focused on auditable areas which would have the most impact to the business objectives of the Group. Among the focus areas are cost control management, operational & compliance control 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 periodical 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:

- 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 & controls review and human resource management.

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

Followed up on remaining actions taken by Management

Audit Fees

In FY2022, 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 are carefully nurtured and directed by the Board and embedded into the Group's processes and structure. The Risk Management Committee ensures the implementation and compliance of a robust risk management process and 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 Heads of Business Units.

RISK MANAGEMENT

The Board has put in place an Enterprise Risk Management ("ERM") framework, in accordance with the principles set out in the Malaysian Code on Corporate Governance 2021, 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 principally aligned with the internationally recognised COSO (Committee of Sponsoring Organisations) ERM Framework. 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 parameters 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 Committee ("RMC") and a Risk Management Unit ("RMU") have been established by the Group.

Diagram 1: Risk Reporting Structure at QL

RISK MANAGEMENT COMMITTEE

The members of the Risk Management Committee ("RMC") comprise a majority of Independent Non-Executive Directors appointed by the Board of Directors. The RMC is responsible for amongst others the following:

- 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 units' risk appetite and capacity, and other criteria, which, when exceeded, trigger an obligation to report upward to the Board.

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 mitigate the risks; and
- To perform risk oversight and review risk profiles (Company and the Group) and organisational performance.

The Group has a Risk Management Function ("RM"), led by the Head, Group Risk Management. The RM facilitates and supervises the implementation of the ERM framework and processes by the respective business units. The RM reports functionally to the Executive Chairman with periodic reporting to RMC and RMU.

Key aspects of the risk management process are as follows:

- 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 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.
- 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.

Enterprise Risk Management refresher trainings were conducted during risk assessment process 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.
- Quarterly Risk Management Summary Report to RMC.
- ERM brainstorming and risk assessment in FY2022.
- Anti-Bribery Governance Risk Assessment Update.
- 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 practice business ethically towards its stakeholders, including its employees and major suppliers.

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

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 its operations. The spread of COVID-19 may cause disruptions in the business operations.	• Perform self-administered COVID-19 test. • Workplace management inclusive of work arrangements for employees, management of common facilities and contractor/supplier/visitor management. • Frequent communication updates and enforcement of COVID-19: Safety and Health Guidelines in the Workplace and New Normal. • Facilitate and assist employees for COVID-19 vaccination jabs. • Set up internal quarantine centre to isolate positive cases. 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 compliance, 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. • Risk sharing by subscribing to Cybersecurity Insurance coverage for the Group.

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:

- 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 & controls review and human resource management.

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 Auditor and External Auditor.
- 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 12 July 2022.

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 22 September 2021.

The Company is also seeking shareholders' approval to renew the Shareholders' Mandate for 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 22 September 2021.

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 2022 were as follows:-

	AUDIT FEES		NON-AUDIT FEES	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
KPMG PLT Malaysia	1,676	142	108	30
Overseas affiliates of KPMG PLT Malaysia	276	–	107	–
Other auditors	462	–	–	–

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements 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; 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.

DIRECTORS' REPORT

for the year ended 31 March 2022

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 2022.

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	217,345	177,397
Non-controlling interests	18,196	–
	235,541	177,397

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

In respect of financial year ended 31 March 2021, a final single tier dividend of 3.50 sen per ordinary share totalling approximately RM85,178,000 was approved on 22 September 2021 and paid on 15 October 2021.

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2022 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.

DIRECTOR'S REPORT (CONT'D)
for the year ended 31 March 2022

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	
Mr. Chia Seong Fatt#	Mr. Chia Seong Pow^
Mr. Chia Mak Hooi#	Mr. Chia Song Swa^
Mr. Cheah Juw Teck#	
Mr. Chia Lik Khai@	
Mr. Low Teng Lum	
Datin Paduka Setia Dato' Dr. Aini Binti Ideris	
Ms. Kow Poh Gek	
Ms. Chan Wai Yen	
Ms. Cynthia Toh Mei Lee	
Mr. Wee Beng Chuan	
Ms. Tan Ler Chin (appointed on 4 January 2022)	

^ 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.
@ Resigned as alternate Director on 4 January 2022 and subsequently appointed as Director on 4 January 2022.

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 (Resigned on 1 April 2022)
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. Chua Chye Huat
Mr. Ding Lean Yew
Mr. Heng Hup Peng (Resigned on 1 April 2022)
Mrs. Juliet Kristianto Liu
Mr. Khoo Ng Hiong

LIST OF DIRECTORS OF SUBSIDIARIES (CONT'D)

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. Tan Eng Hai
Mr. Tan Gek Len
Mr. Brahanuddin Bin Hussin
Mr. Chia Jooi Seng
Ms. Judith Binti Petrus Pilos
Mr. Kok Wan Shong
Mr. Chua Lee Guan
Dokter Hewan Cecep Mohammad Wahyudin
Mr. Leong Yew Cheong
Mr. Tee Seng Chun
Mr. Gan Chih Soon
Mr. Ho Cheok Yuen
Mr. Adrian Chair Yong Huang
Ms. Rina Meileenee Binti Adam
Mr. Ng Swee Weng
Mr. Law Chee Wong
Ms. Benja Boonyakitsombat
Mr. Yong Hua Kong
Mr. Chia Khek Ping
Mr. Hii Hiong Swee
Mr. Leong Jit Min
Mr. Liu Chuan Yew (Appointed on 17 May 2022)

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 1.4.2021	Bought	Sold	At 31.3.2022
Shareholdings in the Company which Directors have direct interests:				
Chia Song Kun	1,316,250	–	–	1,316,250
Chia Song Kooi	1,696,500	–	–	1,696,500
Chia Seong Pow	3,540,000	–	–	3,540,000
Chia Song Swa	1,105,650	–	–	1,105,650
Chia Lik Khai	2,709,900	95,600	–	2,805,500
Chia Seong Fatt	390,000	–	–	390,000
Chia Mak Hooi	3,861,555	99,200	(55,000)	3,905,755
Cheah Juw Teck	5,000,122	161,200	(967,700)	4,193,622
Low Teng Lum	6,000	–	–	6,000

DIRECTOR'S REPORT (CONT'D)

for the year ended 31 March 2022

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
Shareholdings in the Company which Directors have deemed interests:				
Chia Song Kun	999,586,771	4,907,300	(671,700)	1,003,822,371
Chia Song Kooi	4,718,760	8,800	-	4,727,560
Chia Seong Pow	289,606,296	4,881,200	(671,700)	293,815,796
Chia Song Swa	4,222,900	11,000	-	4,233,900
Chia Lik Khai	285,480	-	-	285,480
Chia Seong Fatt	286,448,979	4,890,700	(671,700)	290,667,979
Chia Mak Hooi	713,700	-	-	713,700
Cheah Juw Teck	1,950,000	348,000	-	2,298,000
Kow Poh Gek	13,845	-	-	13,845
Low Teng Lum	121,125	4,700	-	125,825

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, Datin Paduka Setia Dato' Dr. Aini Binti Ideris, Chan Wai Yen, Cynthia Toh Mei Lee, Wee Beng Chuan and Tan Ler Chin holding office at 31 March 2022 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

There were no 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 22 September 2021, 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, the financial performance of the Group and of the Company for the financial year ended 31 March 2022 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.

DIRECTOR'S REPORT (CONT'D)
for the year ended 31 March 2022

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: 12 July 2022

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Property, plant and equipment	3	**2,187,275**	2,211,129	**-**	10
Right-of-use assets	4	**475,265**	475,784	**-**	-
Investment properties	5	**26,813**	19,841	**-**	-
Intangible assets	6	**128,108**	129,224	**-**	-
Investment in subsidiaries	7	**-**	-	**1,349,424**	1,352,583
Investment in associates	8	**2,391**	2,264	**-**	-
Deferred tax assets	9	**11,803**	7,308	**-**	-
Trade and other receivables	10	**24,614**	25,480	**348,243**	420,338
Total non-current assets		**2,856,269**	2,871,030	**1,697,667**	1,772,931
Biological assets	11	**231,988**	209,570	**-**	-
Inventories	12	**679,302**	652,216	**-**	-
Current tax assets		**28,944**	21,760	**-**	720
Contract assets	13.1	**53,820**	29,361	**-**	-
Contract costs	13.2	**1,075**	3,296	**-**	-
Trade and other receivables	10	**495,120**	481,885	**197,541**	151,959
Prepayments and other assets	14	**75,487**	75,071	**784**	1,183
Derivative financial assets	15	**4,281**	208	**4,106**	-
Cash and cash equivalents	16	**481,131**	486,493	**14,915**	11,677
		2,051,148	1,959,860	**217,346**	165,539
Assets classified as held for sale	17	**49,638**	4,545	**-**	-
Total current assets		**2,100,786**	1,964,405	**217,346**	165,539
Total assets		**4,957,055**	4,835,435	**1,915,013**	1,938,470
EQUITY					
Share capital		**620,025**	620,025	**620,025**	620,025
Reserves		**1,851,101**	1,694,168	**480,257**	381,721
Equity attributable to owners of the Company	18	**2,471,126**	2,314,193	**1,100,282**	1,001,746
Non-controlling interests		**235,281**	231,321	**-**	-
TOTAL EQUITY		**2,706,407**	2,545,514	**1,100,282**	1,001,746

STATEMENTS OF FINANCIAL POSITION (CONT'D)
as at 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
LIABILITIES					
Loans and borrowings	19	**436,289**	608,253	**372,865**	533,778
Lease liabilities		**145,996**	141,975	**-**	-
Other payables	20	**4,642**	1,298	**-**	-
Employee benefits	21	**10,875**	12,029	**-**	-
Deferred tax liabilities	9	**154,085**	144,716	**-**	-
Total non-current liabilities		**751,887**	908,271	**372,865**	533,778
Loans and borrowings	19	**924,106**	783,520	**268,969**	245,249
Lease liabilities		**25,563**	24,216	**-**	-
Trade and other payables	20	**463,952**	465,436	**172,657**	144,499
Contract liabilities	13.1	**62,221**	70,986	**-**	-
Derivative financial liabilities	15	**490**	14,445	**-**	13,198
Current tax liabilities		**22,429**	23,047	**240**	-
Total current liabilities		**1,498,761**	1,381,650	**441,866**	402,946
Total liabilities		**2,250,648**	2,289,921	**814,731**	936,724
TOTAL EQUITY AND LIABILITIES		**4,957,055**	4,835,435	**1,915,013**	1,938,470

The notes on pages 131 to 227 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue					
- sale of goods	22	**4,968,001**	4,308,421	**-**	-
- construction contracts	22	**267,975**	70,362	**-**	-
- dividend income		**73**	17	**172,681**	129,682
		5,236,049	4,378,800	**172,681**	129,682
Cost of sales		**(4,333,582)**	(3,508,754)	**-**	-
Gross profit		**902,467**	870,046	**172,681**	129,682
Administrative expenses		**(325,608)**	(286,303)	**(11,119)**	(11,176)
Distribution costs		**(240,490)**	(201,569)	**-**	-
Other expenses		**(29,140)**	(23,639)	**(2,325)**	(16,900)
Other income		**57,402**	113,627	**6,562**	4,993
Results from operating activities	23	**364,631**	472,162	**165,799**	106,599
Finance costs	24	**(51,721)**	(56,430)	**(26,457)**	(34,693)
Finance income	25	**7,780**	7,519	**39,105**	47,108
Share of profits of equity-accounted associates, net of tax		**521**	9,305	**-**	-
Profit before tax		**321,211**	432,556	**178,447**	119,014
Tax expense	26	**(85,670)**	(107,373)	**(1,050)**	(128)
Profit for the year		**235,541**	325,183	**177,397**	118,886
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on estimated liabilities for employee benefits		**1,367**	-	**-**	-
		1,367	-	**-**	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**21,387**	40,176	**-**	-
Share of gain of equity-accounted associates		**-**	1,795	**-**	-
Cash flow hedge		**5,784**	19,879	**6,317**	19,014
		27,171	61,850	**6,317**	19,014
Total other comprehensive income for the year, net of tax		**28,538**	61,850	**6,317**	19,014
Total other comprehensive income for the year		**264,079**	387,033	**183,714**	137,900
Profit attributable to:					
Owners of the Company		**217,345**	311,906	**177,397**	118,886
Non-controlling interests		**18,196**	13,277	**-**	-
Profit for the year		**235,541**	325,183	**177,397**	118,886
Total comprehensive income attributable to:					
Owners of the Company		**245,787**	370,869	**183,714**	137,900
Non-controlling interests		**18,292**	16,164	**-**	-
Total comprehensive income for the year		**264,079**	387,033	**183,714**	137,900
Basic earnings per ordinary share (sen)	27	**9**	13		

The notes on pages 131 to 227 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

Group	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				
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	35.2	-	-	-	-	-	147,446	147,446
- Acquisition of non-controlling interests	35.2	-	-	-	(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				

Group (cont'd)	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				
At 1 April 2021		620,025	(99,369)	(9,870)	1,803,407	2,314,193	231,321	2,545,514
Foreign currency translation differences for foreign operations		-	20,999	-	-	20,999	388	21,387
Cash flow hedge		-	-	6,060	-	6,060	(276)	5,784
Actuarial gain/(loss) on estimated liabilities for employee benefits		-	-	-	1,383	1,383	(16)	1,367
Total other comprehensive income for the year		-	20,999	6,060	1,383	28,442	96	28,538
Profit for the year		-	-	-	217,345	217,345	18,196	235,541
Total comprehensive income for the year		-	20,999	6,060	218,728	245,787	18,292	264,079
Contributions by and distributions to owners of the Company								
- Dividend to owners of the Company	28	-	-	-	(85,178)	(85,178)	-	(85,178)
- Dividends to non-controlling interests		-	-	-	-	-	(10,922)	(10,922)
- Acquisition of non-controlling interests	35.1.1	-	-	-	(3,676)	(3,676)	(3,410)	(7,086)
Total transactions with owners of the Company		-	-	-	(88,854)	(88,854)	(14,332)	(103,186)
At 31 March 2022		620,025	(78,370)	(3,810)	1,933,281	2,471,126	235,281	2,706,407
		Note 18.1	Note 18.2	Note 18.3				

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

		Attributable to owners of the Company			
		Non-distributable		Distributable	
Company	Note	Share capital RM'000	Hedging reserves RM'000	Retained earnings RM'000	Total equity RM'000
At 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/1 April 2021		620,025	(8,900)	390,621	1,001,746
Cash flow hedge		-	6,317	-	6,317
Total other comprehensive income for the year		-	6,317	-	6,317
Profit for the year		-	-	177,397	177,397
Total comprehensive income for the year		-	6,317	177,397	183,714
Distribution to owners of the Company					
- Dividend to owners of the Company	28	-	-	(85,178)	(85,178)
Total transactions with owners of the Company		-	-	(85,178)	(85,178)
At 31 March 2022		620,025	(2,583)	482,840	1,100,282
		Note 18.1	Note 18.3		

The notes on pages 131 to 227 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Profit before tax		321,211	432,556	178,447	119,014
Adjustments for:					
Amortisation of:					
- intangible assets	6	1,563	1,235	-	-
Change in fair value of:					
- biological assets	11	(20,516)	3,040	-	-
- agriculture produce		(2,361)	299	-	-
Depreciation of:					
- investment properties	5	3,888	2,621	-	-
- property, plant and equipment	3	190,420	176,391	10	24
- right-of-use assets	4	34,150	27,924	-	-
Derivative (gain)/loss		(552)	4,826	-	-
Dividends from:					
- liquid investments		(76)	(17)	(73)	(12)
- subsidiaries		-	-	(172,607)	(129,670)
Finance costs		51,721	56,430	26,457	34,693
Finance income		(7,780)	(7,519)	(39,105)	(47,108)
Gain on disposal of property, plant and equipment		(1,264)	(3,941)	-	-
Gain on disposal of subsidiary	35.1	(3,725)	-	-	-
(Gain)/Loss on unrealised foreign exchange, net		(7,568)	(1,692)	(2,171)	14,368
Gain on unrealised liquid investment		(12)	(42)	(12)	(42)
Gain on termination of lease contracts		(208)	(387)	-	-
(Reversal of)/Impairment loss on:					
- advances to suppliers		-	(40)	-	-
- associates	8	-	49	-	-
- contract assets		134	628	-	-
- property, plant and equipment		14	-	-	-
- trade and other receivables		5,104	2,874	-	-
- subsidiary		-	-	981	-
Inventories write-down		1,110	274	-	-
Remeasurement gain of previously held equity interest	35.2	-	(79,031)	-	-
Property, plant and equipment written off	3	1,999	2,571	-	-
Share of associates' profits		(521)	(9,305)	-	-
Operating profit/(loss) before changes in working capital		566,731	609,744	(8,073)	(8,733)
Changes in working capital:					
Biological assets		459	(26,242)	-	-
Inventories		(30,910)	(111,852)	-	-
Trade and other receivables and other financial assets		(11,327)	(2,430)	(29,097)	599
Employee benefits		(1,154)	3,641	-	-
Trade and other payables, including derivatives		(60,357)	91,741	(43,884)	77,330
Contract assets		(24,593)	5,233	-	-
Contract costs		2,221	(60)	-	-
Contract liabilities		(8,765)	(32)	-	-
Bills payable		138,351	116,882	-	-
Cash generated from operations		570,656	686,625	(81,054)	69,196

STATEMENTS OF CASH FLOWS (CONT'D)
for the year ended 31 March 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash generated from operations (cont'd)					
Dividends from liquid investments		**76**	17	**73**	12
Income taxes paid		**(88,983)**	(87,709)	**(90)**	(890)
Interest paid		**(19,134)**	(17,258)	**(4,602)**	(1,969)
Interest received		**7,780**	7,519	**39,105**	47,108
Net cash generated from/(used in) operating activities		**470,395**	589,194	**(46,568)**	113,457
Cash flows from investing activities					
Acquisition of:					
- investment properties	5	**(1,807)**	(4,140)	**-**	-
- intangible assets	6	**(446)**	-	**-**	-
- property, plant and equipment	3	**(211,745)**	(325,640)	**-**	-
- leasehold land	4	**(8,042)**	(6,003)	**-**	-
Advances from/(to) subsidiaries		**-**	-	**130,943**	(78,394)
Change in pledged deposits		**(83)**	(103)	**-**	-
Dividends received from:					
- associates		**394**	4,823	**-**	-
- subsidiaries		**-**	-	**172,607**	129,670
Increase in investment in subsidiaries	(i)	**-**	-	**-**	(12,000)
Net cash inflow on acquisition of subsidiaries	35.2	**-**	51,693	**-**	-
Net proceeds from disposal of subsidiaries	35.1	**14,438**	-	**-**	-
Proceeds from disposal of property, plant and equipment		**8,921**	14,052	**-**	-
Proceeds from disposal of investment properties		**219**	-	**-**	-
Net cash (used in)/generated from investing activities		**(198,151)**	(265,318)	**303,550**	39,276
Cash flows from financing activities					
Acquisition of non-controlling interests	35.1.1	**(7,086)**	(2,171)	**-**	-
Dividends paid to:					
- non-controlling interests		**(10,922)**	(4,798)	**-**	-
- owners of the Company	28	**(85,178)**	(73,010)	**(85,178)**	(73,010)
Interest paid		**(32,587)**	(39,172)	**(21,855)**	(32,724)
Proceeds from:					
- term loans and revolving credit		**221,125**	378,369	**209,053**	209,078
- supplier factoring facilities		**32,910**	58,471	**-**	-
Payment of lease liabilities	(iii)	**(28,844)**	(23,612)	**-**	-
Repayment of:					
- term loans and revolving credit		**(370,238)**	(398,848)	**(355,764)**	(274,451)
- hire purchase liabilities		**(124)**	(134)	**-**	-
Net cash used in financing activities		**(280,944)**	(104,905)	**(253,744)**	(171,107)
Net (decrease)/increase in cash and cash equivalents		**(8,700)**	218,971	**3,238**	(18,374)
Cash and cash equivalents at 1 April 2021/2020		**480,521**	261,550	**11,677**	30,051
Cash and cash equivalents at 31 March	(ii)	**471,821**	480,521	**14,915**	11,677

NOTES TO THE STATEMENTS OF CASH FLOWS

(i) Non-cash transactions

Investing activities

Company

During the year, the Company subscribed shares in subsidiaries amounting to RM54,739,000 (2021: RM102,060,000) of which RM54,739,000 (2021: RM90,060,000) was satisfied via capitalisation of debts. In the previous year, the remaining subscription shares in subsidiaries of RM12,000,000 was satisfied via cash.

(ii) 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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash and bank balances		**420,535**	393,991	**13,920**	10,773
Deposits placed with licensed banks		**35,414**	26,678	**310**	305
Liquid investments		**25,182**	65,824	**685**	599
	16	**481,131**	486,493	**14,915**	11,677
Bank overdrafts	19	**(9,124)**	(5,869)	**-**	-
Pledged deposits	16	**(186)**	(103)	**-**	-
		471,821	480,521	**14,915**	11,677

(iii) Cash outflows for leases as a lessee

	Note	Group 2022 RM'000	Group 2021 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	23	**8,361**	5,126
Payment relating to leases of low-value assets	23	**1,006**	529
Payment relating to variable lease payments not included in the measurement of lease liabilities		**1,894**	-
Interest paid in relation to lease liabilities	24	**7,389**	7,083
Included in net cash from financing activities:			
Payment of lease liabilities		**28,844**	23,612
Total cash outflows for leases		**47,494**	36,350

STATEMENTS OF CASH FLOWS (CONT'D)
for the year ended 31 March 2022

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

Group	At 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 RM'000	Termination of lease contracts RM'000	Remeasurement RM'000	Foreign exchange movement RM'000	At 31.3.2021/ 1.4.2021 RM'000
Term loans	852,956	16,778	4,058	-	-	-	(33,916)	839,876
Lease liabilities	148,278	(23,612)	1,497	42,932	(4,285)	1,381	-	166,191
Hire purchase liabilities	258	(134)	-	-	-	-	-	124
Revolving credit	85,605	(37,257)	1,500	-	-	-	329	50,177
Supplier factoring facilities	-	58,471	-	-	-	-	-	58,471
Total liabilities from financing activities	1,087,097	14,246	7,055	42,932	(4,285)	1,381	(33,587)	1,114,839

Group	At 31.3.2021/ 1.4.2021 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Termination of lease contracts RM'000	Foreign exchange movement RM'000	At 31.3.2022 RM'000
Term loans	839,876	(128,574)	-	-	9,264	720,566
Lease liabilities	166,191	(28,844)	36,921	(2,709)	-	171,559
Hire purchase liabilities	124	(124)	-	-	-	-
Revolving credit	50,177	(20,539)	-	-	(101)	29,537
Supplier factoring facilities	58,471	(32,910)	-	-	-	25,561
Total liabilities from financing activities	1,114,839	(210,991)	36,921	(2,709)	9,163	947,233

Company	At 1.4.2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2021/ 1.4.2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2022 RM'000
Term loans	822,205	(35,449)	(33,906)	752,850	(124,635)	9,619	637,834
Revolving credit	56,000	(29,924)	101	26,177	(22,076)	(101)	4,000
Total liabilities from financing activities	878,205	(65,373)	(33,805)	779,027	(146,711)	9,518	641,834

The notes on pages 131 to 227 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 2022 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 2022 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 12 July 2022.

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 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 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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*

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*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

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

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

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact 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 2022, the Company's current liabilities exceeded its current assets by RM224,520,000. 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:

(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.

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

(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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(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 discont'd 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 discont'd is recognised in the profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

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

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) Amortised cost (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

(a) Fair value through profit or loss (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iv) Regular way purchase or sale of financial assets (cont'd)

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.

Cash flow hedge accounting is discont'd 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(vi) Derecognition (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(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 - 58 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	2 - 15 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.

(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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases (cont'd)

(i) Definition of a lease (cont'd)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

(b) As a lessor (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Intangible assets (cont'd)

(ii) Franchise fees, construction production backlog and other intangible assets

Franchise fees, construction production backlog 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.

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

Franchise fees	20 years
Contractual production backlog	3 years
Other intangible assets	5 - 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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/liabilities

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Contract cost (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Provisions (cont'd)

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue and other income (cont'd)

(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.

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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income tax (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Fair value measurements (cont'd)

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

Group	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
Cost											
At 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	3.4	-	-	-	-	-	-	-	(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	4	(8,783)	(266)	-	-	-	500	850	-	-	(7,699)
Transfer from investment properties	5	-	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/1 April 2021		198,681	635,060	591,592	72,288	321,094	1,258,251	161,733	123,285	99,148	3,461,132
Additions		2,007	23,453	17,691	-	42,870	33,235	8,406	2,510	81,573	211,745
Disposals		(1,900)	(7,707)	-	-	(925)	(3,291)	(2,849)	-	-	(16,672)
Disposal of a subsidiary	35.1	-	(2,850)	-	-	(592)	(4,959)	(355)	-	-	(8,756)
Written off		-	(1,307)	(1,916)	-	(2,806)	(18,886)	(730)	-	(128)	(25,773)
Transfer in/(out)		-	19,225	17,786	-	4,467	27,490	1,476	-	(70,444)	-
Transfer to assets held for sale	17	(28,210)	(16,239)	-	-	(379)	(18,528)	(5,275)	(17,744)	(74)	(86,449)
Transfer from/(to) investment properties	5	780	4,406	(4,282)	-	(502)	-	-	-	(11,624)	(11,222)
Effect of movements in exchange rates		1,226	1,335	7,626	-	1,125	5,895	832	3,451	1,209	22,699
At 31 March 2022		172,584	655,376	628,497	72,288	364,352	1,279,207	163,238	111,502	99,660	3,546,704

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	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
Depreciation and impairment loss											
At 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	3.4	-	-	-	-	-	-	-	(3,283)	-	(3,283)
Written off		-	(604)	(9)	(82)	(1,756)	(1,971)	(960)	-	-	(5,382)
Transfer (to)/from right-of-use assets	4	-	(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/1 April 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

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	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
Depreciation and impairment loss (cont'd)											
At 31 March/1 April 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
Depreciation for the year		-	29,757	27,033	4,779	27,930	81,755	12,729	6,437	-	190,420
Disposals		-	(3,889)	-	-	(325)	(2,184)	(2,617)	-	-	(9,015)
Disposal of a subsidiary	35.1	-	(1,063)	-	-	(440)	(2,716)	(161)	-	-	(4,380)
Written off		-	(562)	(1,849)	-	(2,692)	(18,303)	(368)	-	-	(23,774)
Impairment loss		-	-	-	-	14	-	-	-	-	14
Transfer to assets held for sale	17	-	(13,550)	-	-	(341)	(17,469)	(5,201)	(14,374)	-	(50,935)
Transfer from/(to) investment properties	5	-	2,040	(1,810)	-	(256)	-	-	-	-	(26)
Effect of movements in exchange rates		-	507	1,691	-	491	3,107	457	869	-	7,122
At 31 March 2022											
- Accumulated depreciation		-	163,918	176,042	32,318	151,251	686,794	113,930	28,903	-	1,353,156
- Accumulated impairment loss			895	-	-	215	5,162	1	-	-	6,273
			164,813	176,042	32,318	151,466	691,956	113,931	28,903	-	1,359,429
Carrying amounts											
At 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/1 April 2021		198,681	483,487	440,615	44,749	194,009	610,485	52,641	87,314	99,148	2,211,129
At 31 March 2022		172,584	490,563	452,455	39,970	212,886	587,251	49,307	82,599	99,660	2,187,275

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicles RM'000
Cost	
At 1 April 2020/31 March 2021/1 April 2021/31 March 2022	495
Accumulated depreciation	
At 1 April 2020	461
Depreciation for the year	24
At 31 March/1 April 2021	485
Depreciation for the year	10
At 31 March 2022	495
Carrying amounts	
At 1 April 2020	34
At 31 March/1 April 2021	10
At 31 March 2022	–

3.1 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	2022 RM'000	2021 RM'000
Motor vehicles	-	45

3.2 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.

3.3 Assets pledged to licensed banks

Freehold land and buildings with carrying amount of RM830,000 (2021: RM830,000) and RM3,192,000 (2021: RM3,280,000) respectively are pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

3.4 Transfer of plasma plantation project

In the previous 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 (CONT'D)

3.5 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 judgement 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.

3.6 Capitalised borrowing costs

Included in the additions to the property, plant and equipment of the Group are borrowing costs capitalised ranging from 2.20 - 4.67% (2021: nil) per annum amounting to RM993,000 (2021: nil).

4. RIGHT-OF-USE ASSETS

Group	Note	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 2020		207,720	18,271	598	201	139,410	366,200
Additions		6,003	–	–	905	42,027	48,935
Acquisitions through business combinations	35.2	98,933	–	–	645	–	99,578
Transfer to investment properties	5	(16,497)	–	–	–	–	(16,497)
Transfer from/(to) property, plant and equipment	3	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/1 April 2021		297,328	18,217	47	903	159,289	475,784
Additions		8,042	–	–	227	36,694	44,963
Transfer to assets held for sale	17	(6,836)	(386)	–	–	–	(7,222)
Depreciation		(7,114)	(442)	(5)	(560)	(26,029)	(34,150)
Derecognition		–	–	(42)	–	(2,459)	(2,501)
Disposal of a subsidiary	35.1	(1,609)	–	–	–	–	(1,609)
At 31 March 2022		289,811	17,389	–	570	167,495	475,265

The Group entities lease a number of retail stores, offices, hostels and warehouses that run between 3 to 15 years (2021: 2 to 14 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 (2021: 1 year and 914 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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 RM3,629,000 (2021: RM3,880,000).

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 RM632,000 (2021: RM644,000) have been pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

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	
Group	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Leases with lease payments based on sales	**1,894**	1,590	**178**	**13**

5. INVESTMENT PROPERTIES

	Note	Group RM'000
Cost		
At 1 April 2020		29,998
Additions		4,140
Transfer from right-of-use asset	4	16,497
Acquisitions through business combinations		6,963
Transfer to property, plant and equipment	3	(25,188)
At 31 March/1 April 2021		32,410
Additions		1,807
Disposal		(219)
Transfer from property, plant and equipment	3	11,222
Transfer to assets held for sale	17	(2,357)
Effect of movement in exchange rates		451
At 31 March 2022		43,314
Depreciation and impairment loss		
At 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/1 April 2021		
- Accumulated depreciation		11,348
- Accumulated impairment loss		1,221
		12,569
Depreciation for the year		3,888
Disposal		-
Transfer from property, plant and equipment	3	26
Effect of movement in exchange rates		18
At 31 March 2022		
- Accumulated depreciation		15,280
- Accumulated impairment loss		1,221
		16,501
Carrying amounts		
At 1 April 2020		21,013
At 31 March/1 April 2021		19,841
At 31 March 2022		26,813

Investment properties with carrying amount of RM5,842,000 (2021: RM5,967,000) have been pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

The following are recognised in profit or loss:

Group	2022 RM'000	2021 RM'000
Lease income	**1,381**	1,190
Direct operating expenses:		
- income generating investment properties	**(87)**	(262)
- non-income generating investment properties	**(58)**	(58)

The operating lease payments to be received are as follows:

Group	2022 RM'000	2021 RM'000
Less than one year	**210**	544
One to five years	**458**	697
More than five years	**-**	468
Total undiscounted lease payments	**668**	1,709

Fair value information

Fair value of investment properties are categorised as follows:

Group Level 3	2022 RM'000	2021 RM'000
Land and building	**68,345**	60,203

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

Group	Goodwill RM'000	Franchise fees RM'000	License RM'000	Contractual production backlog RM'000	Other intangible assets RM'000	Total RM'000
Cost						
At 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/1 April 2021	121,578	3,960	487	5,315	64	131,404
Additions	–	–	–	–	446	446
Effect of movements in exchange rates	–	–	–	–	1	1
At 31 March 2022	121,578	3,960	487	5,315	511	131,851
Amortisation and impairment loss						
At 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/1 April 2021						
- Accumulated amortisation	–	882	–	1,000	64	1,946
- Accumulated impairment loss	234	–	–	–	–	234
	234	882	–	1,000	64	2,180
Amortisation for the year	–	256	–	1,215	92	1,563
At 31 March 2022						
- Accumulated amortisation	–	1,138	–	2,215	156	3,509
- Accumulated impairment loss	234	–	–	–	–	234
	234	1,138	–	2,215	156	3,743
Carrying amounts						
At 1 April 2020	6,779	3,277	–	–	36	10,092
At 31 March/1 April 2021	121,344	3,078	487	4,315	–	129,224
At 31 March 2022	121,344	2,822	487	3,100	355	128,108

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:

Group	Note	2022 RM'000	2021 RM'000
Engineering, procurement and construction ("EPC") for Clean Energy business	6.1	**113,585**	113,585
Multiple units without significant goodwill	6.2	**7,759**	7,759
		121,344	121,344

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INTANGIBLE ASSETS (CONT'D)

6.1 In the previous financial year, 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.

During the year, the recoverable amounts of the cash-generating unit is based on value in use which is higher than the fair value less cost of disposal based on the share price listed on the Main Market of Bursa Malaysia Securities Berhad.

6.1.1 <u>Impairment testing for cash-generating unit containing goodwill</u>

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the units and was based on the following key assumptions:

- Cash flows were projected based on 5 years plan and an estimated long-term growth rate.
- The anticipated annual revenue growth included in the cash flow on average of 8% based on historical growth performance and anticipate growth within the next 5 years.
- Pre-tax discount rate of approximately 12% were applied in determining the recoverable amount of the units. The discount rate is estimated based on an industry weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal sources (historical data).

The above estimates are not particularly sensitive.

The recoverable amounts of the above cash-generating units are higher than their carrying value.

6.2 The recoverable amounts of the respective cash-generating units without significant goodwill were based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management.

7. INVESTMENT IN SUBSIDIARIES

Company	Note	2022 RM'000	2021 RM'000
Unquoted shares, at cost	7.1	**1,094,177**	1,039,438
Amounts due from subsidiaries	7.2	**255,247**	313,145
		1,349,424	1,352,583

7.1 During the year, the Company subscribed shares in subsidiaries amounting to RM54,739,000 (2021: RM102,060,000) of which RM54,739,000 (2021: RM90,060,000) was satisfied via capitalisation of debts. In the previous year, the remaining subscription shares in subsidiaries of RM12,000,000 was satisfied via cash.

7.2 The amounts due from subsidiaries are advances of:

i) RM194,047,000 (2021: RM215,445,000) which are subject to fixed interest rate from 2.22% to 6.50% (2021: 5.50% to 6.50%) per annum and the repayment is neither planned nor likely to occur in the foreseeable future; and

ii) RM61,200,000 (2021: RM97,700,000) which are subject to the Company's weighted average cost of funds ("COF") (2021: 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 (CONT'D)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	31.3.2022						
	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%	48.01%		
Carrying amount of NCI	65,095	6,635	2,609	5,600	149,175	6,167	235,281
Total comprehensive income/(expense) allocated to NCI	3,636	(698)	6,547	491	8,189	127	18,292
Summarised financial information before intra-group elimination							
As at 31 March							
Non-current assets	144,067	126,671	167,823	49,435	177,617		
Current assets	101,997	72,541	133,068	8,390	245,118		
Non-current liabilities	(15,881)	(43,252)	(8,064)	(6,407)	(21,861)		
Current liabilities	(8,846)	(88,836)	(282,596)	(7,598)	(93,861)		
Net assets	221,337	67,124	10,231	43,820	307,013		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	31.3.2022				
	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	**152,851**	**174,775**	**125,326**	**32,712**	**317,760**
Total comprehensive income/(expense)	**12,364**	**(6,838)**	**26,672**	**3,844**	**19,329**
Cash flows from/(used in) operating activities	**19,636**	**16,526**	**43,275**	**8,474**	**(21,548)**
Cash flows from/(used in) investing activities	**284**	**(15,512)**	**(2,456)**	**(3,672)**	**(568)**
Cash flows (used in)/from financing activities	**(15,837)**	**1,580**	**-**	**(7,507)**	**(10,621)**
	4,083	**2,594**	**40,819**	**(2,705)**	**(32,737)**
Dividends paid to NCI	**(4,617)**	**-**	**-**	**(793)**	**(4,837)**

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	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		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (cont'd)

	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 35.2.

8. INVESTMENT IN ASSOCIATES

Group	2022 RM'000	2021 RM'000
At cost:		
Unquoted shares	**2,594**	2,594
Less: Impairment loss	**(49)**	(49)
	2,545	2,545
Share of post-acquisition reserve	**(154)**	(281)
	2,391	2,264

In the previous financial year, 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 2022 %	2021 %
Indahgrains Logistics Sdn. Bhd.*	Malaysia	Operating of warehouse and warehouse management	**29.87**	29.87
AB Hatchery Sdn. Bhd.*	Malaysia	Hatchery and culturing of shrimps	**42.74**	42.74

*Equity-accounted based on management accounts.

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment and investment properties	**1,495**	1,046	**(193,118)**	(167,155)	**(191,623)**	(166,109)
Right-of-use assets, net of lease liabilities	**2,276**	1,862	**(12,222)**	(12,390)	**(9,946)**	(10,528)
Biological assets	**-**	1,253	**(8,284)**	(4,831)	**(8,284)**	(3,578)
Unutilised tax losses	**14,457**	1,928	**-**	-	**14,457**	1,928
Unabsorbed capital allowances	**45,716**	32,698	**-**	-	**45,716**	32,698
Other temporary/taxable differences	**9,122**	10,012	**(1,724)**	(1,831)	**7,398**	8,181
Tax assets/(liabilities)	**73,066**	48,799	**(215,348)**	(186,207)	**(142,282)**	(137,408)
Set off of tax	**(61,263)**	(41,491)	**61,263**	41,491	**-**	-
Net tax assets/(liabilities)	**11,803**	7,308	**(154,085)**	(144,716)	**(142,282)**	(137,408)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movement in temporary differences during the year

Group	At 1.4.2020 RM'000	Recognised in profit or loss (Note 26) RM'000	Acquisition from business combination (Note 35.2) RM'000	At 31.3.2021/ 1.4.2021 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income RM'000	At 31.3.2022 RM'000
Property, plant and equipment and investment properties	(133,407)	(25,286)	(7,416)	(166,109)	(25,514)	–	(191,623)
Right-of-use assets, net of lease liabilities	383	1,448	(12,359)	(10,528)	582	–	(9,946)
Biological assets	(5,422)	1,844	–	(3,578)	(4,706)	–	(8,284)
Unutilised tax losses	7,200	(5,272)	–	1,928	12,529		14,457
Unabsorbed capital allowances	23,717	8,981	–	32,698	13,018	–	45,716
Other temporary/taxable differences	7,090	(813)	1,904	8,181	(398)	(385)	7,398
	(100,439)	(19,098)	(17,871)	(137,408)	(4,489)	(385)	(142,282)

Unrecognised deferred tax

Deferred tax has not been recognised in respect of the following items (stated at gross):

Group	2022 RM'000	2021 RM'000
Property, plant and equipment	**32,928**	33,436
Unutilised tax losses	**(110,014)**	(78,113)
Unabsorbed capital allowances and investment tax allowances carry-forwards	**(62,015)**	(68,953)
Other deductible temporary differences	**(4,820)**	(9,004)
	(143,921)	(122,634)

The unutilised tax losses of subsidiaries in Malaysia of RM73,850,000 (2021: RM55,664,000) can be carried forward up to 10 (2021: 7) consecutive year of assessment under the tax legislation in Malaysia, whereas the unutilised tax losses of subsidiaries in Indonesia of RM22,460,000 (2021: RM20,665,000) and Vietnam of RM13,704,000 (2021: RM1,784,000) 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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Subsidiaries	10.1	**-**	-	**348,243**	420,338
Other receivables	10.2	**23,778**	22,812	**-**	-
Trade receivables		**836**	2,668	**-**	-
		24,614	25,480	**348,243**	420,338
Current					
Trade					
Trade receivables		**427,617**	414,335	**-**	-
Non-trade					
Subsidiaries	10.1	**-**	-	**198,522**	151,959
Less: Impairment loss		**-**	-	**(981)**	-
		-	-	**197,541**	151,959
Other receivables	10.2	**67,503**	67,550	**-**	-
		67,503	67,550	**197,541**	151,959
		495,120	481,885	**197,541**	151,959
		519,734	507,365	**545,784**	572,297

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) RM191,932,000 (2021: RM56,521,000) which is unsecured, subject to fixed interest rate from 1.70% to 6.00% (2021: 1.51% to 6.00%) per annum with fixed terms of repayment over a period of 1 to 7 years (2021: 1 to 8 years);

ii) RM333,392,000 (2021: RM492,596,000) which is subject to the Company's weighted average cost of funds ("COF") (2021: COF) per annum with fixed terms of repayment over a period of 1 to 7 years (2021: 1 to 8 years); and

iii) RM676,000 (2021: RM350,000) which is subject to Company's COF (2021: 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 RM16,564,000 (2021: RM17,341,000).

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 RM7,214,000 (2021: RM5,471,000).

10. TRADE AND OTHER RECEIVABLES (CONT'D)

10.2 Other receivables (cont'd)

iii) Included in current other receivables of the Group are refundable deposits paid amounting to RM10,180,000 (2021: RM7,427,000).

iv) Included in current other receivables of the Group are advances made to suppliers of certain subsidiaries amounting to RM33,581,000 (2021: RM33,576,000) 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.

v) Included in other receivables of the Group are government subsidy receivables amounting to RM9,030,000 (2021: nil).

10.3 Trade receivables

Included in the trade receivables of the Group are the following amounts due from related parties:

Group	2022 RM'000	2021 RM'000
A person connected with a Director of a subsidiary	**632**	562
Companies in which certain Directors of the subsidiaries have interests	**5,027**	7,052
	5,659	7,614

The amounts due from related parties are subject to normal trade terms.

11. BIOLOGICAL ASSETS

Group	2022 RM'000	2021 RM'000
At cost:		
Aquaculture biological assets	**5,229**	5,495
At fair value less cost to sell:		
-Livestock biological assets	**219,166**	198,539
-Hatching eggs	**4,468**	4,728
-Fresh fruit bunches	**3,125**	808
	226,759	204,075
	231,988	209,570

11. BIOLOGICAL ASSETS (CONT'D)

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:

Group	2022 RM'000	2021 RM'000
At 1 April 2021/2020	**204,075**	179,552
Additions	**287,943**	308,187
Depopulation/Livestock losses	**(288,430)**	(280,340)
Changes in fair value recognised in profit or loss	**20,516**	(3,040)
Effect of movements in exchange rates	**2,655**	(284)
At 31 March	**226,759**	204,075

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	
	2022 heads	2021 heads	2022	2021
Livestock:				
- Layers	**9.9 million**	10.3 million	**2.5 billion eggs**	2.2 billion eggs
- Breeders	**0.4 million**	0.5 million	**42 million DOC***	43 million DOC*
- Broilers	**1.7 million**	1.7 million	**36 million kg**	35 million kg

*DOC: Day-old chick

For fresh fruit bunches, total mature planted area amounted to 8,569 hectares (2021: 8,281 hectares). During the financial year, the Group has harvested approximately 155,510 MT (2021: 150,491 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. BIOLOGICAL ASSETS (CONT'D)

Valuation processes applied by the Group (cont'd)

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 (CONT'D)

Fair value information (cont'd)

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	Net 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	Net 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	Net 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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. BIOLOGICAL ASSETS (CONT'D)

Fair value information (cont'd)

The key assumptions used for the fair value calculation at financial year across geographical locations are as follows:

	2022	2021
Layers		
Estimated average eggs' selling prices per piece (sen)	**39 - 44**	31 - 38
Estimated feed costs (RM per MT)	**1,725 - 2,065**	1,353 - 1,600
Breeders		
Estimated selling prices of the day-old chick (RM)	**1.70 - 2.10**	1.46 - 1.86
Estimated feed costs (RM per MT)	**1,929 - 2,121**	1,568 - 1,719
Broilers		
Estimated selling prices of the broiler at the point of sale (RM per KG)	**5.94 - 6.66**	5.14 - 6.08
Hatching eggs		
Estimated selling prices of the day-old chick at point of sales (RM)	**1.35 - 2.15**	1.73 - 1.85
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (RM per MT)	**888 - 1,250**	447 - 700

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	
	2022	2021
Layers		
Estimated selling price of eggs		
- Increased by 5%	**+14.25%**	+14.89%
- Decreased by 5%	**-14.25%**	-14.89%
Estimated feed costs (per MT)		
- Increased by 5%	**-8.57%**	-8.65%
- Decreased by 5%	**+8.57%**	+8.65%
Breeders		
Estimated selling price of the day-old chick		
- Increased by 5%	**+9.07%**	+8.56%
- Decreased by 5%	**-9.07%**	-8.56%
Estimated feed costs (per MT)		
- Increased by 5%	**-3.40%**	-2.90%
- Decreased by 5%	**+3.40%**	+2.90%

11. BIOLOGICAL ASSETS (CONT'D)

Sensitivity analysis (cont'd)

	Effect on fair value of respective biological assets	
	2022	2021
Broilers		
Estimated selling price of the broiler at the point of sale (per KG)		
- Increased by 5%	**+10.96%**	+9.96%
- Decreased by 5%	**-10.96%**	-9.96%
Hatching eggs		
Estimated selling price of the day-old chick		
- Increased by 5%	**+6.70%**	+5.41%
- Decreased by 5%	**-6.70%**	-5.41%
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (per MT)		
- Increased by 5%	**+7.28%**	+14.66%
- Decreased by 5%	**-7.28%**	-14.66%

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	2022 RM'000	2021 RM'000
At cost:		
Raw materials	**203,453**	197,638
Manufactured and trading inventories	**463,691**	446,014
	667,144	643,652
At net realisable value:		
Raw materials	**2,785**	–
Manufactured and trading inventories	**4,433**	3,316
	674,362	646,968
At fair value:		
Agricultural produce – layer eggs	**4,940**	5,248
	679,302	652,216

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. CONTRACT WITH CUSTOMERS

13.1 Contract assets/(liabilities)

Group	2022 RM'000	2021 RM'000
Contract assets	**53,820**	29,361
Contract liabilities	**(62,221)**	(70,986)

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 RM2,688,000 (2021: RM2,151,000).

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 RM9,217,000 (2021: RM2,492,000) received from customers for their purchases; and

iii) advance considerations of RM50,316,000 (2021: RM66,343,000) 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	2022 RM'000	2021 RM'000
Cost to fulfil a contract	**1,075**	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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Prepayments	**55,011**	57,838	**756**	1,155
Other assets	**20,476**	17,233	**28**	28
	75,487	75,071	**784**	1,183

15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2022			2021		
	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	**3,808**	-	**(441)**	3,503	-	(9)
Derivatives used for hedging						
- Cross currency swap	**549,586**	**3,873**	-	652,162	-	(9,840)
- Forward exchange contracts	**149,073**	**175**	**(49)**	115,068	208	(1,238)
- Interest rate swap	**102,736**	**233**	-	137,135	-	(3,358)
	805,203	**4,281**	**(490)**	907,868	208	(14,445)
Company						
Derivatives used for hedging						
- Cross currency swap	**549,586**	**3,873**	-	652,162	-	(9,840)
- Interest rate swap	**102,736**	**233**	-	137,135	-	(3,358)
	652,322	**4,106**	-	789,297	-	(13,198)

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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash and bank balances		**420,535**	393,991	**13,920**	10,773
Deposits with licensed banks	16.1	**35,414**	26,678	**310**	305
Liquid investments	16.2	**25,182**	65,824	**685**	599
		481,131	486,493	**14,915**	11,677

16.1 Deposits with licensed banks

Included in the deposits with licensed banks of the Group is RM186,000 (2021: RM103,000) 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

Assets classified as held for sale comprise land, building and right-of-use assets with the intention to sell. Efforts to sell the assets have commenced, and the sale is expected to complete by next financial year. As at end of reporting period, the assets classified as held for sale are as follows:

Group	Note	2022 RM'000	2021 RM'000
Property, plant and equipment			
Cost			
As at 1 April 2021/2020		**2,479**	2,479
Transfer from property, plant and equipment	3	**86,449**	–
As at 31 March		**88,928**	2,479
Accumulated depreciation			
As at 1 April 2021/2020		**–**	–
Transfer from property, plant and equipment	3	**(50,935)**	–
		(50,935)	–
		37,993	2,479
Right-of-use assets			
As at 1 April 2021/2020		**2,066**	2,066
Transfer from right-of-use assets	4	**7,222**	–
		9,288	2,066

17. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

Group	Note	2022 RM'000	2021 RM'000
Investment properties			
As at 1 April 2021/2020		**–**	–
Transfer from investment properties	5	**2,357**	–
		2,357	–
Carrying amounts		**49,638**	4,545

The carrying amount of property, plant and equipment, right-of-use assets and investment properties are the same as their carrying amounts before they were being reclassified to current assets.

18. CAPITAL AND RESERVES

18.1 Share capital

Group and Company	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 April 2021/2020	**620,025**	**2,433,657**	620,025	1,622,438
Bonus issue	**–**	**–**	–	811,219
At 31 March	**620,025**	**2,433,657**	620,025	2,433,657

In the previous year, 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. LOANS AND BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Term loans					
- Conventional - unsecured		**419,972**	577,513	**359,399**	506,328
- Conventional - secured	19.1	**2,851**	3,290	**-**	-
- Islamic - unsecured		**13,466**	27,450	**13,466**	27,450
		436,289	608,253	**372,865**	533,778
Current					
Term loans					
- Conventional - unsecured		**255,990**	194,588	**237,122**	182,472
- Conventional - secured	19.1	**440**	435	**-**	-
- Islamic - unsecured		**27,847**	36,600	**27,847**	36,600
Bank overdrafts					
- Unsecured		**9,124**	5,869	**-**	-
Bills payable					
- Conventional - unsecured		**487,370**	393,739	**-**	-
- Islamic - unsecured		**88,237**	43,517	**-**	-
Revolving credit					
- Unsecured		**29,537**	50,177	**4,000**	26,177
Supplier factoring facilities	20.4	**25,561**	58,471	**-**	-
Hire purchase liabilities	19.2	**-**	124	**-**	-
		924,106	783,520	**268,969**	245,249
		1,360,395	1,391,773	**641,834**	779,027

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, 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:

Group	2021 Future minimum lease payments RM'000	2021 Interest RM'000	2021 Present value of minimum lease payments RM'000
Less than one year	131	(7)	124
	131	(7)	124

20. TRADE AND OTHER PAYABLES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Other payables	20.1	**4,642**	1,298	**-**	-
Current					
Trade					
Trade payables	20.2	**272,914**	264,496	**-**	-
Associate	20.3	**1,060**	670	**-**	-
		273,974	265,166	**-**	-
Non-trade					
Other payables	20.1	**106,924**	103,418	**38**	64
Supplier factoring facilities	20.4	**17,933**	23,367	**-**	-
Accrued expenses	20.5	**65,121**	73,485	**3,386**	7,974
Subsidiaries	20.6	**-**	-	**169,233**	136,461
		463,952	465,436	**172,657**	144,499
		468,594	466,734	**172,657**	144,499

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 3.73% (2021: 4.86%).

Current

Included in other payables of the Group are the following amounts due to related parties:

Group	2022 RM'000	2021 RM'000
Companies in which certain Directors have interests	**89**	64
Amount due to non-controlling interests and its related parties	**64,573**	62,294
	64,662	62,358

The amounts due to related parties are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. TRADE AND OTHER PAYABLES (CONT'D)

20.2 Trade payables

Included in trade payables of the Group are the following amounts due to related parties:

Group	2022 RM'000	2021 RM'000
Companies in which certain Directors of subsidiaries have interests	**403**	432

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).

20.5 Accrued expenses

Included in accrued expenses of the Group are provision for warranties amounting to RM2,687,974 (2021: RM1,659,335), relates to products sold and services rendered. The provision is based on estimates made from historical warranty data associated with similar products and services.

20.6 Amount due to subsidiaries

The amount due to subsidiaries is non-trade in nature, unsecured, subject to floating interest rate of 2.86% - 2.89% (2021: 2.85% - 3.69%) 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	2022 RM'000	2021 RM'000
a. Expense recognised in profit or loss		
Current service cost	**1,421**	3,517
Past service cost	**(1,666)**	(185)
Interest on obligation	**891**	665
Net benefit expense	**646**	3,997
b. Present value of defined benefit obligations		
Net benefit expense	**10,875**	12,029
c. Present value of defined benefit obligations		
Defined benefit obligations at 1 April 2021/2020	**12,029**	8,178
Current service cost and interest	**646**	3,997
Payment during the year	**(366)**	(146)
Actuarial gain recorded in other comprehensive income	**(1,752)**	-
Effect of movements in exchange rate	**318**	-
Defined benefit obligations at 31 March	**10,875**	12,029

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
Annual salary increment (estimated)	: 5% - 10.2% (2021: 5% - 10.2%)
Annual discount rate	: 6.92% - 8.16% (2021: 7.12% - 8.16%)
Mortality level	: Indonesian Mortality Table ("TMI") 3 & 4
Disability level	: 10% from mortality level (2021: 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 (CONT'D)

22. REVENUE

Group	Marine-products manufacturing 2022 RM'000	Marine-products manufacturing 2021 RM'000	Palm oil and clean energy 2022 RM'000	Palm oil and clean energy 2021 RM'000	Integrated livestock farming 2022 RM'000	Integrated livestock farming 2021 RM'000	Convenience store chain 2022 RM'000	Convenience store chain 2021 RM'000	Total 2022 RM'000	Total 2021 RM'000
Primary geographical markets										
Malaysia	**762,769**	769,634	**414,627**	207,066	**1,771,576**	1,510,273	**636,711**	485,476	**3,585,683**	2,972,449
Indonesia	**80,132**	60,063	**227,426**	101,122	**571,218**	467,183	**-**	-	**878,776**	628,368
Vietnam	**2,582**	43,726	**-**	-	**257,936**	206,641	**-**	-	**260,518**	250,367
Other countries	**319,373**	383,719	**5,882**	4,357	**185,744**	139,523	**-**	-	**510,999**	527,599
	1,164,856	1,257,142	**647,935**	312,545	**2,786,474**	2,323,620	**636,711**	485,476	**5,235,976**	4,378,783
Major products and service lines										
Sales of goods	**1,164,856**	1,257,142	**379,960**	242,183	**2,786,474**	2,323,620	**636,711**	485,476	**4,968,001**	4,308,421
Construction contracts	**-**	-	**267,975**	70,362	**-**	-	**-**	-	**267,975**	70,362
	1,164,856	1,257,142	**647,935**	312,545	**2,786,474**	2,323,620	**636,711**	485,476	**5,235,976**	4,378,783
Timing and recognition										
At a point in time	**1,164,856**	1,257,142	**379,960**	242,183	**2,786,474**	2,323,620	**636,711**	485,476	**4,968,001**	4,308,421
Over time	**-**	-	**267,975**	70,362	**-**	-	**-**	-	**267,975**	70,362
	1,164,856	1,257,142	**647,935**	312,545	**2,786,474**	2,323,620	**636,711**	485,476	**5,235,976**	4,378,783

22. REVENUE (CONT'D)

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 contracts 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. 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 ranging from 3 months to 5 years (2021: 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	2022 RM'000	2021 RM'000
Within 1 year	**168,031**	202,348
More than 1 year	**83,318**	87,056
	251,349	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. RESULTS FROM OPERATING ACTIVITIES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Results from operating activities is arrived at after charging:					
Auditors' remuneration:					
- Audit fees					
KPMG in Malaysia					
- current year		**1,676**	1,441	**142**	156
- prior years		**29**	15	**-**	-
Overseas affiliates of KPMG in Malaysia		**276**	265	**-**	-
Other auditors		**462**	519	**-**	-
- Non-audit fees					
KPMG in Malaysia		**108**	96	**30**	25
Overseas affiliates of KPMG in Malaysia		**107**	96	**-**	-
Material expenses:					
Amortisation of intangible assets	6	**1,563**	1,235	**-**	-
Amortisation of investment properties	5	**3,888**	2,621	**-**	-
Bad debts written off		**26**	6	**-**	-
Depreciation of property, plant and equipment	3	**190,420**	176,391	**10**	24
Depreciation of right-of-use assets	4	**34,150**	27,924	**-**	-
Derivative loss		**-**	4,826	**-**	-
Impairment loss:					
- associates		**-**	49	**-**	-
- contract assets		**134**	628	**-**	-
- property, plant and equipment		**14**	-	**-**	-
- subsidiary		**-**	-	**981**	-
- trade and other receivables		**5,104**	2,874	**-**	-
Inventories write-down		**1,110**	274	**-**	-
Loss on change in fair value of biological assets, net	11	**-**	3,040	**-**	-
Loss on change in fair value of agriculture produce		**-**	299	**-**	-
Loss on foreign exchange:					
- unrealised		**-**	-	**-**	14,368
Personnel expenses (including key management personnel):					
- contributions to state plans		**30,030**	26,225	**-**	-
- expenses related to defined benefit plans		**646**	3,997	**-**	-
- wages, salaries and others		**434,730**	372,966	**1,277**	1,216
Property, plant and equipment written off		**1,999**	2,571	**-**	-

23. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Material income:					
Dividend income from:					
- Subsidiaries (unquoted)		**-**	-	**172,607**	129,670
- Liquid investments		**76**	17	**73**	12
Derivative gain		**552**	-	**-**	-
Gain on change in fair value of biological assets, net	11	**20,516**	-	**-**	-
Gain on change in fair value of agriculture produce		**2,361**	-	**-**	-
Gain on disposal of subsidiary	35.1	**3,725**	-	**-**	-
Gain on foreign exchange:					
- realised		**3,196**	2,998	**3,141**	2,558
- unrealised		**7,568**	1,692	**2,171**	-
Gain on liquid investments:					
- unrealised		**12**	42	**12**	42
Gain on disposal of property, plant and equipment		**1,264**	3,941	**-**	-
Gain on termination of lease contracts		**208**	387	**-**	-
Government grant		**13,771**	3,096	**-**	-
Reversal of impairment loss of advances to suppliers		**703**	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		**8,361**	5,126	**-**	-
Expenses relating to leases of low value assets		**1,006**	529	**-**	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		**1,894**	1,590	**-**	-
Income arising from leases					
Rental of equipment		**14**	-	**-**	-
Rental of premises		**1,381**	951	**-**	-

Note a

In the previous 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. FINANCE COSTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans	**30,233**	36,503	**21,388**	31,057
- bank overdrafts	**699**	541	**-**	-
- bills payable	**9,280**	8,399	**-**	-
- hire purchase liabilities	**7**	15	**-**	-
- lease liabilities	**7,389**	7,083	**-**	-
- revolving credit	**2,347**	2,654	**1,424**	1,667
- supplier factoring facilities	**328**	658	**-**	-
- subsidiaries	**-**	-	**3,645**	1,969
	50,283	55,853	**26,457**	34,693
Other finance costs	**1,438**	577	**-**	-
	51,721	56,430	**26,457**	34,693

25. FINANCE INCOME

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Interest income of financial assets that are not at fair value through profit or loss:				
- deposits placed with licensed banks	**6,799**	6,878	**182**	191
- subsidiaries	**-**	-	**38,923**	46,917
- others	**177**	368	**-**	-
Interest income of financial assets measured at fair value through profit or loss mandatorily:				
- liquid investment	**804**	273	**-**	-
	7,780	7,519	**39,105**	47,108

26. TAX EXPENSE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Tax expense on continuing operations	**85,670**	107,373	**1,050**	128
Share of tax of equity-accounted associates	**172**	2,998	**-**	-
Total tax expense	**85,842**	110,371	**1,050**	128
Current tax expense				
- Current year	**83,098**	87,613	**1,056**	135
- (Under)/Over provision in prior years	**(1,917)**	662	**(6)**	(7)
	81,181	88,275	**1,050**	128
Deferred tax expense				
- Origination of temporary differences	**3,654**	10,261	**-**	-
- Under provision in prior years	**835**	8,837	**-**	-
	4,489	19,098	**-**	-
Share of tax of equity-accounted associates	**172**	2,998	**-**	-
Total tax expense	**85,842**	110,371	**1,050**	128
Reconciliation of tax expense				
Profit for the year	**235,541**	325,183	**177,397**	118,886
Total income tax expense	**85,842**	110,371	**1,050**	128
Profit excluding tax	**321,383**	435,554	**178,447**	119,014
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	**77,132**	104,533	**42,827**	28,563
Effect of tax rates in foreign jurisdictions	**(669)**	(3,691)	**-**	-
Non-deductible expenses	**12,772**	29,048	**2,431**	7,852
Tax exempt income	**(3,132)**	(24,461)	**(44,202)**	(36,280)
Tax incentives	**(3,026)**	(5,644)	**-**	-
Effect of temporary differences not recognised/(recognised)	**3,930**	(3,597)	**-**	-
(Over)/Under provided in prior years	**(1,082)**	9,499	**(6)**	(7)
Others	**(83)**	4,684	**-**	-
Tax expense	**85,842**	110,371	**1,050**	128

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 RM217,345,000 (2021: RM311,906,000) and the weighted average number of ordinary shares in issue during the year.

	2022 '000	2021 '000
Issued ordinary shares at beginning of the year	**2,433,657**	1,622,438
Effect of bonus issue	**-**	811,219
Weighted average number of ordinary shares at 31 March	**2,433,657**	2,433,657
Basic earnings per ordinary share (sen)	**9**	13

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share at 31 March 2022 and 31 March 2021.

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2022			
Final 2021	**3.50**	**85,178**	**15 October 2021**
2021			
Final 2020	4.50	73,010	15 October 2020

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2022 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.

29. OPERATING SEGMENTS (CONT'D)

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.
Convenience store chain	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. OPERATING SEGMENTS (CONT'D)

Group	Marine-products manufacturing 2022 RM'000	Marine-products manufacturing 2021 RM'000	Palm oil and clean energy 2022 RM'000	Palm oil and clean energy 2021 RM'000	Integrated livestock farming 2022 RM'000	Integrated livestock farming 2021 RM'000	Convenience store chain 2022 RM'000	Convenience store chain 2021 RM'000	Consolidated 2022 RM'000	Consolidated 2021 RM'000
Business segments										
Revenue from external customers	**1,164,856**	1,257,142	**647,935**	312,545	**2,786,474**	2,323,620	**636,711**	485,476	**5,235,976**	4,378,783
Segment profit before taxation	**200,764**	260,822	**45,329**	86,556	**32,115**	72,620	**43,003**	12,558	**321,211**	432,556
Included in the measurement of segment profit before taxation are:										
Inter-segment revenue	**131,554**	175,211	**14,227**	2,754	**6,848**	4,640	**-**	-	**152,629**	182,605
Finance costs	**(4,545)**	(6,133)	**(5,994)**	(5,029)	**(32,360)**	(36,614)	**(8,822)**	(8,654)	**(51,721)**	(56,430)
Finance income	**1,858**	3,777	**3,029**	2,620	**2,354**	408	**539**	714	**7,780**	7,519
Depreciation and amortisation	**(66,931)**	(61,383)	**(27,227)**	(21,463)	**(91,297)**	(84,462)	**(44,566)**	(40,863)	**(230,021)**	(208,171)
Share of profits of associates, net of tax	**-**	-	**-**	8,744	**521**	561	**-**	-	**521**	9,305
Not included in the measurement of segment profit before taxation but provided to CODM:										
Tax expense	**(45,537)**	(64,736)	**(11,698)**	(10,853)	**(16,660)**	(28,207)	**(11,775)**	(3,577)	**(85,670)**	(107,373)
Segment assets	**1,323,571**	1,300,698	**900,605**	864,964	**2,206,455**	2,167,361	**526,423**	502,412	**4,957,054**	4,835,435
Segment liabilities	**254,023**	265,593	**318,361**	306,926	**1,341,521**	1,375,225	**336,743**	342,177	**2,250,648**	2,289,921
Included in the measurement of segment assets are:										
Investment in associates	**-**	-	**-**	-	**2,391**	2,264	**-**	-	**2,391**	2,264
Additions to non-current assets other than financial instruments and deferred tax assets	**54,760**	82,563	**9,098**	508,147	**104,215**	13,725	**90,888**	92,833	**258,961**	697,268
Geographical segments										
Revenue from external customers	**4,161,487**	3,559,009	**806,328**	623,492	**257,238**	181,100	**10,923**	15,182	**5,235,976**	4,378,783
Non-current assets other than deferred tax assets	**2,164,038**	2,175,368	**483,583**	488,209	**196,841**	196,516	**6**	3,629	**2,844,468**	2,863,722

	Malaysia 2022 RM'000	Malaysia 2021 RM'000	Indonesia 2022 RM'000	Indonesia 2021 RM'000	Vietnam 2022 RM'000	Vietnam 2021 RM'000	Other Countries 2022 RM'000	Other Countries 2021 RM'000	Consolidated 2022 RM'000	Consolidated 2021 RM'000
Geographical segment										
Revenue from external customers	**4,161,487**	3,559,009	**806,328**	623,492	**257,238**	181,100	**10,923**	15,182	**5,235,976**	4,378,783
Non-current assets other than deferred tax assets	**2,164,038**	2,175,368	**483,583**	488,209	**196,841**	196,516	**6**	3,629	**2,844,468**	2,863,722

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")
- Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
2022				
Financial assets				
Group				
Derivative financial assets	4,281	-	-	4,281
Trade and other receivables, excluding advances to suppliers	486,153	486,153	-	-
Cash and cash equivalents	481,131	455,949	25,182	-
	971,565	942,102	25,182	4,281
Company				
Derivative financial assets	4,106	-	-	4,106
Trade and other receivables	545,784	545,784	-	-
Cash and cash equivalents	14,915	14,230	685	-
	564,805	560,014	685	4,106
Financial liabilities				
Group				
Loans and borrowings	(1,360,395)	(1,360,395)	-	-
Derivative financial liabilities	(490)	-	(441)	(49)
Trade and other payables	(468,594)	(468,594)	-	-
	(1,829,479)	(1,828,989)	(441)	(49)
Company				
Loans and borrowings	(641,834)	(641,834)	-	-
Trade and other payables	(172,657)	(172,657)	-	-
	(814,491)	(814,491)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	Mandatorily at 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)

30.2 Net losses and gains arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net (losses)/gains on:				
Financial liabilities at amortised cost	**(44,323)**	(49,347)	**(24,287)**	(32,483)
Financial assets at amortised cost	**13,414**	9,957	**41,266**	33,088
Financial assets at FVTPL	**88**	59	**85**	54
Financial liabilities at FVTPL	**552**	(4,826)	**-**	–
	(30,269)	(44,157)	**17,064**	659

30. FINANCIAL INSTRUMENTS (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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	2022 RM'000	2021 RM'000
Malaysia	**358,985**	354,251
Indonesia	**86,348**	61,064
Vietnam	**5,770**	2,647
Others	**31,170**	28,402
	482,273	446,364

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.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

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.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Current (not past due)	**342,955**	**(716)**	**342,239**
1-30 days past due	**78,153**	**(1,112)**	**77,041**
31-60 days past due	**27,316**	**(490)**	**26,826**
61-90 days past due	**10,415**	**(395)**	**10,020**
91-120 days past due	**6,046**	**(422)**	**5,624**
More than 120 days past due	**23,779**	**(5,135)**	**18,644**
	488,664	**(8,270)**	**480,394**
Credit impaired			
Individually impaired	**16,730**	**(14,851)**	**1,879**
	505,394	**(23,121)**	**482,273**
Trade receivables	**450,534**	**(22,081)**	**428,453**
Contract assets	**54,860**	**(1,040)**	**53,820**
	505,394	**(23,121)**	**482,273**
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

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			
	Lifetime ECL RM'000	Credit impaired RM'000	Contract asset RM'000	Total RM'000
Balance at 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/1 April 2021	7,319	15,550	906	23,775
Amounts written off	–	(5,892)	–	(5,892)
Net remeasurement of loss allowance	951	4,153	134	5,238
Balance at 31 March 2022	8,270	13,811	1,040	23,121

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 (CONT'D)

30.4 Credit risk (cont'd)

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 RM800,863,000 (2021: RM827,190,000) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Intercompany loans and advances (cont'd)

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. The following table provides information about the exposure to credit risk and ECLs for subsidiaries advances.

Company	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2022			
Low credit risk	545,033	-	545,033
Credit impaired	1,732	(981)	751
	546,765	(981)	545,784

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

Company	Lifetime ECL RM'000
Balance at 1 April 2021	-
Net remeasurement of loss allowance	981
	981

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 (CONT'D)

30.5 Liquidity risk (cont'd)

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:

Group	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
2022							
Non-derivative financial liabilities							
Revolving credit	29,537	2.86 - 5.00	30,733	30,733	-	-	-
Lease liabilities	171,559	2.28 - 6.20	202,642	32,294	28,050	70,012	72,286
Bank overdrafts	9,124	7.35	9,695	9,695	-	-	-
Bills payable	575,607	0.78 - 4.80	594,789	594,789	-	-	-
Term loans	720,566	1.27 - 7.20	755,533	292,991	241,817	207,852	12,873
Trade and other payables	463,952	-	463,952	463,952	-	-	-
Supplier factoring facilities	25,561	2.57	26,218	26,218	-	-	-
	1,995,906		2,083,562	1,450,672	269,867	277,864	85,159
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	-	-	148,946	148,946	-	-	-
Inflow	(126)	-	(149,072)	(149,072)	-	-	-
Commodity future contracts	441	-	441	441	-	-	-
Cross currency swap	(3,873)	-	(3,873)	(3,873)	-	-	-
Interest rate swap	(233)	-	(233)	(233)	-	-	-
	1,992,115		2,079,711	1,446,881	269,867	277,864	85,159

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group	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
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 (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	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
2022							
Non-derivative financial liabilities							
Revolving credit	**4,000**	**2.86 - 3.07**	**4,119**	**4,119**	**-**	**-**	**-**
Term loans	**637,834**	**1.27 - 4.89**	**668,028**	**260,222**	**230,074**	**176,136**	**1,596**
Trade and other payables	**3,424**	**-**	**3,424**	**3,424**	**-**	**-**	**-**
Amount due to subsidiaries	**169,233**	**2.86 - 2.89**	**174,098**	**174,098**	**-**	**-**	**-**
Financial guarantees	**-**	**-**	**800,863**	**800,863**	**-**	**-**	**-**
	814,491		**1,650,532**	**1,242,726**	**230,074**	**176,136**	**1,596**
Derivative financial liabilities							
Cross currency swap	**(3,873)**	**-**	**(3,873)**	**(3,873)**	**-**	**-**	**-**
Interest rate swap	**(233)**	**-**	**(233)**	**(233)**	**-**	**-**	**-**
	810,385		**1,646,426**	**1,238,620**	**230,074**	**176,136**	**1,596**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	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
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 (CONT'D)

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	
	2022 RM'000	2021 RM'000
Group		
Trade receivables	**29,833**	36,999
Loan and borrowings	**(755,529)**	(831,369)
Trade payables	**(77,806)**	(93,366)
Forward exchange contracts	**126**	(1,030)
Cross currency swap	**549,586**	652,162
Cash and cash equivalents	**53,573**	49,157
Net exposure	**(200,217)**	(187,447)
Company		
Trade and other receivables	**25,103**	49,293
Loan and borrowings	**(637,834)**	(752,850)
Cross currency swap	**549,586**	652,162
Cash and cash equivalents	**10,548**	5,405
Net exposure	**(52,597)**	(45,990)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

30.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis

A 1.50% (2021: 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)	
	2022 RM'000	**2021 RM'000**
Group		
USD	**2,282**	2,137
Company		
USD	**600**	524

A 1.50% (2021: 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 (CONT'D)

30.6 Market risk (cont'd)

30.6.2 Interest rate risk (cont'd)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Fixed rate instruments				
Financial assets	**35,414**	26,678	**192,242**	56,826
Financial liabilities	**(665,905)**	(569,370)	**(4,000)**	(26,177)
Lease liabilities	**(171,559)**	(166,191)	**-**	-
	(802,050)	(708,883)	**188,242**	30,649
Floating rate instruments				
Financial assets	**445,717**	459,815	**348,673**	504,318
Financial liabilities	**(694,490)**	(822,403)	**(807,067)**	(889,311)
	(248,773)	(362,588)	**(458,394)**	(384,993)

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 2022 RM'000	**50 bp decrease 2022 RM'000**	**50 bp increase 2021 RM'000**	**50 bp decrease 2021 RM'000**
Group				
Floating rate instruments	**(945)**	**945**	(1,378)	1,378
Company				
Floating rate intrusments	**(1,742)**	**1,742**	(1,463)	1,463

30. FINANCIAL INSTRUMENTS (CONT'D)

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 RM5,784,000 and RM6,317,000 (2021: net gain of RM19,879,000 and RM19,014,000) respectively in other comprehensive income.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings approximate their 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 their 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					
Group	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	Total fair value RM'000	Carrying amount RM'000
2022										
Financial assets										
Forward exchange contracts	-	175	-	175	-	-	-	-	175	175
Liquid investments	25,182	-	-	25,182	-	-	-	-	25,182	25,182
Cross currency swap	-	3,873	-	3,873	-	-	-	-	3,873	3,873
Interest rate swap	-	233	-	233	-	-	-	-	233	233
	25,182	4,281	-	29,463	-	-	-	-	29,463	29,463
Financial liabilities										
Term loans	-	-	-	-	-	-	(36,800)	(36,800)	(36,800)	(35,200)
Forward exchange contracts	-	(49)	-	(49)	-	-	-	-	(49)	(49)
Commodity future contracts	-	(441)	-	(441)	-	-	-	-	(441)	(441)
	-	(490)	-	(490)	-	-	(36,800)	(36,800)	(37,290)	(35,690)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.8 Fair value information (cont'd)

Group	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
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 (CONT'D)

30.8 Fair value information (cont'd)

Company	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
2022										
Financial assets										
Amount due from subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**193,489**	**193,489**	**193,489**	**191,932**
Cross currency swap	**-**	**3,873**	**-**	**3,873**	**-**	**-**	**-**	**-**	**3,873**	**3,873**
Interest rate swap	**-**	**233**	**-**	**233**	**-**	**-**	**-**	**-**	**233**	**233**
Liquid investments	**685**	**-**	**-**	**685**	**-**	**-**	**-**	**-**	**685**	**685**
	685	**4,106**	**-**	**4,791**	**-**	**-**	**193,489**	**193,489**	**198,280**	**196,723**
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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.8 Fair value information (cont'd)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: 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	2022 RM'000	2021 RM'000
Capital commitments:		
Property, plant and equipment		
Contracted but not provided for	**56,225**	81,381

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.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are as below. The balances related to the below transactions are shown in Note 10 and Note 20.

Group	2022 RM'000	2021 RM'000
With companies in which certain Directors and/or person(s) connected to them have interests:		
M.B. Agriculture (Sandakan) Sdn. Bhd.:		
Sales	**(11,393)**	(10,404)
Purchases	**520**	360
M.B. Agriculture (Sabah) Sdn. Bhd.:		
Sales	**(28,171)**	(22,881)
Arena Dijaya Sdn. Bhd.:		
Sales	**(9,170)**	(6,316)
Highglobal Properties Sdn. Bhd.:		
Purchases	**1,111**	498
Sin Teow Fatt Trading Co.:		
Purchases	**936**	776
Cheah Joo Kiang Enterprise:		
Sales	**(5,461)**	(4,395)
E Koon Plastic Trading:		
Purchases	**-**	1,300
E Koon Trading:		
Purchases	**2,241**	1,151
Fusipim Sdn. Bhd.:		
Sales	**(1,315)**	(6,206)
C-Care Enterprise Sdn. Bhd.:		
Sales	**-**	(2,872)
Eita Electric Sdn. Bhd.:		
Purchases	**1,096**	221

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTIES

Significant related party transactions (cont'd)

Group	2022 RM'000	2021 RM'000
With companies in which certain Directors of certain subsidiaries and person(s) connected to them have interests:		
Keang Huat Trading Sdn. Bhd.:		
Purchases	**361**	529
Perikanan Sri Tanjung Sdn. Bhd.:		
Purchases	**815**	1,061
Timurikan Terengganu Sdn. Bhd.:		
Purchases	**56**	633
Primem (Chenzhou) Co. Ltd.:		
Purchases	**628**	345
Associates		
Gross dividends received	**(394)**	(4,823)
Warehousing services	**9,119**	10,461
Purchases	**-**	1,856
Construction services	**-**	4,587

Company	2022 RM'000	2021 RM'000
Subsidiaries		
Finance income	**(38,923)**	(46,917)
Dividend received	**(172,607)**	(129,670)
Finance costs	**3,645**	1,969
Management fee expense	**7,432**	6,894

The key management personnel compensation are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
- Fees	**1,819**	1,690	**1,205**	1,170
- Remuneration	**17,633**	16,219	**37**	48
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**176**	213	**-**	-
	19,628	18,122	**1,242**	1,218
Directors of subsidiaries				
- Fees	**534**	529	**72**	45
- Remuneration	**10,988**	10,675	**-**	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**247**	312	**-**	-
	11,769	11,516	**72**	45
	31,397	29,638	**1,314**	1,263

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 2022 %	Effective ownership interest 2021 %
QL Feedingstuffs Sdn. Bhd. and its subsidiaries	Investment holding and 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 feedmill	**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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Effective ownership interest 2022 %	2021 %
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.	Palm oil cultivation and 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
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

34. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Effective ownership interest 2022 %	2021 %
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[(d)]	Dormant	**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
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
Kuala Kedah Fish Meal Sendirian Berhad	Property investment	**100**	100
KS Monodon Sdn. Bhd.	Dormant	**100**	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Effective ownership interest 2022 %	Effective ownership interest 2021 %
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.	Dormant	**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.	Dormant	**76.47**	76.47
Boilermech Holdings Berhad and its subsidiaries	Investment holding	**51.99**	50.53
Boilermech Sdn. Bhd.	Manufacturing, repairing and servicing of boilers	**51.99**	50.53
Boilermech Cleantech Sdn. Bhd.	Engaged in the business of dealing and installation of green solar power energy products and producing integrated biomass electric power generation system	**51.99**	50.53
Zenith Index Sdn. Bhd.	Business of bio energy systems	**51.99**	50.53
PT Boilermech and its subsidiary[(a)]	Trading, repairing and servicing of boilers	**51.99**	50.53
PT Boilermech Manufacturing Indonesia[(a)]	Manufacturing, repairing and servicing of boilers	**51.99**	50.53
Boilermech Oretech Sdn. Bhd.	Supplying palm oil recovery enhancement system	**51.99**	50.53
Tera VA Sdn. Bhd.	Dealing and installation of green solar power energy products	**31.19**	30.32
Teknologi Enviro-Kimia (M) Sdn. Bhd. and its subsidiaries	General trader, contractor of water treatment chemicals and equipment and investment holdings	**31.31**	30.43
T.E.K. Greencare Sdn. Bhd.	Inactive	**31.31**	30.43
T.E.K. Water Sdn. Bhd.	Supplier of water treatment chemical and related accessories	**31.31**	30.43
TEK Biotechnology Sdn. Bhd.	Management services, technical consultancy services, project management, laboratory testing, trading and engineering works	**25.05**	24.35

34. SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Effective ownership interest 2022 %	Effective ownership interest 2021 %
QL IPC Sdn. Bhd. and its subsidiaries	Investment holding	**100**	100
Axrail Pte. Ltd.[(f)] and its subsidiary	Provision of information technology related works and services	**50.10**	50.10
Axrail Sdn. Bhd.	Consultancy in information technology	**50.10**	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

(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. This subsidiary was disposed during the financial year.

(f) Subsidiary incorporated in Singapore and consolidated based on management accounts.

All other subsidiaries are incorporated in Malaysia and audited by KPMG.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SUBSIDIARIES (CONT'D)

34.1 The Company's shareholdings in non wholly-owned subsidiaries are as follows:

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
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**
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**

34. SUBSIDIARIES (CONT'D)

34.1 The Company's shareholdings in non wholly-owned subsidiaries are as follows: (cont'd)

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
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	7,520,900	–	**268,271,106**
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**
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	300,000	–	**610,000**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. ACQUISITION/DISPOSAL OF SUBSIDIARIES AND NON-CONTROLLING INTEREST

35.1 Disposal of subsidiaries in 2022

In October 2021, the Group, via its subsidiary, QL Lian Hoe (S) Pte. Ltd. has entered into a Share Transfer Agreement with Yao Weiwei ("Buyer") to dispose its entire shareholding in its wholly-owned subsidiary, Zhongshan True Taste Food Industrial Co. Ltd. ("ZS") for a total consideration of RM16,472,000 (equivalent to CNY25,200,000).

Upon completion of the disposal, ZS ceased to be subsidiary of the Group. The net cash inflow arising from the disposal is RM14,438,000 with gain of disposal of RM3,725,000.

Effect of disposal on the financial position of the Group

	Note	2022 RM'000
Property, plant and equipment	3	**4,376**
Right-of-use assets	4	**1,609**
Inventories		**2,714**
Trade and other receivables		**1,704**
Prepayments		**790**
Cash and cash equivalents		**1,811**
Trade and other payables		**(363)**
Current tax liabilities		**(117)**
Net assets		**12,524**
Gain on disposal		**3,725**
Cash consideration received		**16,249**
Net cash inflows arising from disposal of subsidiaries are as follows:		
Cash consideration received		**16,249**
Less: Cash and cash equivalents disposed of		**(1,811)**
Net cash inflow		**14,438**

35.1.1 Acquisition of non-controlling interest in 2022

During the year, the Company acquired 1.46% of the shares in Boilermech Holdings Berhad with a cash consideration of RM7,086,000. As a result, the Company's ownership interest in Boilermech Holdings Berhad increased from 50.53% to 51.99%.

35.2 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").

35. ACQUISITION/DISPOSAL OF SUBSIDIARIES AND NON-CONTROLLING INTEREST (CONT'D)

35.2 Acquisition of subsidiaries and non-controlling interest in 2021 (cont'd)

Boilermech Holdings Berhad ("Boilermech") (cont'd)

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%.

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 50.10% 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 50.10% 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. ACQUISITION/DISPOSAL OF SUBSIDIARIES AND NON-CONTROLLING INTEREST (CONT'D)

35.2 Acquisition of subsidiaries and non-controlling interest in 2021 (cont'd)

Identifiable assets acquired and liabilities assumed

	Pre-acquisition carrying amount		Fair value adjustment	Recognised values on acquisition
	Boilermech RM'000	Axrail RM'000	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

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.

35. ACQUISITION/DISPOSAL OF SUBSIDIARIES AND NON-CONTROLLING INTEREST (CONT'D)

35.2 Acquisition of subsidiaries and non-controlling interest in 2021 (cont'd)

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.

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 121 to 227 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 2022 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: 12 July 2022

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 121 to 227 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 12 July 2022.

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 2022 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 121 to 227.

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 2022, 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 1(d)(iv) – Use of estimate and judgement, 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 RM226,759,000 of biological assets measured at fair value less cost to sell as at 31 March 2022. 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 (cont'd)

i) Valuation of biological assets – Livestock (cont'd)

Refer to Note 1(d)(iv) – Use of estimate and judgement, Note 2(i) – Significant accounting policies: Biological assets – livestock and Note 11 – Biological assets to the financial statements. (cont'd)

Key audit matter	How the matter was addressed in our audit
	Our audit procedures performed over this area included, among others: (cont'd) • 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) Valuation of goodwill

Refer to Note 1(d)(ii) – Use of estimate and judgement, Note 2(g) – Significant accounting policies: Intangible assets and Note 6.1 – Goodwill arising from Engineering, procurement and construction ("EPC") for Clean Energy business.

Key audit matter	How the matter was addressed in our audit
The carrying value of the Group's goodwill arising from Engineering, procurement and construction ("EPC") for Clean Energy business was RM113,585,000 as at 31 March 2022. The Group performed goodwill impairment review to determine whether the carrying amount exceeds the estimated recoverable value of the cash generating unit attached to the goodwill at the balance sheet date. We have identified valuation of goodwill as a key audit matter due to the degree of judgement and assumptions involved in the preparation of the discounted cash flows, including estimated revenue growth rate, long-term growth rate, and discount rate, which are inherently uncertain. Changes in judgements and the related estimates could result in material adjustments to the estimated recoverable amount, hence, affect the carrying amount of goodwill.	We performed the following audit procedures, among others: • Evaluated the design and implementation of the management control over the preparation of valuation model used to determine the recoverable amount of the cash generating unit ("CGU"); • Assessed the appropriateness of the underlying assumptions made by the Group in their cash flow projections, including revenue growth rate, long-term growth rate, and discount rate with reference to internally and externally derived sources. • Assessed the sensitivity of the key assumptions in the cash flow projections including revenue growth rate, discount rate and long-term growth rate and the impact on the headroom over the carrying value; and • Considered the adequacy 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 (cont'd)

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 (cont'd)

- 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

Lee Hean Kok
Approval Number: 02700/12/2023 J
Chartered Accountant

Petaling Jaya

Date: 12 July 2022

LIST OF PROPERTIES

as at 31 March 2022

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	**110,760**	13
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 (14.03.2018 to 14.03.2068)	Layer Farm (Percentage of work completed 90%)	Land area: 450,365.9 m^2 Gross build-up area: 106,319 m^2	5,745 81,080 **86,825**	2.5
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.	50,958 1,520 **52,478**	7
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.	**38,828**	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 Built-up area: 245,000 sq. ft. (factory building)	18,000 16,647 **34,647**	17
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	**33,235**	7
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	**30,105**	18
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.	2,766 196 26,457 **29,419**	18
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
Chingsan Development Sdn. Bhd.	H.S.(D) 315476, PT 3034, Bandar Glenmarie, Daerah Petaling, Negeri Selangor PT3034, KM 18.5, Lebuhraya Persekutuan, Seksyen U1, 40150 Shah Alam, Selangor	(28.08.2019)	Freehold	Vacant land	2,941 sq. m.	**23,529**	N/A

SHAREHOLDERS' ANALYSIS REPORT
as at 30 June 2022

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	526	20,923	0.001
100 to 1,000	3,343	1,974,413	0.081
1,001 to 10,000	4,817	19,562,576	0.804
10,001 to 100,000	2,505	79,935,445	3.285
100,001 to less than 5% of issued shares	880	1,032,874,439	42.441
5% and above of issued shares	3	1,299,289,343	53.388
	12,074	2,433,657,139	100.000

Directors' Shareholdings

	No. of Shares Held			
Name of Directors	Direct	%^	Indirect	%^
Chia Song Kun	1,316,250	0.054	1,003,672,371*	41.241
Chia Song Kooi	1,696,500	0.070	4,727,560**	0.194
Chia Seong Fatt	390,000	0.016	290,667,979#	11.944
Chia Mak Hooi	3,905,755	0.160	713,700##	0.029
Cheah Juw Teck	4,193,622	0.172	2,298,000**	0.094
Chia Lik Khai	2,955,500	0.121	285,480##	0.012
Chia Seong Pow (Alternate Director)	3,540,000	0.145	293,818,966#	12.073
Chia Song Swa (Alternate Director)	1,105,650	0.045	4,233,900**	0.174
Low Teng Lum	6,000	0.000	135,825##	0.006
Kow Poh Gek	–	–	13,845+	0.001
Datin Paduka Setia Dato' Dr. Aini Binti Ideris	–	–	–	–
Chan Wai Yen	–	–	–	–
Cynthia Toh Mei Lee	–	–	–	–
Wee Beng Chuan	–	–	–	–
Tan Ler Chin	–	–	–	–

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

No.	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	1,003,672,371	41.241
5.	Chia Seong Pow	3,540,000	0.145	293,818,966	12.073
6.	Chia Seong Fatt	390,000	0.016	290,667,979	11.944
7.	Employees Provident Fund Board	163,432,690	6.716	–	0.000

List of 30 Largest Shareholders

No.	Name of Shareholders	Holdings	%
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	143,825,190	5.909
4.	CBG (L) PTE LTD	105,764,250	4.345
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	56,113,700	2.305
6.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	49,000,000	2.013
7.	LEMBAGA TABUNG HAJI	34,460,000	1.415
8.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	30,259,980	1.243
9.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	22,828,450	0.938
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	16,645,473	0.683
11.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	15,405,630	0.633
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	14,363,440	0.590
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	11,739,755	0.482
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	10,274,250	0.422
16.	CHIA SONG PHUAN	10,111,676	0.415
17.	LIU & CHIA HOLDINGS SDN BHD	9,808,350	0.403
18.	CHIA SIANG ENG	8,705,706	0.357

SHAREHOLDERS' ANALYSIS REPORT
as at 30 June 2022 (cont'd)

List of 30 Largest Shareholders (cont'd)

No.	Name of Shareholders	Holdings	%
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	8,544,400	0.351
20.	KEE SIOK HIN	8,040,375	0.330
21.	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	7,995,390	0.328
22.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	7,700,100	0.316
23.	LIU FUI MOY	7,339,040	0.301
24.	ATTRACTIVE FEATURES SDN BHD	7,062,750	0.290
25.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	6,742,945	0.277
26.	CHIA BAK LANG	6,615,450	0.271
27.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	6,543,030	0.268
28.	PERTUBUHAN KESELAMATAN SOSIAL	6,490,700	0.266
29.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK DANA UNGGUL	5,563,713	0.228
30.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	5,540,400	0.227

DISCLOSURE ON RECURRENT RELATED PARTY TRANSACTIONS

(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 22 September 2021 to 30 June 2022 (RM'000)	Actual transacted value for the financial year ended 31 March 2022 (RM'000)
1.	QL Fishery Group	Purchase of raw fish; sale of surimi and surimi-based product; sale of frozen fish; renting of property; purchase of lubricant and packing material	Sin Teow Fatt Trading Company Fusipim Sdn. Bhd. Cheah Joo Kiang Enterprise M.B. Agriculture (Sandakan) Sdn. Bhd. Credential Development Sdn. Bhd. E Koon Trading	15,150	17,430	8,146	10,092
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.	62,150	54,820	36,641	48,750
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.	3,300	2,100	2,239	2,074
	Total			**80,600**	**74,350**	**47,026**	**60,916**

DISCLOSURE ON RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

(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 22 September 2021 to 30 June 2022 (RM'000)	Actual transacted value for the financial year ended 31 March 2022 (RM'000)
1.	QL Fishery Group	Sale of frozen fish	M.B. Agriculture (Sandakan) Sdn. Bhd.	200	200	70	79
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.	62,150	54,820	36,641	48,750
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.	3,300	2,100	2,239	2,074
	Total			**65,650**	**57,120**	**38,950**	**50,903**

(c) 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)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 22 September 2021 to 30 June 2022 (RM'000)	Actual transacted value for the financial year ended 31 March 2022 (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.	6,500	7,500	1,300	1,424
	Total			**6,500**	**7,500**	**1,300**	**1,424**

(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 22 September 2021 to 30 June 2022 (RM'000)	Actual transacted value for the financial year ended 31 March 2022 (RM'000)
1.	QL Fishery Group	Purchase of fish[2]	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	1,154	1,275
	Total			**–**	**6,600**	**1,154**	**1,275**

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 2022 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 will not be seeking for the renewal of shareholders' mandate for RRPTs in which Mr. Heng Hup Peng and person(s) connected to him have interests following his resignation in certain subsidiaries. However, the said transactions will be monitored for six (6) months until 30 September 2022 as Mr. Heng Hup Peng is still a Director under Para 1.01 of the LR.

CLASSES OF RELATED PARTIES

The Proposed Renewal of RRPT Mandate will apply to the following Related Parties:

(i) Sin Teow Fatt Trading Company is a sole proprietorship 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.

DISCLOSURE ON RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

The Proposed Renewal of RRPT Mandate will apply to the following Related Parties: (cont'd)

(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. On 1 April 2022, Mr. Heng Hup Peng had resigned as a Director in QLEMP and QLEFM. Therefore, this RRPT will be monitored for six (6) months until 30 September 2022 as he is still a Director under Para 1.01 of the LR.

(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. On 1 April 2022, Mr. Heng Hup Peng had resigned as a Director in QLEMP and QLEFM. Therefore, this RRPT will be monitored for six (6) months until 30 September 2022 as he is still a Director under Para 1.01 of the LR.

(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) 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.

(ix) 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.

(x) 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 QL Fishmeal as well as Director and shareholder of QL.

(xi) 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. On 1 April 2022, Mr. Heng Hup Peng had resigned as a Director in QLEMP and QLEFM. Therefore, this RRPT will be monitored for six (6) months until 30 September 2022 as he is still a Director under Para 1.01 of the LR.

(xii) 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. On 1 April 2022, Mr. Heng Hup Peng had resigned as a Director in QLEMP and QLEFM. Therefore, this RRPT will be monitored for six (6) months until 30 September 2022 as he is still a Director under Para 1.01 of the LR.

(xiii) 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.

The Proposed Renewal of RRPT Mandate will apply to the following Related Parties: (cont'd)

(xiv) 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.

(xv) 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. On 1 April 2022, Mr. Heng Hup Peng had resigned as a Director in QLEMP and QLEFM. Therefore, this RRPT will be monitored for six (6) months until 30 September 2022 as he is still a Director under Para 1.01 of the LR.

(xvi) 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 Fishery Group 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 25th 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 Tuesday, 30 August 2022 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 2022 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 2022. — 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:

   Chia Song Kun — Ordinary Resolution 2

   Chia Song Kooi — Ordinary Resolution 3

   Kow Poh Gek — Ordinary Resolution 4

   Low Teng Lum — Ordinary Resolution 5
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 Lik Khai — Ordinary Resolution 6

   Tan Ler Chin — Ordinary Resolution 7
5. To approve the proposed payment of fees to Directors amounting to RM1,308,000 from 1 September 2022 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 RM71,125 from 1 September 2022 until the next Annual General Meeting. — Ordinary Resolution 9
7. To approve the additional payment of Directors' fees of RM116,000 following the appointment of additional Directors in January 2022. — Ordinary Resolution 10
8. To approve the additional payment of Directors' benefits of RM5,000 following the appointment of a Non-Executive Director in January 2022. — 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;

10. **Authority to Directors to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 (cont'd)**

    AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or at the expiring of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by ordinary resolution of the Company in a general meeting."

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 Malaysia Securities Berhad ("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;
    (e) to resell the treasury shares on Bursa Securities in accordance with the revelant rules of Bursa Securities; or
    (f) sell, transfer or otherwise use the treasury shares for such other purpose pursuant to Section 127 of the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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") (cont'd)**

    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 Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate")** — Ordinary Resolution 15

    "THAT approval be and is hereby given to the Company and its subsidiaries to renew the shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as set out in Part B, Section 2.4 of the Circular to Shareholders dated 28 July 2022 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 ("AGM") of the Company, at which such mandate will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
    (ii) the expiration of the period within which the next AGM of the Comapny 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 a 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 RRPT Mandate."

13. **Proposed Amendment to the Constitution of the Company ("Proposed Amendment")** — Special Resolution

    "THAT the Proposed Amendment to the Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 28 July 2022, be and is hereby approved."

14. 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 23 September 2022 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12 September 2022.

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 12 September 2022 in respect of transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Ng Geok Ping
SSM PC No. 202008000006
Company Secretary

Shah Alam, Selangor Darul Ehsan
28 July 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

PROXY:

1. The Broadcast Venue of the 25th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 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 25th AGM in person at the Broadcast Venue.

   Shareholders are to participate, communicate by posting questions to the Board via real time submission of typed texts and vote remotely at the 25th AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. 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 19 August 2022.** 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 participate 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 participate and vote at this 25th 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 **Sunday, 28 August 2022 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 Companies Act 2016 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 Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 30 May 2022, 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 23 September 2022 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.

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, 4 out of 11 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.

Based on the evaluation, the Board recommends that shareholders approve the proposed re-election of Dr. Chia Song Kun, Mr. Chia Song Kooi, Ms. Kow Poh Gek, Mr. Low Teng Lum and Mr. Chia Lik Khai as they have met the fit and proper criteria for re-appointment in terms of character, integrity, experience, competence, commitment and time to effectively discharge their role as a director.

As Madam Tan Ler Chin has just been appointed as an Independent Director of the Company, the Board recommends that shareholders approve her re-election pursuant to Clause 129 of the Company's Constitution.

The profiles of the Directors who are standing for re-election as per Agenda 3 and 4 are set out on pages 82, 83, 87, 90, 92 and 96.

4. Ordinary Resolutions 8 and 9

The actual payment of Directors' fees incurred for the financial year 2022 was RM1,204,500.

The proposed Ordinary Resolutions 8 and 9, if passed, will give authority to the Company to pay the fees and benefits to the Directors from 1 September 2022 until the next annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

The 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
Alternate Director - Executive Committee	RM3,000 per month
Benefits	
Meeting Allowance	RM1,000 per meeting day
Directors' and Officers' Indemnity Insurance	RM29,125

5. **Ordinary Resolution 10**

   The approved payment of Directors' fees commencing the conclusion of the 24th AGM up till August 2022 was at RM973,500. Following the appointment of additional Directors in January 2022, the additional payment of Directors' fees amounted to RM116,000.

6. **Ordinary Resolution 11**

   The approved payment of Directors' benefits commencing the conclusion of the 24th AGM up till August 2022 was at RM61,185. Following the appointment of a Non-Executive Director in January 2022, the additional payment of Directors' benefits amounted to RM5,000.

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 Companies Act 2016. If passed, it will empower the Directors from the conclusion of the above annual general meeting until the conclusion of the next annual general meeting of the Company or at the expiring of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by ordinary resolution of the Company in a general meeting, 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 Companies Act 2016 under the general mandate which was approved at the 24th AGM of the Company held on 22 September 2021 and which will lapse at the conclusion of the 25th AGM. A renewal of this authority is being sought at the 25th 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 annual general meeting of the Company or within which the next annual general meeting after the date is required by law to be held, whichever occurs first. For further information, please refer to Part A of the Circular to Shareholders dated 28 July 2022.

9. **Ordinary Resolution 15**

   The proposed resolutions pertains to the shareholders' mandate required under Part E, Chapter 10.09(2) of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. The said Proposed Renewal of 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 B, Section 2.2 of the Circular to Shareholders dated 28 July 2022. 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.

10. **Special Resolution**

    The Special Resolution, if passed, will streamline the Company's Constitution with the new amendment made to the Malaysian Code on Corporate Governance 2021. The Board proposed that the Proposed Amendment as set out in Part C of the Circular to Shareholders dated 28 July 2022 be adopted. The Proposed Amendment shall take effect once it has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the 25th AGM.

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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 25th Annual General Meeting 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 Tuesday, 30 August 2022 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		
Special Resolution		

Please indicate with an "✗" or "✓" in the space provided as to how you wish your votes to be cast on the resolutions specified in the Notice of 25th Annual General Meeting. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this ______________ day of ____________________, 2022.

____
Signature of Shareholder

For appointment of two (2) proxies, percentage of shareholding to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		

Notes:-

1. The Broadcast Venue of the 25th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting.

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AFFIX
STAMP

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

fold here

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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