SUSTAINABILITY STATEMENT

PREPARATION OF THIS STATEMENT

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

This Statement is prepared based on the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad. In preparation of our reporting approach of this Statement, we made reference to the Global Reporting Initiative Standards (GRI Standards) and adopted the content elements of the International Integrated Reporting <IR> Framework, in line with Bursa Malaysia's recommendation.

With reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) published in 2022, QL upholds our sustainability obligation to comply with the revised listing requirements. In the coming years, QL will be working towards setting performance targets in relation to our common sustainability indicators, incorporating climate change-related disclosures that are aligned with Task Force on Climate related Financial Disclosures ("TCFD") recommendations and subjecting our sustainability statement to review and assurance process within the timelines set by Bursa Malaysia.

FEEDBACK

We are committed to listening to valued feedback from our stakeholders in our efforts to continuously improve our sustainability performance and approach. Any questions, comments or feedback can be channelled to esg@ql.com.my

REPORTING SCOPE AND PERIOD

This Statement discloses the activities and performance for QL's identified material matters for the financial year of 1 April 2022 to 31 March 2023, unless otherwise stated. This year, we added QL Farms Sdn. Bhd., QL Marine Products Sdn. Bhd., and QL Endau Fishmeal Sdn. Bhd. The scope of this Statement covers QL's 17 main business units located in Malaysia from all four business pillars with significant revenue contribution.

INTEGRATED LIVESTOCK FARMING (ILF)

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

MARINE PRODUCTS MANUFACTURING (MPM)

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

PALM OIL AND CLEAN ENERGY (POCE)

- QL Plantation Sdn. Bhd.
- QL Tawau Biogas Sdn. Bhd.
- Boilermech Holdings Berhad

CONVENIENCE STORE CHAIN (CVS)

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

FY2023 AT A GLANCE

ENVIRONMENTAL RESPONSIBILITY

Increased **72%** solar energy generation Year-Over-Year (YoY)

Reduced **17.2%** GHG intensity from base year FY2020 (32.3 tCO_2e/RM Mil Revenue)

Reduced **4.3%** water withdrawal intensity YoY

Diverted **74.2%** of hazardous waste and **95.3%** of non-hazardous waste from landfill

Zero non-compliance cases with environmental regulatory requirements

Planted **2,000** mangrove seedlings; **99%** survival rate

SOCIAL RESPONSIBILITY

One fatality and LTIFR improvement of **22.6%** from FY2022

Assisted **11,942** beneficiaries via our corporate philanthropy collaborations at an investment of over **RM835,600**

Upgraded fishing gears and equipment of **924** fishermen via **RM21.84** million interest-free Fishermen Financial Assistance Scheme (FFAS)

Over **179,000** employee development hours

GOVERNANCE

Zero violation on Anti-Bribery Policy

3,433 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics

OUR SUSTAINABILITY APPROACH

Sustainability is more than just reducing consumption. It also encompasses creating and delivering lasting value for QL, communities and future generations. This is the very quintessence of QL, Quan Li, which means benefit for all. In creating sustainable value, we are not only focusing on reductions but also optimising value generation in complementary forms.

QL focuses on creating value for all stakeholders, from investors, employees, suppliers, customers and consumers to communities. Extending this philosophy, we embrace an integrated approach to sustainability, encompassing three key aspects of sustainability management, namely Environmental, Social and Governance (ESG). ESG elements are woven into QL's business strategy planning and work practices across our operations. Our sustainability governance structure ensures our sustainability approach is underpinned by strategic risk and opportunity management, and guided by principles and industry best practices.

SUSTAINABILITY GOVERNANCE

The Board of Directors of QL (the Board) sets the sustainability direction for the Group and ensures our sustainability strategies, priorities, targets and performance are communicated to both internal and external stakeholders. The Board and Executive Committee (EXCO) review the Group's sustainability performance in addressing material sustainability risks and opportunities.

In steering the Group's sustainability efforts, the Board is supported by a Sustainability Steering Committee (SSC) which is chaired by QL's Group Managing Director and comprising Head of Business Units and Business Functions. The SSC is assisted by the Sustainability Reporting Working Group (SRW) to guide and monitor QL's sustainability performance across business units. Based on the agreed framework and focused areas, business units work on implementing their sustainability initiatives within their businesses.

Board of Directors

↓

Executive Committee

↓

Sustainability Steering Committee

Group Managing Director (Chair)	Executive Chairman (by invitation)	Head of Business Units & Business Functions

↓

Sustainability Reporting Working Group

Environment | Social | Governance | Risk

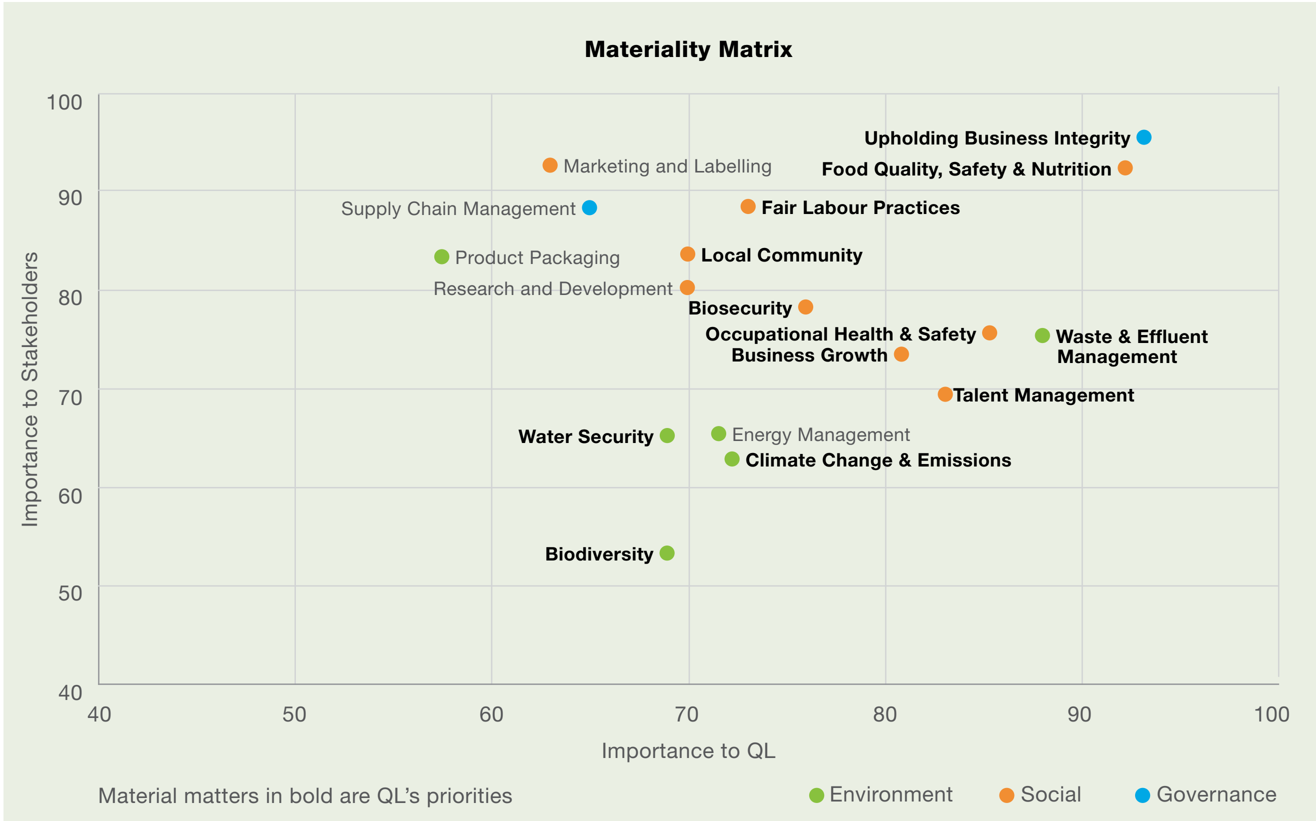
STAKEHOLDER ENGAGEMENT

Stakeholders are essential in enabling QL's continued business growth and development. Engagement of stakeholders is crucial for QL to identify key sustainability issues and solutions to manage our material matters. We seek continuous improvement alongside our valued stakeholders through the year with regular engagements. The table below summarises our key stakeholders and engagement methods.

Stakeholder Groups	Focus Areas	Our Response	Engagement Channels	Frequency of Engagement
Investors and shareholders	• Financial performance • Good corporate governance • Responsible value creation in business management	• Refer to Management Discussion and Analysis ("MD&A") (pg 12) • Refer to Social Responsibility (pg 43)	• Annual general meeting • Analyst briefings, investor presentations & meetings • Financial results • Press releases • Corporate website	• Annual • Regular meetings with investors & analysts • Quarterly • As needed • Throughout the year
Employees	• Respect for human rights • Learning & development • Safe & healthy workplace • Supportive welfare • Continuous business growth	• Refer to Environmental Responsibility (pg 36) and Social Responsibility (pg 43)	• Workshop discussions • Induction training • Learning & development programmes • Employee performance appraisal	• As needed • As needed • Throughout the year • Annual
Customers	• Safe, nutritious & quality products • Good governance practices • Regulatory compliance • Third party food certifications	• Refer to Environmental Responsibility (pg 36) and Social Responsibility (pg 43)	• Feedback survey • Face-to-face interactions • Online platform (Facebook, mobile apps) • Customer Careline	• Annual • As needed • Throughout the year • Throughout the year
Vendors and suppliers	• Business continuity • Regulatory compliance	• Refer to MD&A (pg 12) • Refer to Social Responsibility (pg 43) and Governance (pg 66)	• Interviews • Face-to-face interactions	• As needed • Throughout the year
Regulators and Non-Govermental Organisations (NGOs)	• Regulatory compliance • Responsible business practices • Indirect economic contribution • Industry trends & standards	• Refer to MD&A (pg 12) • Refer to Environmental Responsibility (pg 36) and Social Responsibility (pg 43) • Participate in NGOs as member, board or committee member	• Participation as Council Member in the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor, member of Federation of Malaysian Manufacturers, Sabah Livestock Association, Federation of Livestock Farmers Association of Malaysia, etc.	• Throughout the year
Community	• Direct & indirect economic contribution • Responsible environmental management & contributions to society	• Refer to Environmental Responsibility (pg 36) and Social Responsibility (pg 43)	• Corporate philanthropy activities • Corporate website	• Throughout the year • Throughout the year
Media	• Business strategy & growth • Food quality & safety • Indirect economic contribution • Regulatory compliance • Environmental management • Workplace management	• Refer to MD&A (pg 12) • Refer to Environmental Responsibility (pg 36) and Social Responsibility (pg 43)	• Press conferences & events • Press releases • Media interviews	• As needed • Throughout the year • As needed

MATERIALITY ASSESSMENT

A materiality assessment is vital to the identification and prioritisation of sustainability matters that can affect QL's business and stakeholders. In FY2021, we conducted a materiality assessment to review the relevance of our material matters by engaging with both internal and external stakeholders. We sought their views in relation to the ESG topics that were important to QL. The approach used in materiality assessment is reflected in the diagram below:



A total of 17 material matters and 12 priorities were concluded through the assessment.

Based on engagement with our stakeholders in FY2023, the identified material matters remain relevant. The material matters will be revisited in coming year to ensure that they are up to date with developments and changes in the business and ESG landscapes.

MATERIALITY BOUNDARY

Pillar	Material Matter	Why is it material to QL?	Our Response	Links to Our Capitals	Boundary	SDGs Supported by QL
Environmental Responsibility	Climate Change & Emissions	Manufacturing and distribution activities emit GHG. It is critical to maximise our energy efficiency to manage carbon footprint and minimise our impact on climate change.	• Invest in renewable energy technology and solution; QL also offers this solution to businesses • Install renewable energy solutions in our facilities • Manage GHG emissions at all levels	NC	• QL • Customers	7, 12, 13
	Water Security	Water is a scarce resource for our business and the community. Efficient water management is critical to prevent stress on the water ecosystem.	• Secure water through rainwater harvesting facility • Set up alternative sources of water supply (e.g. river, ground, city and rain) • Provide water treatment solution to benefit more customers and industries	NC	• QL • Customers	6, 13
	Waste & Effluent Management	Our operations generate waste and wastewater. Processing waste and treating wastewater before disposal and discharge prevent environmental contamination.	• Optimise 3R-principle (Reduce, Recycle and Repurpose) in business operations • Ensure proper disposal of organic waste • Install Wastewater Treatment Plant (WWTP)	NC	• QL • Service Providers • Customers	12, 13
	Biodiversity	Biodiversity is critical to maintain a balanced ecosystem and mitigate climate change.	• Committed to a mangrove conservation programme	NC SC	• QL • Community	13
Social Responsibility	Food Quality, Safety & Nutrition	As an agro food producer, it is vital that we produce food that is high quality, safe and nutritious for consumers.	• Enhance food safety, quality and nutrition through research and development • Formalised a Health and Nutrition Statement	IC HC SC MC	• QL • Suppliers • Customers	3, 12
	Biosecurity	Our poultry farms are core to our business and value chain. Healthy and hygienic poultry are integral to undisrupted operations.	• Adhere to good farm management practices • Strict biosecurity measures in the farms at all times, including improved disease surveillance and response • Continuous identification of improvement areas via monthly audits	HC NC IC	• QL • Suppliers • Customers	12
	Growing Our Business	Sustainable business growth is key to delivering long-term shared value to stakeholders.	• Continuously strengthen business model and identify opportunities guided by our strategies • Increase focus on ESG across all business pillars • Continuous innovation and agile to meet changing market demand and consumer lifestyle	MC HC IC NC SC FC	• QL	8
	Local Community	Local community is interlinked with our activities. It is important to support the community for mutual growth.	• Support local communities through corporate philanthropy activities, financial assistance and job opportunities	HC SC	• QL • Suppliers • Community	1, 2, 4, 8
	Fair Labour Practice	Our workforce is core to our operations. Employee fair treatment and respect aligns with our core values and promotes job satisfaction.	• Keep abreast and strengthen fair employment practices by intensifying efforts on human rights and fair labour practices audits	HC SC	• QL • Suppliers	10
	Occupational Safety & Health ("OSH")	Good health and safety measures reduce risk of accidents. A safe and healthy workplace leads to better employee wellbeing and increased productivity.	• Reinforce and embed "WECARE" OSH Guiding Principles in our work approaches and decisions • Conduct awareness and training programmes to equip employees and service providers with skills and knowledge • Conduct safety briefing for visitors to communicate safety procedures and advice on the potential risks and hazards that they may be exposed to	HC MC	• QL • Customers • Service Providers	3
	Talent Management	A skilled and equipped workforce led by progressive leadership is central to business continuity and QL's success.	• Instil QL's core values and strengthen human capital management practices in the areas of leadership development and growth, and attracting and retaining talents	HC IC SC	• QL	8
Governance	Upholding Business Integrity	Continuous enhancement and embedment of sound corporate governance practices helps strengthen trust of our stakeholders, safeguarding their interests in an effective, transparent and ethical manner.	• Uphold Anti-Bribery Policy • Create awareness and engage all employees and suppliers on Suppliers and Business Associates Code of Business Ethics	FC HC SC	• QL • Suppliers	12

CAPITALS NC Natural MC Manufactured IC Intellectual HC Human SC Social FC Financial

MANAGING SUSTAINABILITY

ENVIRONMENTAL RESPONSIBILITY

Increased **72%** solar energy generation Year-Over-Year (YoY)

Reduced **4.3%** water withdrawal intensity YoY

Reduced **17.2%** GHG intensity from base year FY2020 (32.3 tCO_2e/RM Mil Revenue)

Diverted **74.2%** of hazardous waste and **95.3%** of non-hazardous waste from landfill

Zero non-compliance cases with environmental regulatory requirements

Planted **2,000** mangrove seedlings; **99%** survival rate

Being in the agro industry, QL is susceptible to climate change as our operations are heavily dependent on climate. We are committed to growing our business in a responsible manner, with consideration of our impacts to the environment while inculcating responsible behaviours within our organisation. This year, we focused on expanding our renewable energy utilisation, improving on efficient management of energy and water, and enhancing our waste management practices. We believe that these initiatives will fortify QL's commitment to mitigate climate change and safeguard our business.

	Progress Across the Years		
Material Matters	**FY2021**	**FY2022**	**FY2023**
Climate Change & Emissions	• 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 (customers)	• Installed additional solar panels at QL Ansan Poultry Farm Sdn. Bhd. and QL Foods Sdn. Bhd. with installed capacity of 8.70 MWp • Encouraged renewable energy solutions adoption; installed solar solutions for 337 businesses (customers) with capacity of approximately 13.40 MWp • Enhanced the tracking of compliance status for air emission • Started tracking biomass utilisation • Encouraged biomass utilisation; installed biomass boilers with capacity of approximately 1,513 ton/hour of steam for businesses (customers), which potentially avoided 2.57 million ton of carbon dioxide per year, in comparison with coal fired boilers

	Progress Across the Years		
Material Matters	**FY2021**	**FY2022**	**FY2023**
Water Security	• 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	• Increased rainwater harvesting facility • Tracked and monitored water consumption patterns through water meters for improving water efficiency • Encouraged raw water treatment solutions adoption; installed water treatment solutions for 6 businesses (customers) with treatment capacity of approximately 0.2 million m^3
Effluent and Waste Management	• 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 business customers to manage discharge with wastewater treatment solutions	• Upgraded chicken manure composting facility and capacity • Enhanced the tracking of compliance status for effluent and hazardous waste • Encouraged wastewater treatment solutions adoption; installed wastewater treatment solutions for 4 businesses (customers) with treatment capacity of approximately 0.3 million m^3
Biodiversity	• Collaboration with strategic partner for mangrove conservation programme	• Planted 1,000 mangrove seedlings	• Planted 2,000 mangrove seedlings

CLIMATE CHANGE AND EMISSIONS

Performance

- Reduced **17.2%** GHG intensity from base year FY2020 (32.3 tCO_2e/ RM Mil Revenue)
- Generated **841,905.85 GJ** renewable energy from solar, biogas and biomass
- Avoided **25,153.67 tCO_2e** of GHG emissions from solar and POME
- Planted **2,000 mangrove** seedlings at Banjar Utara Forest Reserve, Tanjung Karang

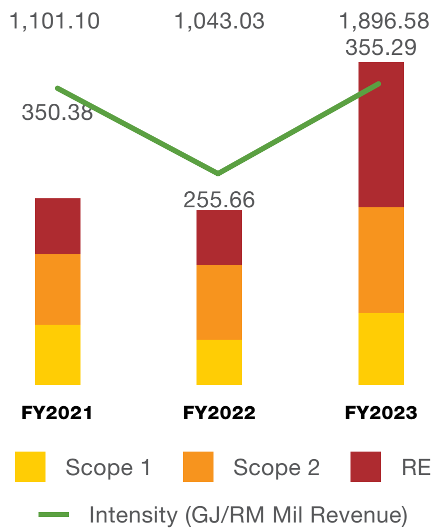
Our Approach

A significant challenge to our business operations, climate change affects our supply chain from sourcing of raw materials to manufacturing, logistics and delivery of products to our customers. QL is aware that our operations contribute to greenhouse gas emissions. We are responding to climate impacts by managing our emissions in full compliance with air emission standards and increasing our energy efficiency. In support of a cleaner environment, we harness renewable energy from various sustainable sources and offer more customers our solar energy solution.

Effective Management of Energy Consumption and GHG Emissions

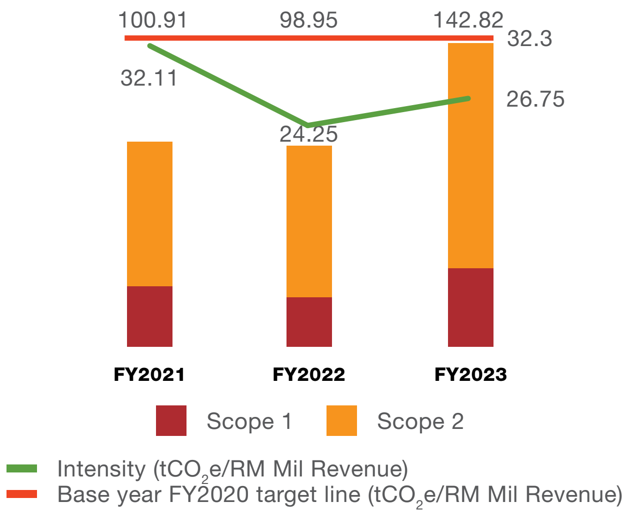
QL is committed to improving energy efficiency in our operations to ensure responsible consumption of energy and sustainable production. We always strive to manage our emissions into the air by monitoring and tracking our energy consumption and identifying opportunities for improvement.

Energy Consumption ('000 GJ) and Intensity (GJ/RM Mil Revenue)



In FY2023, our group witnessed a rise in energy consumption and intensity which stood at 1,896,579.85 Gigajoules (GJ) and 355.29 GJ per RM million revenue, respectively. The rise in consumption was attributed to the inclusion of additional three subsidiaries in our reporting scope for FY2023. Additionally, we have accounted for bioenergy consumed by the relevant subsidiaries that further contributing to the overall increase. Meanwhile, the increase in intensity was due to supply chain disruption that lowered our production volume.

GHG Emissions ('000 tCO_2e) and Intensity (tCO_2e/RM Mil Revenue)



Total GHG emission was amounted to 142,820.83 tCO_2e, equivalent to the intensity of 26.75 tCO_2e/RM million revenue. Our GHG intensity reduced by 17.2% from base year FY2020 (32.3 tCO_2e/RM Mil Revenue)

In FY2023, there were no reported cases of non-compliance with environmental laws, regulations and standards for air emissions.

Harnessing Solar Energy

QL is actively adopting renewable energy technologies to reduce the consumption of fossil fuel-based energy. As we are progressing steadily towards the increase of our solar energy utilisation, we installed 4,844 pieces of solar panels, equivalent 8.70 megawatt peak (MWp) installed capacity on the rooftops of our sites in FY2023. As of FY2023, we have installed a total number of 30,157 pieces of solar panels that equivalent 49.32 MWp installed capacity and offset 10,250.42 tonnes of CO_2.

Solar Panels at QL Ansan Poultry Farm Sdn. Bhd., Rawang

Harnessing Bioenergy

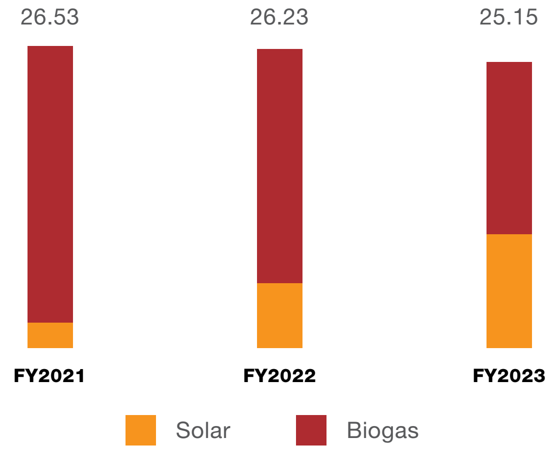
Aside from solar energy, bioenergy is also QL's renewable alternative to fossil fuels. Our bioenergy is derived from biogas and biomass.

QL Plantation Sdn. Bhd. operates a biogas plant that captures methane gas emitted from palm oil mill effluent (POME), instead of allowing it to escape into the environment which will contribute to climate change. The biogas is used to generate power for on-site operations with excess power sold to the local grid. In FY2023, we generated 5,462 GJ from biogas and avoided 14,903.25 tCO_2e GHG emissions. Approximately 41% of the generated energy was used on-site.

Utilising biomass residue as a source of renewable energy in our operations is our other clean energy initiative towards reduction in our dependency of non-renewable sources. In FY2023, we generated 778,323.15 GJ energy from biomass.

QL pioneered a proprietary technology that converts palm waste biomass into high quality burning fuel, and manufactures industrial boiler systems which convert that biomass fuel into energy.

GHG Emissions Avoidance ('000 tCO_2e)



Renewable Energy Enabler

QL has also extended our business activities into the clean energy sector through Boilermech Holdings Berhad (Boilermech), a solar and biomass renewable energy engineering company. We offer a wider range of clean energy solutions across the Group and to customers. This year, we enabled approximately 13.40 megawatt peak (MWp) of installed capacity from total 337 projects.

WATER SECURITY

Performance

- **4.3%** water withdrawal intensity reduction YoY
- **6,754 m³** of rainwater harvesting for non-portable uses

Our Approach

Water scarcity threatens communities and economies across the globe. QL acknowledges the significance of water as a critical resource used across its operations. We are committed to safeguarding water resources and optimising water consumption at all our operation sites. To address water scarcity issue, we manage our water withdrawal efficiently by following industry best practices. In addition, QL offers a range of water management solutions to fulfil the growing demand for clean water and water treatment needs for industrial applications.

Effective Water Management

QL ensures responsible use of water resources by closely monitoring our water intake and identifying alternative sources of water.

Water flowmeters are installed at all QL sites to track our water consumption and detect any leakage in our water distribution networks. Through monitoring patterns and anomalies in our water consumption, we identify inefficiencies and work towards continuous improvement in our operations.

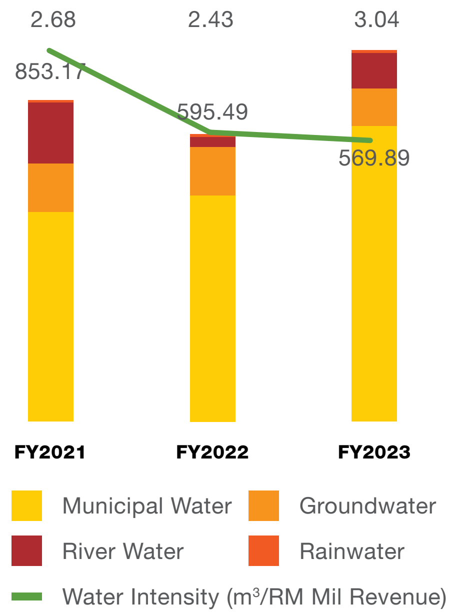
Besides municipal water, QL uses diverse water sources such as river and rainwater to enhance our water supply resilience. Since 2021, we started using rainwater for non-portable purpose and continuously finding ways to maximise the use of our rainwater harvesting. In FY2023, our rainwater consumption increased to 6,754 m³, 67.5% more than the amount in FY2022.

In FY2023, the Group's water withdrawal intensity reduced by 4.3% from 595.49 m³/RM mil revenue to 569.89 m³/RM mil revenue. The reduction in intensity was due to higher production volume and improved efficiency in water consumption.

Water Treatment Solutions

QL invests in clean energy and environmental technology businesses through Boilermech as part of our business and sustainability strategy. The POCE business pillar offers water management solutions including water treatment service for industrial use to help improve raw water quality and increase water-use efficiency. A total of six new water treatment systems were installed at customers' facilities with approximate treatment capacity of 0.2 million m³ raw water.

Water Withdrawal (Million m³) and Intensity (m³/RM Mil Revenue)



WASTE AND EFFLUENT MANAGEMENT

Performance

- Recycled over **191,600 MT** of non-hazardous waste
- Diverted **74.2%** of hazardous waste and **95.3%** of non-hazardous waste from landfill
- Composted **93.7%** of chicken manure to organic fertiliser

Our Approach

Waste is an inevitable by-product that arises from our production processes. As a responsible producer, QL's waste management practices go beyond handling wastes according to applicable regulatory requirements to prevent harm to the environment and local communities.

In our sustainable waste management from production to final treatment, we adhere to waste hierarchy which involves reducing, reusing, recycling, and recovering waste materials that cannot be eliminated. On top of this, QL makes the best out of wastes in our efforts to support circular economy. We convert solid wastes, which are generated along our supply chains that would otherwise be abandoned or disposed of, into valuable resources. The remaining waste is disposed of by licensed waste contractors.

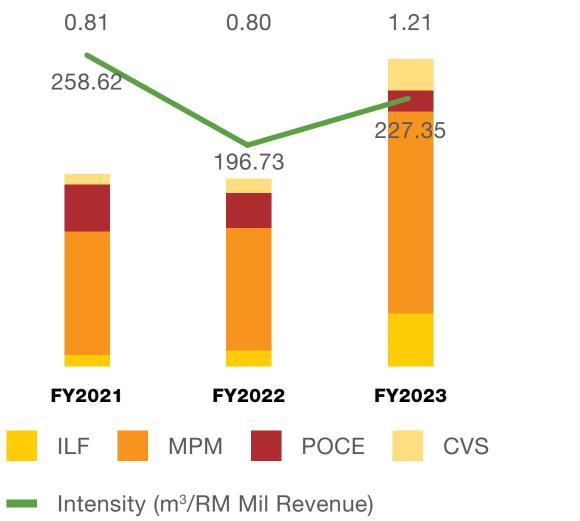
QL ensures that our employees are properly trained to maintain and enhance their competence in handling industrial effluent and hazardous wastes at our operation sites in accordance with legal requirements.

Effective Effluent Management

Wastewater generated from QL's productions is sent to our wastewater treatment plants before being discharged to the environment. QL takes strict measures to ensure the quality of our effluent discharges complies to the Environmental Quality (Industrial Effluent) Regulations 2009. Daily and weekly monitoring is conducted at final discharge points to control the quality of our wastewater.

In FY2023, a total amount of 1.21 million m³ wastewater was treated before being discharged. There were no reported cases of non-compliance with environmental laws, regulations and standards for management of effluent.

Wastewater Discharge (Million m³) and Intensity (m³/RM Mil Revenue)



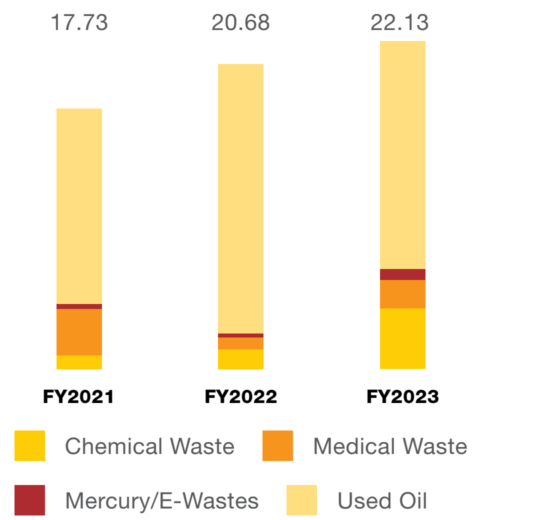
Effective Waste Management

Hazardous Waste

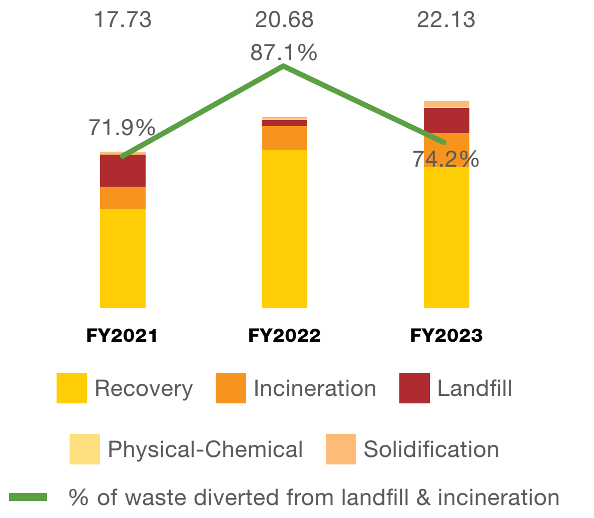
In FY2023, QL reported a total of 22.13 MT hazardous waste. We comply strictly with Environmental Quality (Scheduled Wastes) Regulations 2005, which entails proper storage, labelling, disposal, treatment, and record keeping of hazardous wastes. We ensure that our hazardous waste is managed by appointed and licensed vendors, who dispose of the wastes at prescribed premises.

In FY2023, there were no reported cases of non-compliance with environmental laws, regulations and standards for handling of hazardous wastes.

Hazardous Waste Generation (MT)



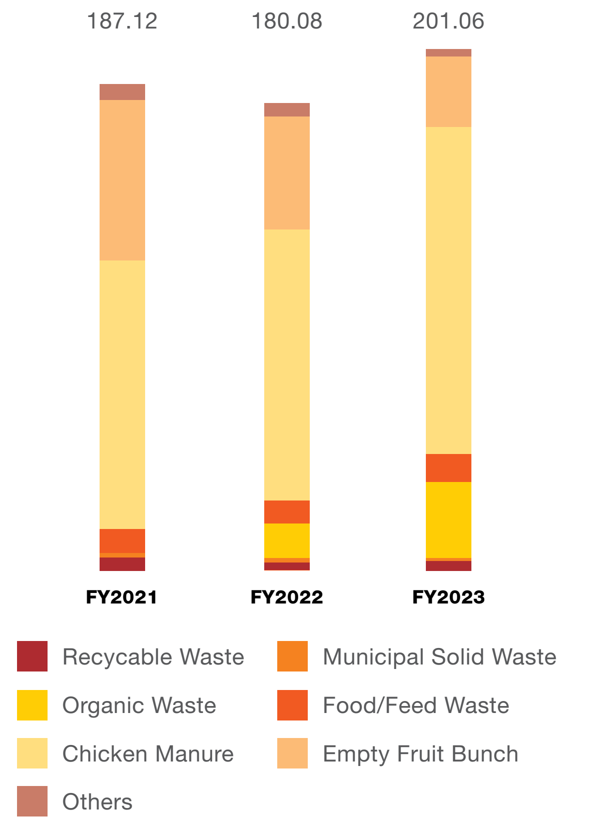
Hazardous Waste Disposal (MT) and Diversion Rate (%)



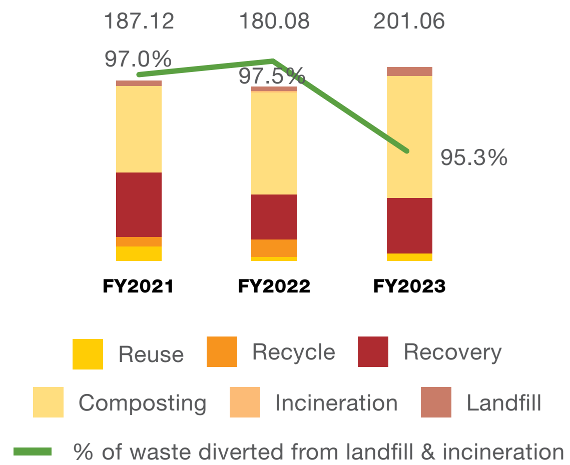
Non-Hazardous Waste

In FY2023, we diverted 191,682.86 MT of non-hazardous wastes from landfill and incineration through recovery, recycling, reuse, and composting. Chicken manure, and food and feed waste are among the most significant wastes in our operations as the amount produced is substantial.

Non-Hazadous Waste Generation ('000 MT)

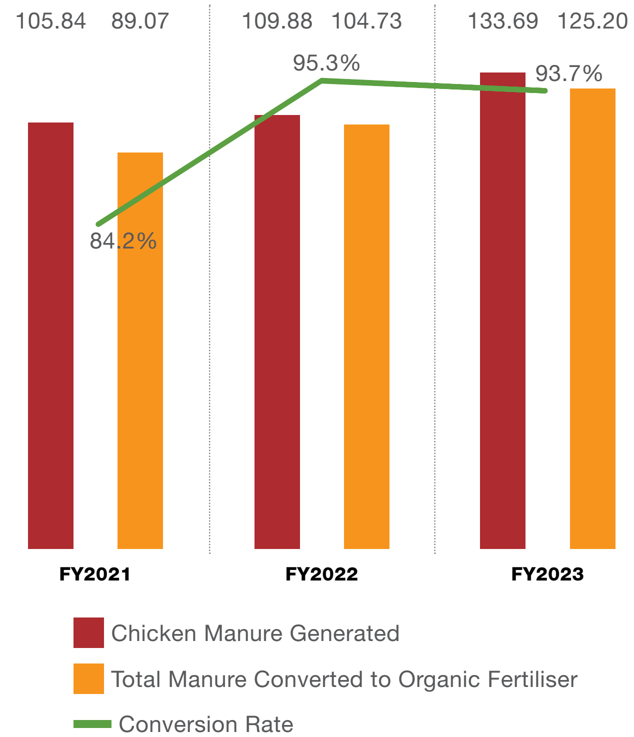


Non-Hazardous Waste Disposal ('000 MT) and Diversion Rate (%)



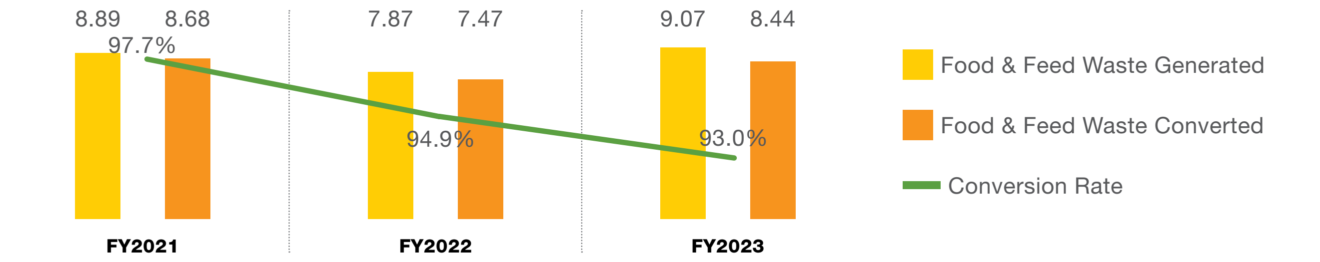
A total of 133,691.31 MT of chicken manure was generated from our chicken farming activities and 125,203.24 MT was turned into organic fertiliser through composting. Biodegradation of chicken manure results in GHG emissions. Therefore, the conversion of chicken manure to organic fertiliser contributes towards reduction of GHG emissions. Our total tonnage of composting was decreased to 93.7% in FY2023 due to machine breakdown at QL Farms Sdn. Bhd. We will continue to work towards improving the composting rate.

Chicken Manure and Organic Fertiliser Generation ('000 MT) and Conversion Rate (%)



Food and feed waste generated from our manufacturing processes are recovered by our contractors. In FY2023, 8,437.36 MT of food and feed waste was converted into animal feeds or fertiliser, which is 1.8% less than the amount converted in FY2022.

Food & Feed Waste Generation ('000 MT) and Conversion Rate (%)



Wastewater Treatment Solutions

Besides water treatment services, QL POCE business pillar also provides industrial wastewater treatment solutions through Boilermech. The solutions help our customers meeting environmental regulatory standards for their discharged wastewater. In FY2023, we successfully installed four wastewater treatment plants at customer' sites which treated approximately 0.3 million m³ wastewater.

BIODIVERSITY

Performance

- Planted **2,000 mangrove** seedlings in Banjar Utara Forest Reserve, Tanjung Karang
- **99%** survival rate after four months

Our Approach

Biodiversity is the foundation of life that includes the diversity of species, populations, and ecosystems. Urbanisation, land use and industrialisation have resulted in negative impacts on biodiversity. As a responsible agro-based enterprise, QL is aware of the profound impacts of these issues on the balance of ecosystem. Hence, we are dedicated to restoring the balance through regeneration and enhancement of biodiversity.

Mangrove Conservation Programme

As one of the top three carbon-capturing ecosystems, mangroves support a myriad of flora and fauna while providing economic value to riparian community. Replanting and conserving mangrove forests can help mitigate climate change issue. In collaboration with Wetlands International for the second year, QL implemented mangrove reforestation and rehabilitation programme at Banjar Utara Forest Reserve, Tanjung Karang on 3 December 2022. There were 130 participants involved in the planting activity, which comprising 80 QL employees from the headquarters and subsidiaries, 25 family members and 25 volunteers. We planted a total of 2,000 mangrove seedlings, doubled the number of seedlings in FY2022. The survival rate of the seedlings was 99% after four months.

Mangrove planting at Tanjung Karang

SOCIAL RESPONSIBILITY

One fatality and LTIFR improvement of **22.6%** from FY2022

Over **179,000** employee development hours

Assisted **11,942** beneficiaries via our Corporate Philanthropy collaborations at an investment of over **RM835,600**

Upgraded the fishing tools of **924** fishermen via **RM21.84** million interest-free Fishermen Financial Assistance Scheme (FFAS)

People are the core of QL business and our people centric approach starts with our employees.

Employees are the most valuable asset in QL. We build and grow our human capital by equipping them with skills and knowledge that are essential for contribution to the socio-economy of the nation alongside QL's business growth. Upholding fair labour practices, QL is committed to nurturing a positive work culture and creating a safe, healthy and conducive work environment for our workforce.

We extend our people focus to other stakeholders and the communities around us.

We strengthen our business resilience to assure long-term shared value creation for our stakeholders such as suppliers and customers. Our prosperity co-depends on each other by upholding the same values. QL plays an active role in giving back to society by making a positive impact on the lives of our beneficiaries and creating an equitable future for all.

	Progress Across the Years		
Material Matters	**FY2021**	**FY2022**	**FY2023**
Growing Our Business	• Year-on-year increase in investing based on strategic business objectives		
Food Quality, Safety and Nutrition	• Established a Health and Nutrition Committee	• Formalised a Health and Nutrition Statement	• Upheld Health and Nutrition Statement
Biosecurity	• Enhanced biosecurity audits to strengthen biosecurity practices	• Increased biosecurity audit frequency • Strengthened product handling and logistics process	• Implemented quality assurance programme • Introduced digitalised audit monitoring system • Developed of poultry academy framework
Fair Labour Practices	• 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	• Commenced internal human rights due diligence audits • Reinforced "Zero Recruitment Fees" commitment when hiring migrant workers
Talent Management	• 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	• Continuously enhanced quality and quantity of learning and development programmes • Introduced differentiated learning approaches to all participants of the Accelerated Learning Process Programme

Material Matters	Progress Across the Years		
	FY2021	FY2022	FY2023
Occupational Health and Safety	• 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	• Established and rolled out Safety Leadership Training Programme to all people and line managers • Identified QL Kitchen Sdn. Bhd. to obtain ISO 45001:2018 certification
Commitment to Our Communities	• 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	• Maintained MPM flagship programme of supporting local fishermen • Piloted “C Our Future Programme” as an ILF corporate philanthropy flagship programme

GROWING OUR BUSINESS

Performance

- **RM240 million** invested to support business growth

Our Approach

QL innovates continuously and remains steadfast in increasing its 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 strengthen 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 faced headwinds and waves of challenges, QL continued to invest to ensure growth. Guided by value creation strategy, QL invested RM240 million in FY2023 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.

		FY2021 RM’000	FY2022 RM’000	FY2023 RM’000
1	**Direct Economic Value Generated**			
	Sale of goods	4,308,421	4,968,001	5,935,525
	Construction contracts	70,362	267,975	307,097
	Dividend income	17	73	21
		4,378,800	**5,236,049**	**6,242,643**
2	**Operating Costs**			
	Depreciation and amortisation	180,247	195,871	208,198
	Expenses arising from leases/rental	35,169	45,411	50,412
	Remeasurement gain of the previously held equity interest in an associate	(79,031)	-	-
	Cost of sales and others (Suppliers, services etc)	3,383,270	4,196,725	4,920,618
		3,519,655	**4,438,007**	**5,179,228**
3	**Employee Wages and Benefits**			
	Contributions to state plans	26,225	30,030	33,453
	Expenses related to defined benefit plans	3,997	646	3,072
	Wages, salaries and others	372,966	434,730	534,596
		403,188	**465,406**	**571,121**
4	**Community Investments**			
	Fishermen financial assistance scheme *	777	700	647
	Support for communities & community infrastructure	570	982	836
		1,347	**1,682**	**1,483**
5	**Payment to Government**			
	Tax expense	107,383	85,670	118,929
		107,383	**85,670**	**118,929**
6	**Payment to Provider to Capital**			
	Loan providers	36,503	30,233	31,664
	Shareholders	73,010	85,178	170,356
		109,513	**115,411**	**202,020**
	Economic Value Distributed	**4,141,086**	**5,106,176**	**6,072,781**
	Economic Value Retained	**237,714**	**129,873**	**169,862**

** Computed is estimated net financing cost (opportunity cost). Total advance is disclosed under Commitment to Our Communities*

** Includes interest opportunity costs*

FOOD QUALITY, SAFETY AND NUTRITION

Performance

- **1,145** products are Halal certified
- ILF, MPM and CVS processes are **certified to local and international standards**

Our Approach

Creating nourishing products is QL's mission and we envision a marketplace where our consumers have reliable access to food that is of high quality, safe and nutritious.

Under a heightened scrutiny by local and international certification bodies, we apply strict food quality and safety control measures in the production of our products. We seek to continually improve our processes and standards to elevate our product quality for our consumers.

Producing Quality and Safe Food

QL ensures our products are meeting the highest food quality and safety requirements by practicing stringent quality controls and food safety management at ILF, MPM and CVS business units. We are fully dedicated to complying with all food quality and safety standards locally and internationally.

QL is committed to offering consumers with more Halal products which comply with the Halal requirements of Jabatan Kemajuan Islam Malaysia. With the commission of the second central kitchen for FamilyMart during FY2023, now we have over 1,000 products certified Halal as at end March 2023, a substantial increase from over 700 in previous year.

Certifications and Standards

Commitment to Develop Healthy and Nutritious Products

As consumers become increasingly health-conscious, the demand for healthy food choices is on the rise. In response to the positive demand, QL is dedicated to providing a range of healthy and nutritious products that meet consumers' increasing need for healthier food options. Upholding our Health and Nutrition Statement, QL will continuously improve food quality and enhance the nutrition of our products based on industry recognised health and nutrition standards without compromising on taste.

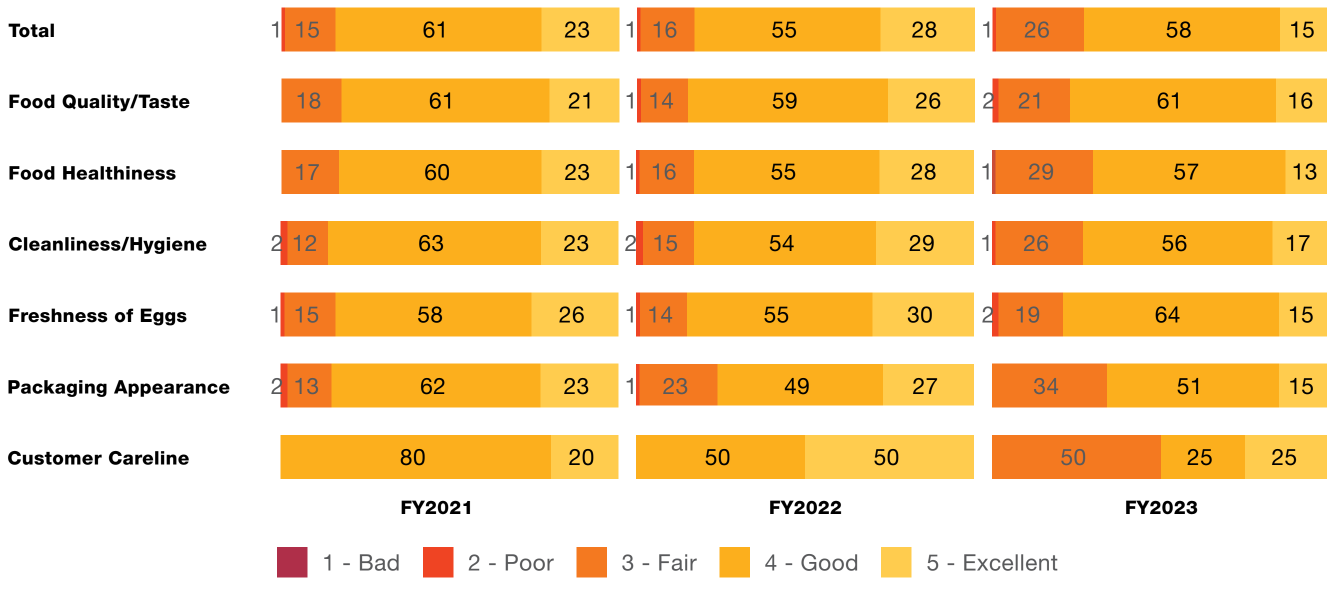
Customer Satisfaction, A Reflection of Our Products

Customer satisfaction and feedback are essential to keep our existing customers and retain new ones. 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 provides valuable insights for us to improve our products and services.

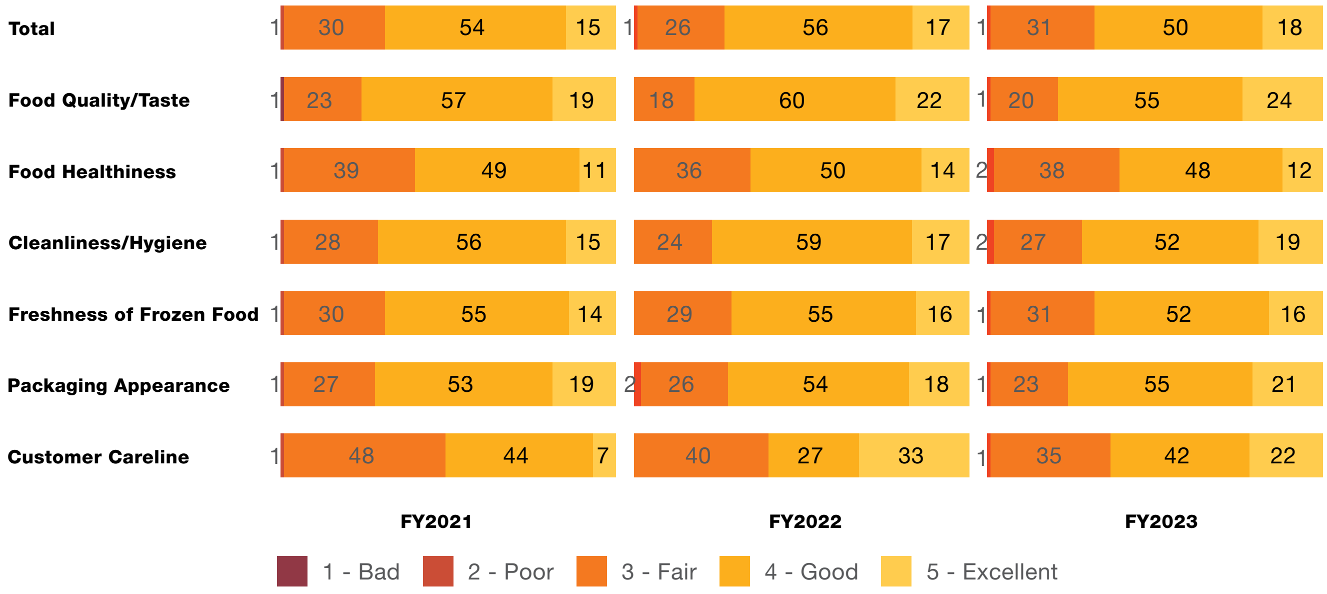
In FY2023, we retained a high level of customer satisfaction for QL Eggs and QL Mushroom products, with both brands maintained 99% Fair to Excellent ratings. For QL Eggs, the rating category of Excellent dropped across all the criteria while rating category of Good improved. Under the rating category of Excellent, customers rated food quality/taste, cleanliness/hygiene, and packaging appearance of QL Mushroom brand products higher. Based on the insights, we will continue to work towards improving customer satisfaction.

We also track the number of customer feedback received through our feedback channels. In FY2023, we received a total of 2,808 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.

Customer Satisfaction Rating for QL Eggs from FY2021 to FY2023



Customer Satisfaction Rating for Mushroom Brand from FY2021 to FY2023



BIOSECURITY

Performance

- **52** biosecurity audits in 20 farms
- **2.1%** increase in biosecurity audit average score from previous year

Our Approach

Biosecurity is imperative in QL farms for maintaining the health and well-being of poultry and preventing the spread of diseases. Emphasising prevention over cure, we continued the good farm management practices through the support from QL Poultry Centre of Excellence, a team consisting of qualified and experienced personnel such as veterinarians, microbiologists, and nutritionists.

Enhanced Biosecurity Measures

In FY2023, our biosecurity measures were enhanced through the implementation of the following initiatives:

1) **Implementation of quality assurance programme**
Farm quality assurance programme was rolled out to all layer farms in FY2023. The programme covered stringent control measures, strict procedures, and quality assurance management system.

2) **Introduction of digitalised audit monitoring system**
Periodic biosecurity audits are conducted at QL farms to assess and evaluate the effectiveness of our control measures and identify areas for improvement. Digitalised audit monitoring system was launched in two pilot farms, namely QL Poultry Farms Sdn. Bhd. and QL Eco Farm Sdn. Bhd. The digitalised system is aimed to streamline audit workflows and reduce human errors to help QL maintain compliance with great accuracy and efficiency.

3) **Development of poultry academy framework**
QL recognises that a thorough understanding of farm biosecurity and the associated risks is essential to improving the knowledge of our employees and strengthening our poultry production. Poultry academy framework was developed to include skills development training programme to drive employees to high level of competence in the poultry industry.

All QL farms are certified with myGAP by the Department of Veterinary Services and there were no major disease outbreaks in our farms in FY2023.

FAIR LABOUR PRACTICES

Performance

- **Internal Human Rights Due Diligence Audits** completed for 3 business units
- **Fully compliance** with the Employment (Amendment) Act 2022 ("the Amendment Act") for all business units in Peninsular Malaysia
- Upholding of "**Zero Recruitment Fee**" in hiring of all our migrant workers

Our Approach

QL is cognisant of being recognised as a fair employer in a competitive marketplace, whereby we acknowledge our tremendous employers' responsibility in upholding and maintaining fair labour practices in all our business operations. We remain steadfast in complying with all applicable legal requirements pertaining to human rights and fair labour practices. We strive to uphold the rights of our employees in accordance with the Universal Declaration on Human Rights and the International Labour's Organisation's Declaration on Fundamental Principles and Rights of Work.

Stepping Up on Our Human Rights and Labour Practices

At QL, efforts to intensify awareness and compliance with human rights and forced labour indicators have been made possible with all business units completing the site self-assessment. HR personnel of all business units have used the established internal HR social compliance and audit checklist which was made available for all sites.

Focus areas covered in the self-assessment were aligned with QL's stance on human rights and labour standards. A copy of QL's Human Rights and Labour Standards Policy can be found on the company's website.

On top of the self-assessment conducted by each business unit, an internal HR team at group level has been deployed to conduct human rights due diligence audits at selected sites. This year, three sites have undergone the Group HR audit, namely QL Figo (Johor) Sdn. Bhd., QL Breeder Farm Sdn. Bhd. and QL Farms Sdn. Bhd. Over the next four years, plans to initiate more of these internal audits will be carried out. The aim of this audit is to ensure that the management of all business units is well versed and committed to comply with the respective human rights and labour practices standards in accordance with the applicable legal requirements.

The human rights due diligence audits have yielded numerous benefits to the business units. Observations made during the audits followed by findings and recommendations were communicated to respective sites for further actions. Some key actions that have been highlighted are improvement in the areas of documentation, communications, engagement, work scheduling and work arrangements.

Monitoring and Continuous Improvement of Our Labour Practices

Staying true to QL's commitment to comply with relevant legal requirements, a total of 60% of our HR professionals across various business units participated in the Employment Act 1955 & Amendments Training in the first quarter of FY2023. This training has enabled all our business sites operating in Peninsular Malaysia to comply with immediate effect when the Employment (Amendment) Act 2022 ("the Amendment Act") and the Employment (Amendment of First Schedule) Order 2022 ("Amendment Order") came into force on 1 January 2023.

Responsible Recruitment of Migrant Workers

QL's recruitment and treatment guidelines for migrant workers continue to be the key emphasis that guides our behaviours and actions when recruiting and managing our migrant workers. We remain committed to "zero recruitment fees" whereby migrant workers are not subjected to pay any fees in conjunction with their recruitment, hiring, migration and employment. We strive to ensure that all employment related costs are borne by the company and no illegal money is being collected prior to employment. QL's terms of engagement with recruitment agents specifically emphasised on the importance of this commitment. Further, we also conduct pre departure and on arrival self-declaration checks.

In ensuring that QL is a responsible employer, upon the arrival of migrant workers, our HR teams provided onboarding briefings to ensure that our migrant employees' basic needs and necessities in the form of housing, transportation, medical treatment facilities, uniforms, transportation, etc. are well taken care of. We also ensure all our migrant workers are paid in accordance to the Malaysian Minimum Wages Order 2022 ("the Order").

Welcoming on board our newly recruited migrant workers at KLIA Airport

Workplace Grievance and Harassment Mechanism

Valuing workplace security, openness and transparency, QL strives to provide all employees with a workplace environment that is free from all acts of physical coercion, violence or threats of violence, verbal, sexual or psychological harassment, bullying, intimidation, abuse or other harsh or inhumane treatment by either their managers or fellow employees.

Our HR team continues to track and record grievances that are formally brought through the grievance and harassment channel. Grievances and discontentment raised have also been classified into various categories such as sexual harassment, bullying, discrimination and work-related dissatisfaction.

In FY2023, we received two reported cases relating to sexual harassment which have been resolved and acted upon in accordance with the Grievances and Harassment Policy.

Our HR team continued to provide on-going briefings with regards to the established Grievance and Harassment Policy to employees at our business sites. This is to educate and raise the awareness of all employees on their right to raise any grievances or discontentment that they may have.

TALENT MANAGEMENT

Performance

- **7,686** new hires across all business pillars
- Over **179,000** of employee development hours
- **1,602** non-executives from 4 business sites completed the employee engagement survey
- **188** internships were offered to expose students to gain workplace exposure

Our Approach

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

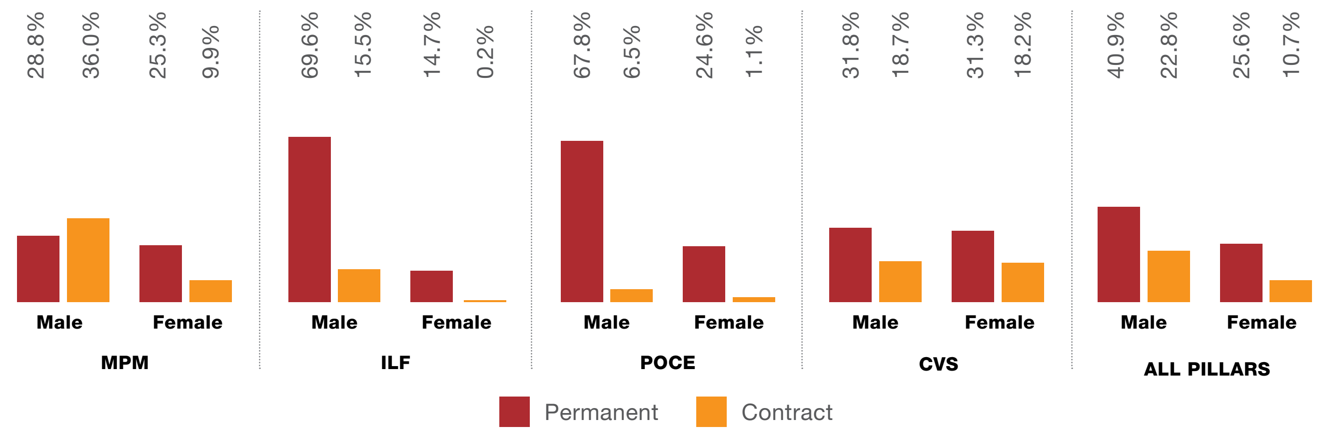
We place strong emphasis on attracting and retaining a diverse pool of talents, developing organisation talents, and empowering key leadership talents. We are committed to improving employee engagement, experiences and interactions. This enables our talent to perform to the best of their abilities with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

Embracing Diversity at Our Workplace

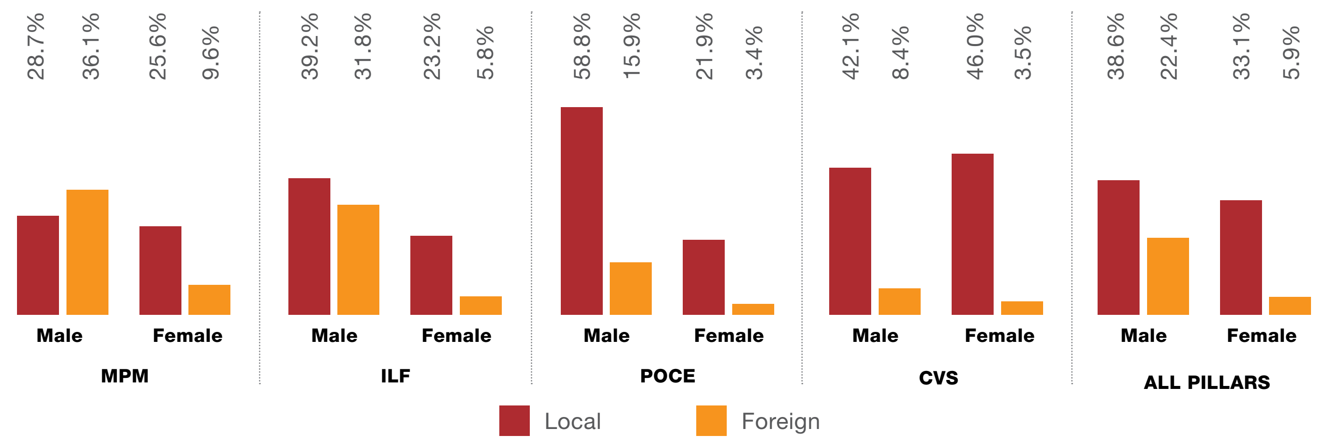
The diversity of our employees allows us to tap creativity on multi-fronts and enrich our workforce environment. Regardless of our employees' background in terms of age, gender, nationality, employment type and status of employment, we recognise the contribution that each employee brings to the business. We rely on all our employees to be inter-dependable and inter-connectable to each other in driving towards business success.

The below diverse workforce demographics demonstrate our continued commitment to embrace equal opportunities at the workplace.

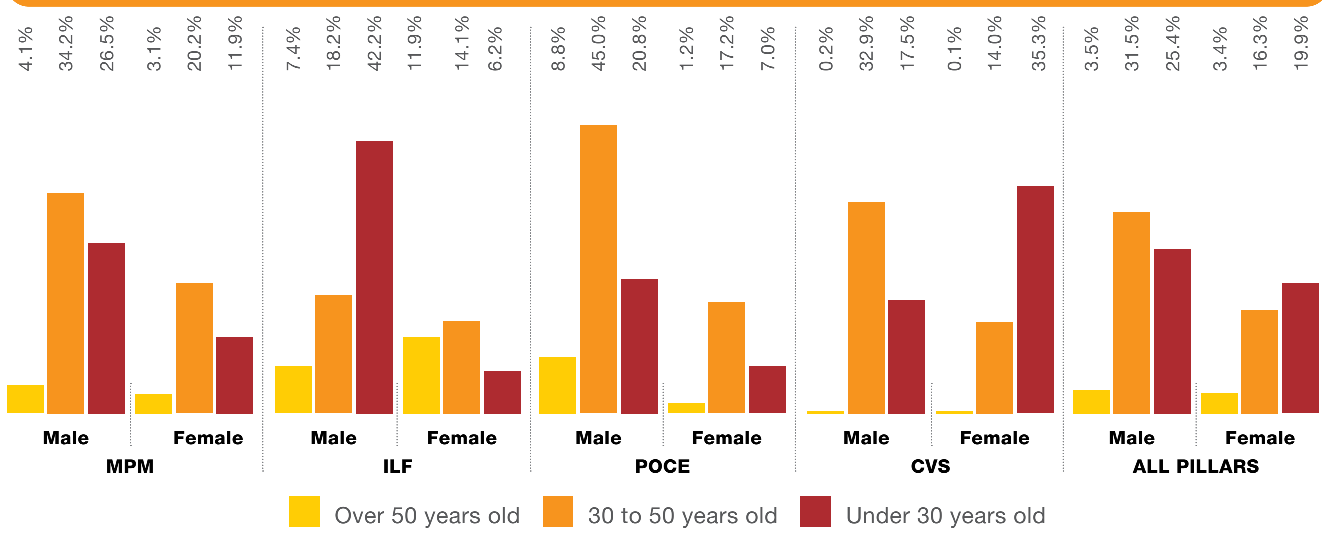
FY2023 Workforce by Gender and Employment Type (%)



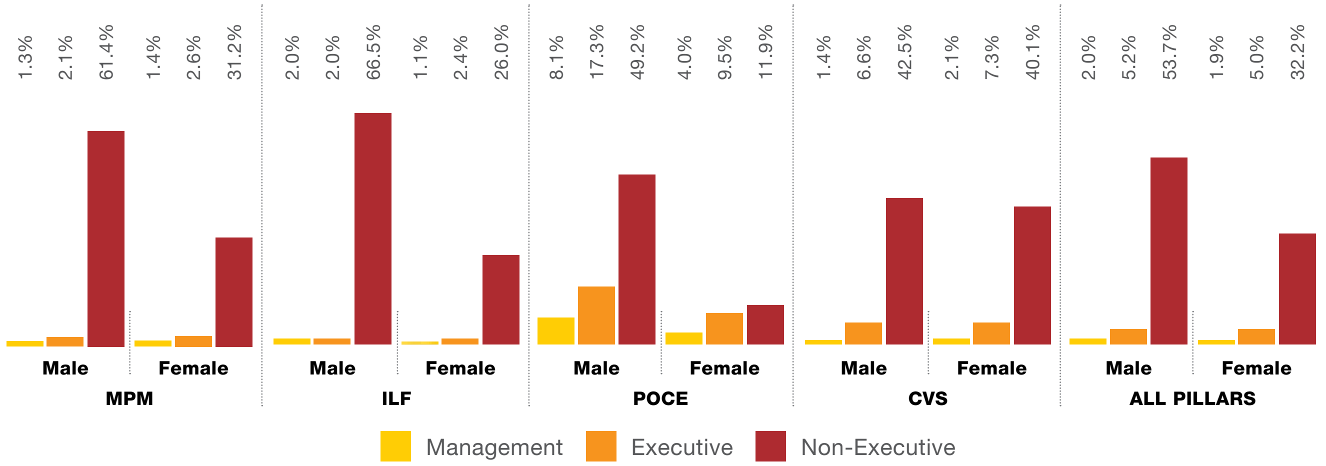
FY2023 Workforce by Gender by Local & Foreign Employees (%)



FY2023 Workforce by Gender and Age (%)



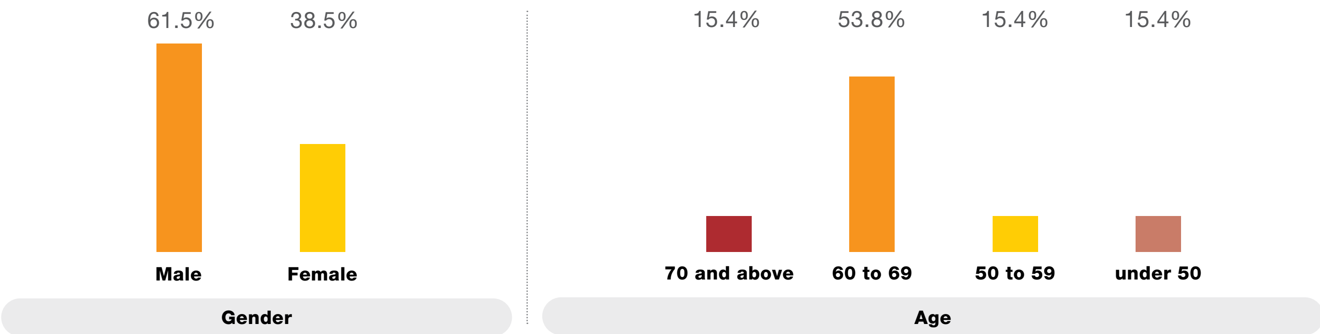
FY2023 Workforce by Gender and Job Category (%)



QL ended the year with a total of 8,956 employees, in which female employees made up 39.1% (3,500) of our workforce. In terms of age, 7.0% (623) are above 50 years of age whilst 45.2% (4,050) of our workforce are under 30 years of age. Of the total, 66.5% (5,957) are permanent employees and 71.6% (6,413) are locals.

In relation to diversity of our Board of Directors, below illustrates the breakdown by gender and age for the Directors. QL believes that a truly diversified Board can enhance its effectiveness, creativity and capacity to thrive in good times and weather tough times.

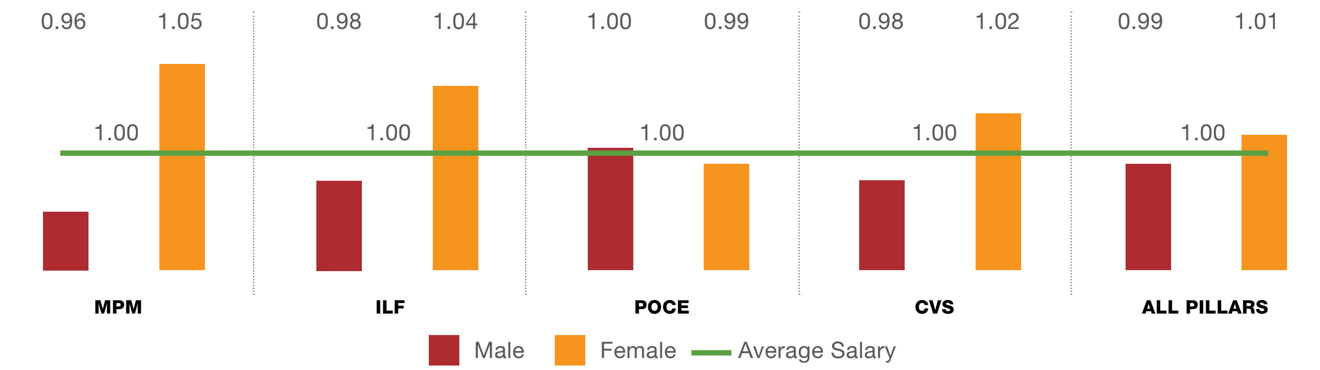
FY2023 Directors Gender and Age (%)



Our pay policy and practice are free from any form of discrimination and are based on market benchmarking and merit.

The data below illustrates relative pay by gender based on the average salary by business pillar.

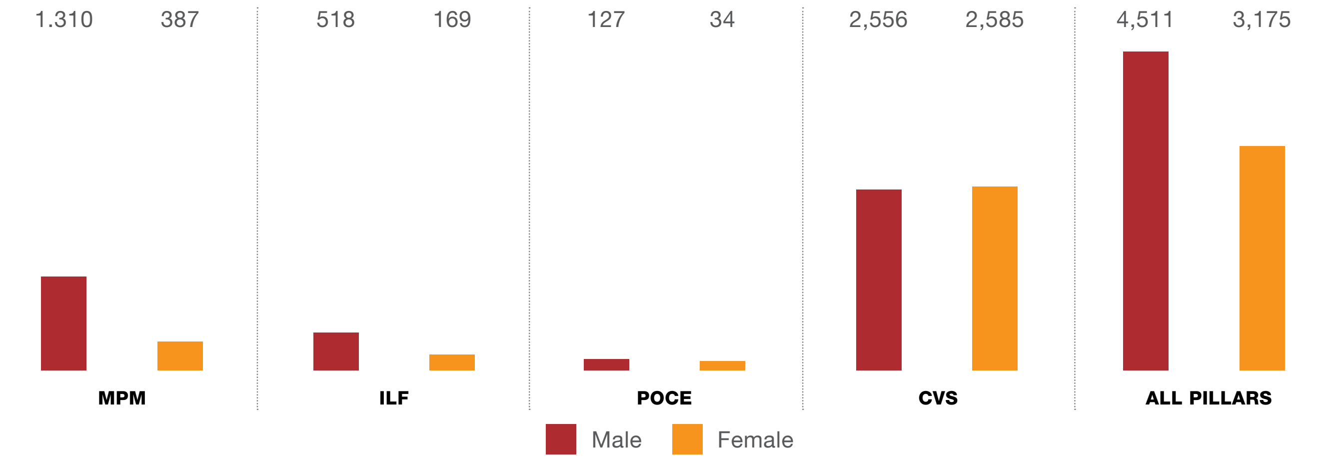
FY2023 Relative Pay by Gender



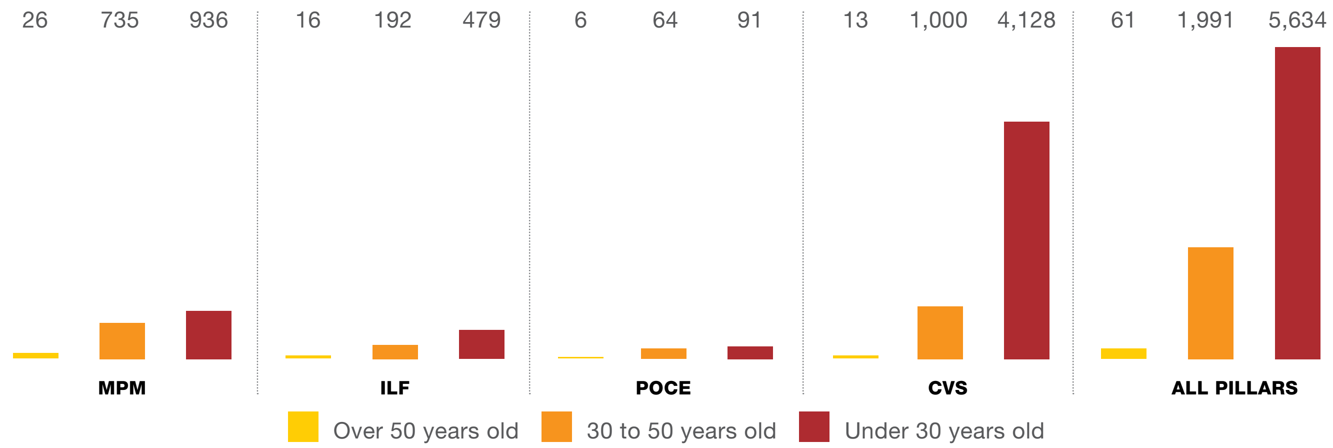
Talent Acquisition and Retention

In FY2023, we employed a total of 7,686 new hires across our four business pillars. Of the hires, women made up 41.3% (3,175) of new hires. 73.3% (5,634) are under 30 years of age. CVS business pillar continued to have the highest hiring rate due to continuous store expansions from FamilyMart business. During the reporting year, a total of 76 FamilyMart stores were opened.

FY2023 New Hires by Gender

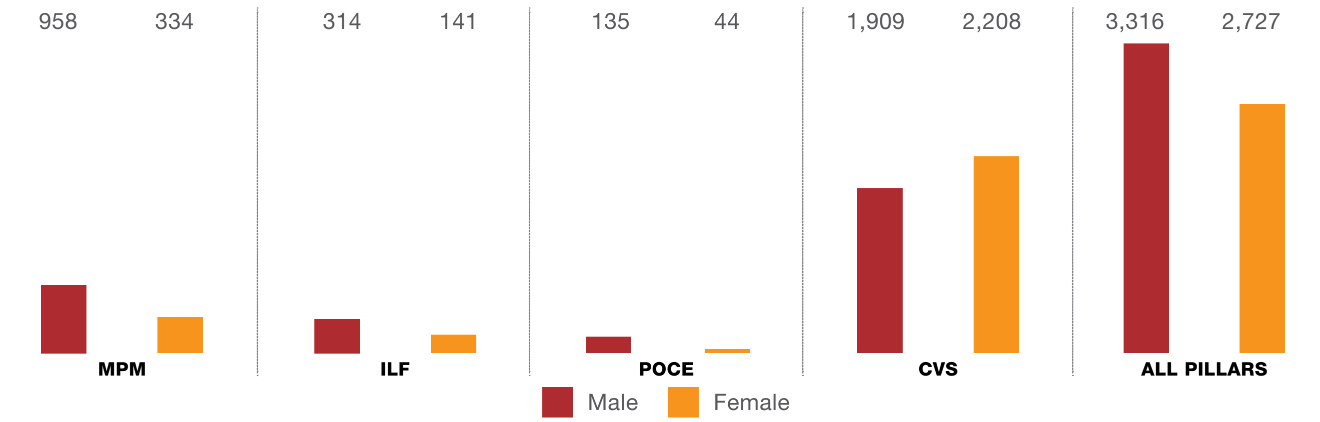


FY2023 New Hires by Age Group

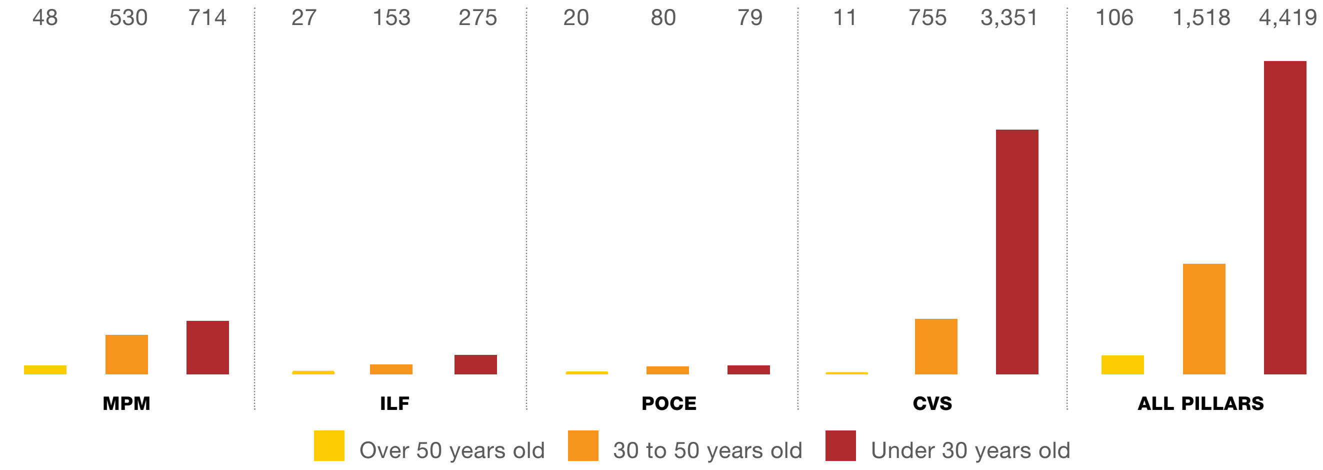


Our voluntary turnover rate stood at 67.5%, which is lower than that our hiring rate of 85.8%. Our turnover is mainly from employees under the age of 30 (73.1%) and more men (54.9%) resigned during the reporting period.

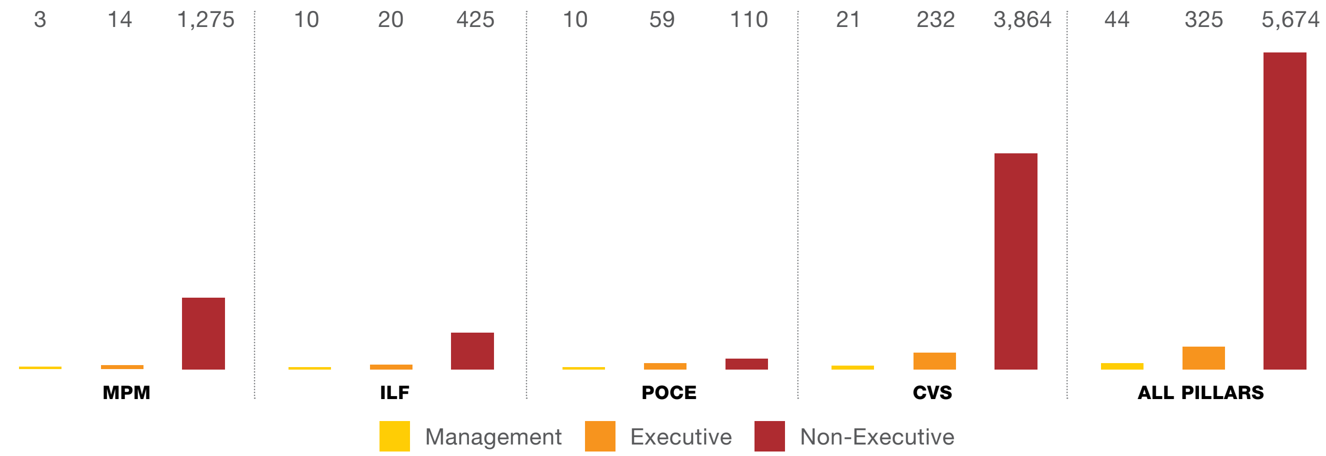
FY2023 Turnover by Gender



FY2023 Turnover by Age Group



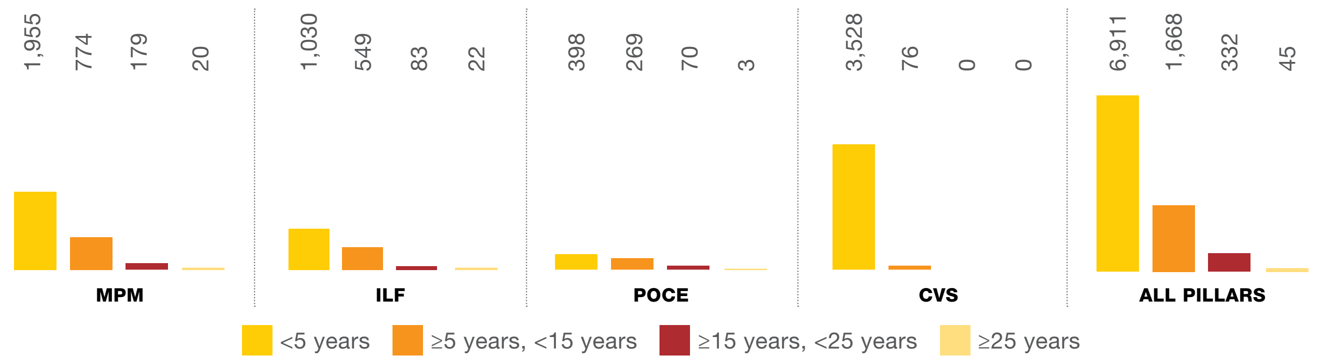
FY2023 Turnover by Job Category



In terms of employees' tenure, 22.8% of our workforce have been with QL for more than five years. 4.2% of employees have served more than 15 years. Majority of employees (39.4%) that served less than five years are from CVS business pillar. Due to the nature of our business and business continuous expansion plan, CVS has the highest percentage of employees recruited and leaving employment.

Our long service awards are part of our employee appreciation mechanisms in recognising and rewarding employees' work contributions through their years of service with the company.

FY2023 Employee's Year of Service



Recipients of 10 years and 20 years long service award at QL Foods Sdn. Bhd.

Employee Engagement Survey

This year, the non-executives employees from three ILF business units, namely QL Farms Sdn. Bhd., QL Breeder Farm Sdn. Bhd. and QL Poultry Farms Sdn. Bhd. took part in employee engagement survey which is carried out for the first time in November 2022. 571 non-executive (58.0%) employees participated in the survey. The overall engagement score of 95% was achieved from all participating employees. In conclusion, the survey's findings gave management suggestions for how to promote employee engagement in the areas of tools and resources, employees' wellbeing and recognition.

As for the MPM business pillar, the first pilot employee engagement survey was carried out in QL Foods Sdn. Bhd. from 26 September 2022 to 15 November 2022. Two phases of surveys were carried out for all non-executive employees. 1,031 non-executive (85.6%) employees participated in the survey. 15 engagement drivers in the areas of leadership, the work, work culture and talent management were surveyed with four accompanying engagement questions. Overall, majority of the engagement drivers and all engagement questions had a favourable score of 90% and above. Three lowest scores for the company to improve on were in the areas of recognition, career enhancement and company's communication. Ambassadors from each work area were appointed to assist with the communication and action planning.

Sustainable Talent Pipeline and Sourcing Approach

QL's talent sourcing strategy is built on a multi-pronged approach to ensure a sustainable talent pipeline at all levels. We collaborate with governmental and non-governmental organisations to recruit local workers to join us at the worker level of the talent sourcing process. We work with a number of colleges and universities to fill our talent needs for assistant, supervisor, executive, and specialist technical roles. We formalised our partnership with academic institutions by signing Memorandum of Understanding based on shared understandings of cooperation between the two sides, which demonstrates our efforts to acquire talents. We also take the opportunity to take part in many events that academic institutions host, such as career fairs, career seminars, factory visits, sponsoring awards for top students, taking part in research projects for students and so on.

UTAR Agricultural and Food Science undergraduate students' factory visit to QL Foods Sdn. Bhd. at Hutan Melintang on 6 December 2022

Participation of QL Farming Division in West Malaysia at the BPKLP and MAFS Career Fair on 15 March 2023

As in past years, we continue to collaborate with academic institutions to place 188 interns in three-to-six-month internships. Most of the available internships focus on fields of study that are closely related to the nature of our businesses. For ILF business pillars, internship opportunities are primarily geared towards students pursuing studies in veterinary medicine and animal husbandry. While most students pursuing degrees in food science, food technology, retail management, logistics management and engineering carry out their internships in the MPM, CVS and POCE business pillars.

Safeguarding Employees' Well-Being and Benefits

Despite continued challenging economic and rising cost of living, we remain committed to providing our employees peace-of-mind through assured employment alongside stable monetary and non-monetary benefits.

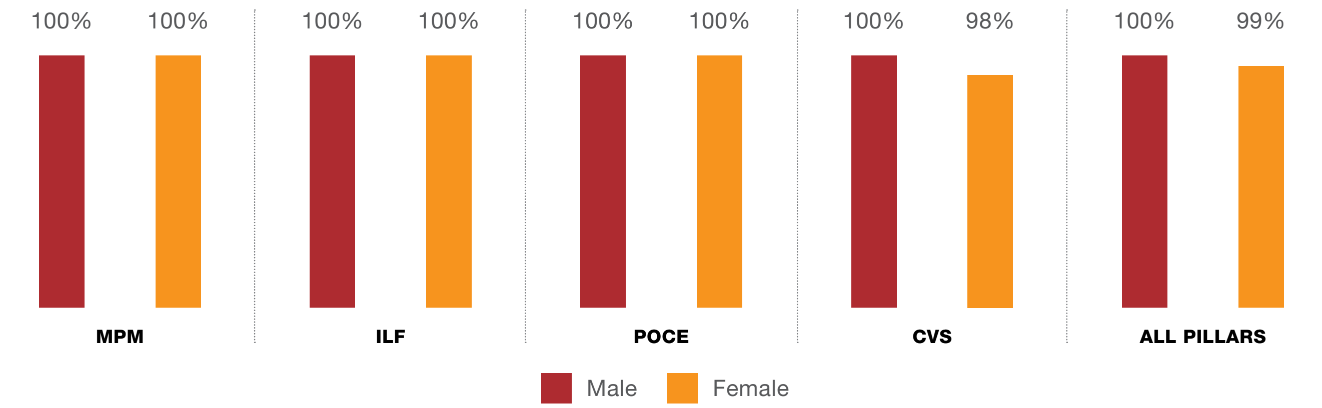
With regards to wages for our workers, QL has complied with the Minimum Wages Order 2022 ("Order") that came into force on 27 April 2022. All workers have been paid wages in accordance with the minimum wage. In ensuring our employment remains competitive, our remuneration of all our employees is also benchmarked against up-to-date industry market data and employee job levels. Employees' experience, qualifications and performance will be determining factors in managing their remuneration.

Aside monetary benefits, QL recognises the importance of equally providing non-monetary benefits. These benefits include different types of paid leaves, numerous forms of medical and dental care benefits, different types of insurance coverages and allowances. The given benefits allow our employees to care for their personal well-being in the areas of work-life balance, wellness and mental health programmes and occupational health management.

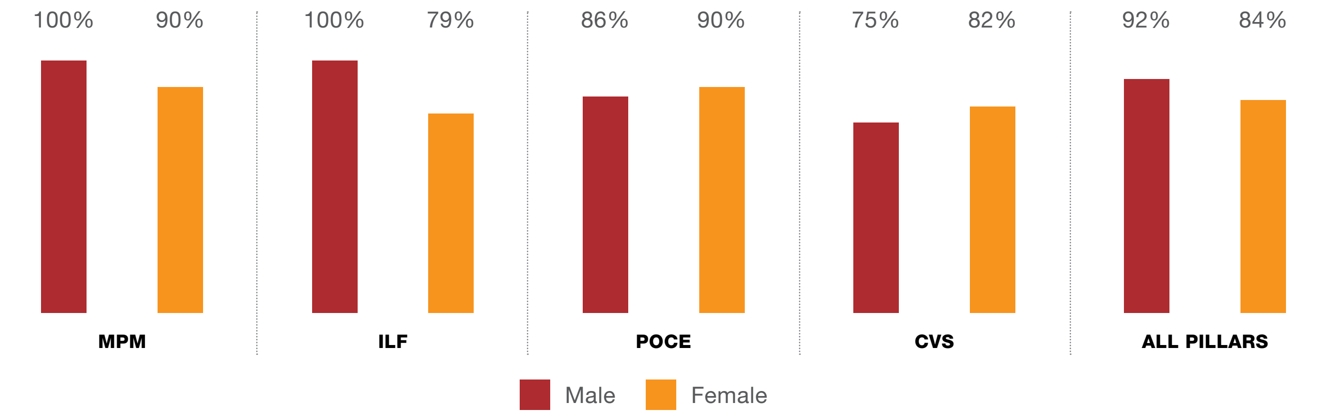
QL has also complied with the enhancement of benefits as stipulated by the Employment (Amendment) Act 2022 ("the Amendment Act").

Below illustrates current return to work and retention rates after parental leave. Almost all employees that were on parental leave returned to work after parental leave. However, 16% of female employees and 8% of male employees who returned to work after parental leave ended with leaving their employment within one year of returning to work from parental leave.

Return to Work after Parental Leave by Gender (%)



Retention Rate after Parental Leave by Gender (%)



Human Capital and Leadership Development

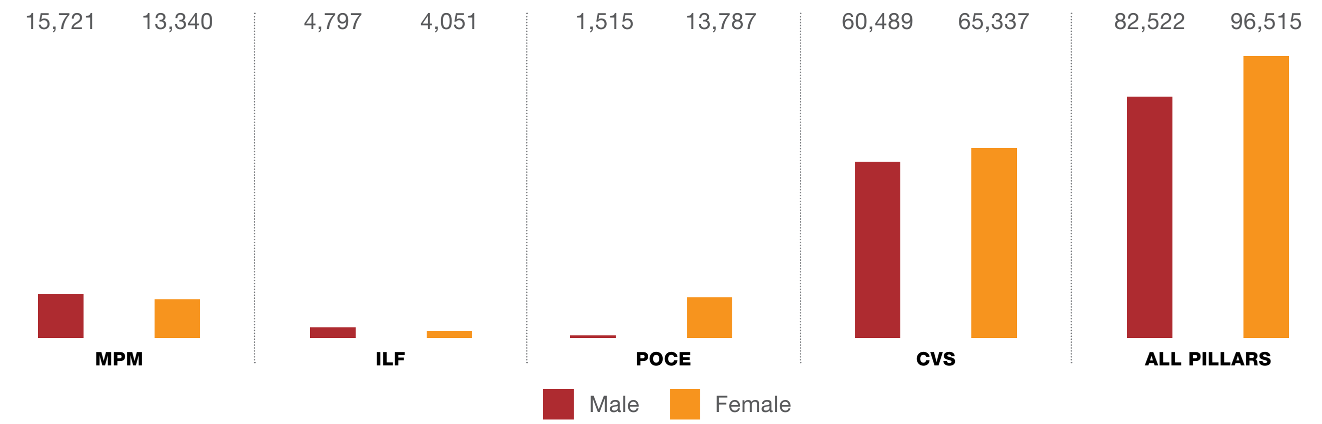
Employees with aligned QL values, attitudes, skills, and knowledge are a crucial enabler in ensuring long-term viability and success of QL's business. As a result, we continue to intensify our efforts in training our employees through a variety of programmes, including on job trainings, technical upskilling in related fields, relevant technical skill workshops, LEAD (Leaders Enhancement and Development), Accelerated Learning Programme, QL Core Values, and ESG (Environment, Social, and Governance) briefings.

Additionally, in keeping with disruptive revolution caused by advances in technology and uncertainty in market conditions, QL believes that it is essential for our employees to be agile, adaptable to changes and being a continuous learner. For this purpose, we also offer exceptional learning and development opportunities to help employees leverage emerging trends to stay ahead of competition for sustainable success. As automation continues to impact workforce, we focused on reskilling our employees to enable them to keep pace with the changing demands of their jobs.

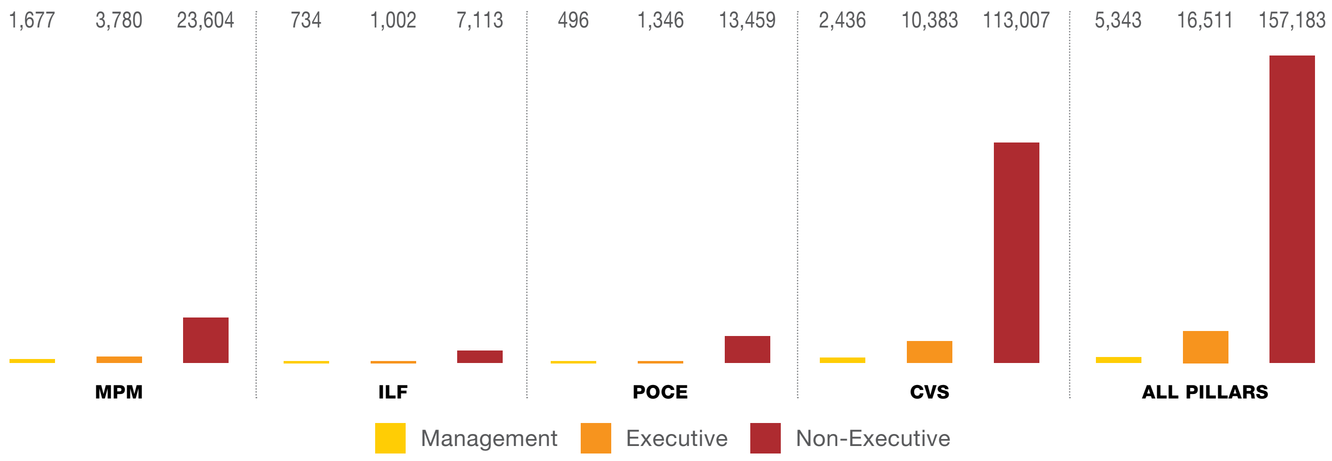
Below table highlights the progress of our overall training performance.

	FY2021	FY2022	FY2023
Total Training Hours	52,937	106,490	179,037
Total Training Cost (RM)	164,000	608,203	1,079,596
Average Training Hours Per Employee	9.25	14.14	23.29

Total Training Hours by Gender

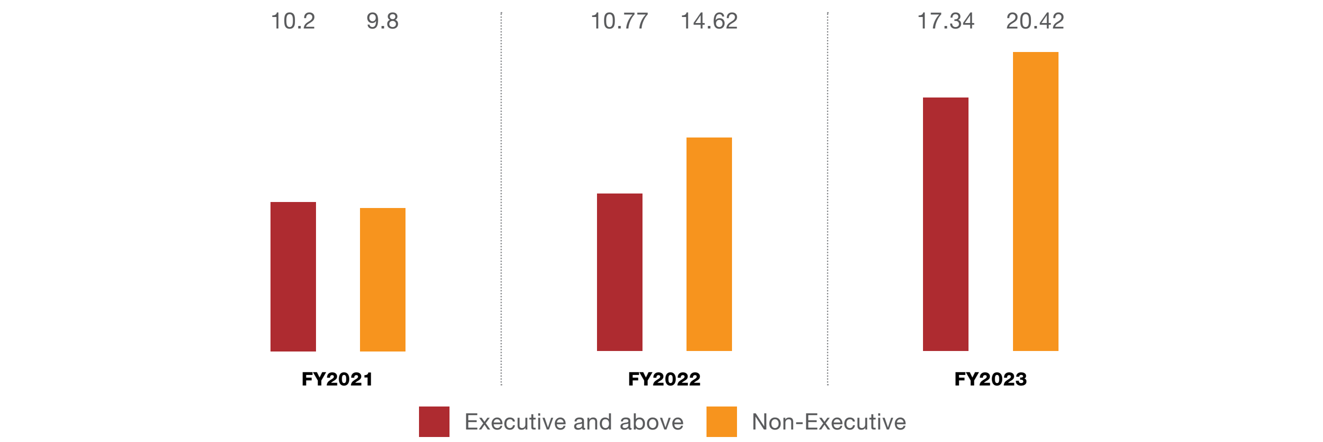


Total Training Hours by Job Level



Since FY2022, at group level, we have set a target of 16 total completed hours of training per year for executives and a total of 10 hours of training per year for non-executives. We have achieved the overall target set for both executive and non-executives as illustrated below. In view of 70% of the training hours was contributed by CVS business pillar, more efforts are being made to ensure that the other three business pillars will place more focus on talent development of employees especially in the areas of providing more on job related trainings.

FY2023 vs FY2022 Average Training Hours by Job Category



During the reporting year, a total of 373 participants attended LEAD programme, a slight increase of 5.4% from previous reporting year. Additionally, 155 employees attended The 7 Habit of Highly Effective People programme in the reporting year. Our third batch of participants consisting of 28 participants is mid-way to their anticipated graduation in February 2024.

Managing Employees Performance and Career Development

All permanent employees undergo an annual appraisal at the start of each financial year. Employees are measured against a set of pre-determined factors and set KPIs that are specific to their jobs and evaluated against a benchmark of peers. Hence, employees' performance will be used as the basis to reward employees. QL's reward scheme is a structured approach based on financial and individual performance.

Aside from the year-end performance appraisal review, a career development discussion is also carried out. Development opportunities are identified for assistant managers and below level. For managers, a more comprehensive career review discussion outlining their short-term and long- term career goals is conducted. With career development discussion, the career progression path is clearly marked out enabling many employees having risen through the ranks during their tenure in the company.

Promoting a Differentiated Learning Approach with the Participants in Our Accelerated Learning Programme

This year, we added a variety of learning opportunities to our Accelerated Learning Programme to fulfil the unique learning needs of participants. Participants were exposed to micro-courses, self-directed learning via platforms, individual coaching, business simulations, and virtual education boot camps in addition to the typical physical and virtual classroom instruction.

In collaboration with DDI Malaysia, our leadership development partner, we successfully implemented virtual education bootcamp for each of the three batches of participants in our Accelerated Learning Programme. The two-week bootcamp was participated by 62 participants, allowing each participant to learn at their own pace and time.

During the bootcamp, facilitator used Zoom sessions to periodically engage with students. Group and individual learning, self-reading, reflection and review sessions, as well as individual assessments were among the different learning techniques used. To foster greater engagement and motivation, the participation of learners in activities was monitored using leader board features and gamification.

Nurturing and Upskilling of Talents in Our ILF Business Pillar

In response to the call of the nation in nurturing certified and skilled workforce, QL supports the cultivation of knowledge-based workers in poultry industry. QL Farms Sdn. Bhd. have embarked on a journey to foster talents among QL Tawau poultry farms and the first batch of recruits were from executive and supervisory levels.

Partnering with Kolej Vokasional Lahad Datu (KVLD), “Skim Latihan Dual Nasional (SLDN)” programme for a duration of 18 months commenced since September 2021. The first batch of trainees enrolled in this programme will soon be graduating after completing and passing both the written and practical assessments in May 2023. In this programme, KVLD lecturers were guided by a Director of QL Farms Sdn. Bhd. and the students were supervised by three certified QL coaches. QL will continue to work towards supporting more employees to upskill and advance in the career progression with the company.

Students posing with the Director of QL Farms Sdn. Bhd. and KVLD lecturers

OCCUPATIONAL SAFETY AND HEALTH

Performance

- **17** in house safety professionals were trained in a 2-day workshop to assist in cascading safety leadership programme to all line managers and supervisors
- **25** Directors and Senior Management, and **140** line managers and supervisors attended the safety leadership programme
- QL Poultry Farms Sdn. Bhd. successfully obtained **ISO 45001:2018** (OSH Management System) certification
- **22.6%** year-on-year improvement in LTIFR performance that was contributed by a significant increase of 60.2% total manhours and additional 3 business units added into the scope of sustainability reporting

Our Approach

QL believes in advancing our occupational safety and health management and practices as an integral part of our business culture.

We remain committed to providing and fostering a safe work culture that safeguards the safety and health of all our employees, contractors and communities. We undertake safety initiatives and programmes identified through safety observation, monitoring, and consultation to strengthen and improve the safety and health in our workplace.

We rely on our management and people managers to demonstrate visible commitment through behaviour-based safety approach and for all employees to uphold the OSH Guiding Principles of WECARE.

Safety Leadership and Commitment

The management and leaders of QL are committed to developing a safe and healthy workplace. The determination and focus to improve safety culture at QL are through participation, involvement and engagement of line management and workers. In our journey to advance our safety culture, QL embarks on a safety leadership programme that involves top management, line managers and supervisors. This programme is essential to strengthen leadership and commitment of leaders in safety management by means of behaviour-based safety approach.

A total of 17 Safety Professionals at all QL business units are trained as trainers in a two-day training workshop. The workshop prepared our Safety Professional as resources to assist on the quick rollout, and cascading the safety management tools and skills to people managers at their business units.

Living by our OSH guiding principles of WECARE and as part of demonstrated leadership at QL, a total of 25 Directors and Senior Management attended a 1-day safety leadership training. The training was explicitly developed for sharpening the safety management skills, knowledge and understanding of senior management.

A total of seven business sites (38.8%), which consist of 140 line managers and supervisors attended a safety leadership training over a period of three months. This initiative will continue to roll out to cover at least 90% of QL leaders.

Train the Trainer Safety Leadership Training held on 8 and 9 December 2022

Safety Leadership Training for Directors and Senior Management held on 10 February 2023

Raising Our Safety Standards

Part of our approach to improve our safety standards is through communication of essential safety information and expectations. Quarterly meets, sharing and learning sessions with all safety professionals and Group OSH work committee were conducted to encourage participants on sharing, involvement and contribution of safe work practices. Safety induction was also conducted to ensure that our employees are inducted before commencing work and this has been a standard practice at QL.

In our drive to raise safety standards, we successfully completed the OSH Management System pilot project at QL Poultry Farm Sdn. Bhd. and received certification of ISO 45001:2018 OSH Management System on 20 November 2022. This initiative is now extended to QL Kitchen Sdn. Bhd. with initial gap assessment completed and is in planning stage to kick-off the implementation and certification process. An internally ISO 45001 sub-committee is formed at Group level to assist other business units on the commencement of preparation work for certification journey way before business units commit to embark formally.

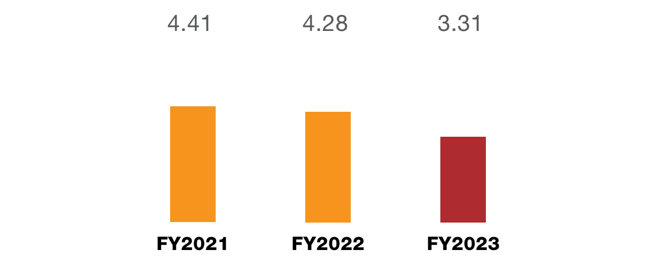
Managing Our Safety Performance

The company-wide process of managing safety risk and people's behaviour at the workplace is well implemented at operation areas of all our subsidiaries. Feedback shows that 84.2% of the subsidiaries re-assess their risk and legal compliance to identify potential OSH issues for continual improvement.

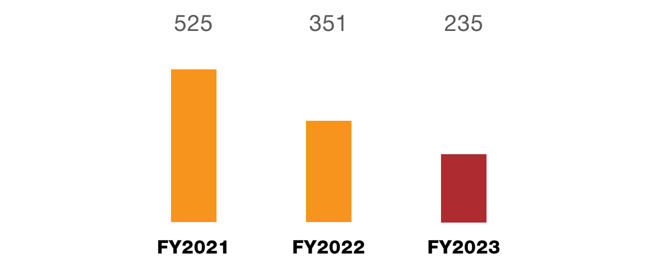
QL monitors and reviews our OSH performance on a quarterly basis. In FY2023, there was one fatal injury reported and the number of lost time injuries (fatal and lost time) has increased by 19.4% compared to last financial year. However, FY2023 recorded a significant increase of total worked hour by approximately 60.2%, and QL Group finished the year with a Lost Time Injury Frequency Rate (LTIFR) of 3.31 LTI per million hours or 0.66 LTI per 200,000 hours, an improvement of 22.6%. The increase in the number of injuries and total worked hours was contributed by the additional three business units joining into the sustainability reporting group.

In FY2023, the number of reported incidents has reduced by approximately 33.0%. The management recognises the importance of reporting near-miss or significant safety occurrence and non-lost time injury as part of our proactive accident prevention initiative and acknowledges the need of encouraging more reporting of these incidents. We will be putting more efforts to ensure strict compliance with the requirements stipulated in Factories and Machinery Act and Guidelines for Hazard Identification, Risk Assessment and Risk Control (HIRARC) as the number of non-compliance incidents in these areas has increased.

Group Safety Performance
Lost Time Injury Frequency Rate (per million hours)



Group Safety Performance
(Total Incident Reported)



Financial Year (FY)	Fatality (F)	Lost Time Injury (LTI)	Non-Lost Time Injury (nLTI)	Occupational Illness, Poisoning & Diseases (OI, P&D)	Near-miss/ Significant Safety Occurrence (NM/SSO)	Non- Compliance (NC)
2021	1	67	428	1	25	3
2022	0	72	245	0	33	1
2023	1	86	115	0	26	7

The unfortunate fatal injury involving a contractor occurred at QL Farms Sdn. Bhd. The contactor was operating an excavator that accidentally contacted with an overhead live cable. He was found unconscious and pronounced dead upon arrival at the hospital.

Following the fatal incident, accident investigation was carried out to identify the root causes and to determine controls for preventing recurrence. The details of the incident and recommended controls were communicated to all Heads of Business Units and through our sharing and learning session.

Safety and Health Upskilling

In our efforts to upskill and improve safety awareness of our people, numerous initiatives such as safety moment, safety induction for all employees and contractors and specific training such as emergency preparedness, chemical safety, forklift safety, HIRARC and on-the-job training were conducted at group and business unit levels. In FY2023, a total of 1,830 safety training sessions were conducted of which 16,074 participants received training on health and safety standards.

The management of QL's subsidiaries understand the important of being prepared in the event of emergency and the initiative of reviewing and improving current processes is undertaken by individual subsidiary. This includes injury management, fire prevention, protection, and suppression and evacuation. Other potential emergencies that have been identified are major spillage and gas leak.

Fire safety and the use of fire extinguisher training at QL Endau Marine Products Sdn. Bhd.

On 7 December 2022, the Fire and Rescue Department, Police, Civil Defence Ministry, Health Ministry and City Council of Teluk Intan successfully completed a simulation exercise on ammonia gas leakage at QL Foods Sdn. Bhd., Hutan Melintang. A total of 40 employees participated in the exercise. The purpose of this simulation exercise was to enhance the preparedness of the organisation in the event of ammonia gas leakage on the emergency response procedures, processes, and systems.

Ammonia gas leakage simulation exercise at QL Foods Sdn. Bhd.

As part of ISO 45001:2018 certification programme at QL Poultry Farm Sdn. Bhd., an ISO 45001 internal audit training was held on 24 May 2022. The training was attended by nominated personnel from Pajam Farm and eight OSH professionals from other subsidiaries.

ISO 45001:2018 internal audit training held at QL Poultry Farm Sdn. Bhd.

COMMITMENT TO OUR COMMUNITIES

Performance

- Assisted **11,942** beneficiaries via our corporate philanthropy collaborations with an investment of over **RM835,600**
- Created employment opportunities for **6,135** local individuals
- Upgraded fishing gears and equipment of **924** fishermen via **RM21.84** million interest-free Fishermen Financial Assistance Scheme (FFAS)
- Provided adequate protein intake by giving one egg per child to **207** pre-schoolers from **9** government schools in rural areas over a 6-month period to raise awareness on child stunting issues in Malaysia

Our Approach

Guided by QL's business philosophy of "value for all", QL remains steadfast in our commitment to create benefits and elevate the lives of numerous communities.

We believe in enriching and touching the lives of our communities through our once-off or long-term flagship programmes that are done through our diversified business pillars.

Creating Employment Opportunities for Local Communities

As with past years, QL has been conscientious in our focus on giving back to local communities where we operate in by providing gainful employment to those in need. In FY2023, QL employed 6,135 locals, representing 79.8% of the total hires employed throughout the year. Largely, CVS business pillar contributed to the most local employees being hired.

Year on year, our QL Endau Marine business has been actively hiring the underserved Orang Asli communities surrounding the operation. This year, we hired a total of 53 Orang Asli hires, of which only 41.5% remains employed. The challenge remains in retaining and equipping these talents with life skills that enable them to have a more sustainable income.

Prospering Together with Our Local Fishermen

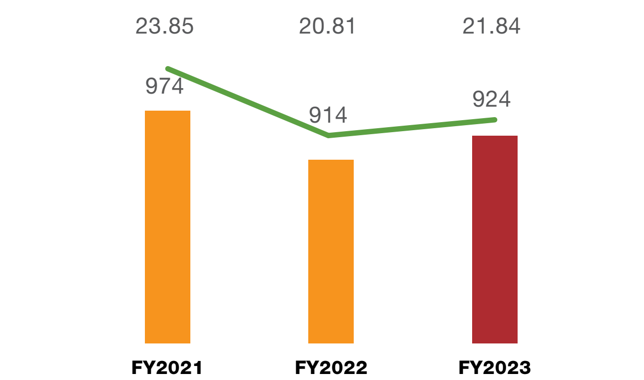
Marine Product Manufacturing (MPM) business pillar has adopted the Fishermen Financial Assistance Scheme (FFAS) as its core flagship programme to uplift the livelihood of fisherman.

Over the years, fishermen beneficiaries have not only been assisted financially by QL to own and upgrade their own fishing vessels, but they have also benefited non-financially from the sharing of industry knowledge which enable them to advance their business.

Till this day, QL takes pride in this initiative that has yielded a mutually beneficial arrangement between the company and fishermen. These fishermen whose livelihoods have improved tremendously, supply their catch to the company. In turn, QL receives a continuous stream of raw materials for our value-added Marine Products Manufacturing business.

In FY2023, QL contributed RM21.84 million in financial assistance under FFAS, benefitting 924 fishermen. An estimated net financing cost of RM647,000 incurred was borne by QL.

Total Financial Assistance and Number of Beneficiaries (RM Mil/Number of Fisherman)



Championing Child Stunting Cause Through C Our Future Programme

Officially launched on 18 March 2023, at Pangsapuri Kampung Baru Hicom Shah Alam, QL collaborated with Ceva Animal Health on their C Our Future 2023 campaign. The programme, initiated by Ceva Animal Health with a tagline of "Let's embrace chicken and eggs to break the cycle of child stunting", is a corporate social responsibility initiative to raise awareness about child stunting issues in Asian countries.

Mutually working in partnership with Ceva Animal Health, QL has pledged to donate eggs to 207 kindergarten children of ages five and six from low-income families and indigenous communities. These children are from nine government schools in rural areas. The children will be receiving one egg daily for consumption in the school for six months. The project is supported by Malaysia Ministry of Health and Ministry of Rural Development.

The project is currently being monitored for its effectiveness in facilitating the growth of children receiving eggs. By providing the children with high-quality protein through daily consumption of eggs, it is hope that the major child development problem can be reduced. This initiative would be a corporate philanthropy flagship programme for ILF business pillar.

C Our Future Launching Event at PPR Kampung Baru Hicom

Cooking competition during the C Our Future Launching Event

Reaching Out to Natural Disasters Victims

Saddened by the catastrophic destruction brought about by natural disasters resulting in floods and earthquake, QL constantly provides aid either financially or food supplies to ease the pain of natural disasters victims who have suffer from the loss of life and homes.

Food aid from FamilyMart for flood victims

In early March 2023, the state of Johor was hard hit by floods. Teaming up with Non-Governmental Organisations, FamilyMart provided food and water supplies to two of the most affected districts in Muar and Segamat. Approximately 300 flood victims received the assistance.

Other than assisting flood victims, QL Marine Products Sdn. Bhd. rented an excavator for digging of a new drainage as flood prevention measures for villagers at Kota Belud.

On 14 February 2023, QL contributed RM500,000 to support the emergency relief fund for Turkiye – Syria earthquake victims. Witnessed by the Prime Minister, a cheque handover ceremony was attended by QL together with members of the Association Chinese Chambers OF Commerce and Industry of Malaysia (ACCM). A collective donation amount of USD1,000,000 was presented to the Foreign Affairs Minister.

ACCM Tan Sri Low, QL Representative Chia Lik Khai, Prime Minister Anwar Ibrahim and Foreign Affairs Minister Zambry Abdul Kadir and other ACCM members in the cheque handover ceremony in Komplex Seri Perdana, Putrajaya

3,433 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics

GOVERNANCE RESPONSIBILITY

Zero violation on Anti-Bribery Policy

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

	Progress Across the Years		
Material Matters	**FY2021**	**FY2022**	**FY2023**
Upholding Business Integrity	• Implemented Supplier and Business Associates Code of Business Ethics • Established a Crisis Management Plan	• Refreshed 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	• On going progress to create awareness and engage all suppliers on the COBE • Refresher training on COBE and COBEC • Engaged internal auditor to review the effectiveness of Anti-Bribery Framework

UPHOLDING BUSINESS INTEGRITY

Performance

- **3,433** 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, one of QL's core values, we ensured our values and culture are communicated across board, from internal stakeholders to the external supply chain to manage third party risks and strengthen business resilience.

Standing Against Bribery and Corruption

One lodgement was made via QL's whistleblowing channel in FY2023. QL management took prompt and appropriate action strictly in accordance with the Whistleblowing Policy and the outcome was reported to the Risk Management Committee. Relevant data was collected and analysed, and discussions were held with relevant parties. The lodgement was not an instance of bribery or corruption.

In our efforts to strengthen the Anti-Bribery Policy that has been introduced in 2020, QL has engaged an internal auditor to review the effectiveness of our Anti-Bribery Framework. In FY2023, we have commenced refresher training of the Code of Business Ethics and Conduct (COBEC) among our directors and employees. In the reporting year, we achieved a 90% rate of briefing completion. Efforts continue to be made to the remaining 10% to ensure all employees undergo the briefing and complete the signing of the integrity and background declaration forms.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures	**Organisational Profile**		
	102-1	Name of the organisation	QL Resources Berhad
	102-2	Activities, brands, products, and services	Principal Activities
	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**

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
GRI 102: General Disclosures	**Reporting Practice**		
	102-45	Entities included in the consolidated financial statements	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-46	Defining report content and topic Boundaries	**Reporting Scope and Period**
	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 2022 – 31 March 2023**
	102-51	Date of most recent report	**August 2023**
	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	
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 Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Climate Change & Emissions			
GRI 302: Energy (2016)	302-1	Energy consumption within the organisation	**Climate Change & Emissions**
	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	**Waste & Effluent Management**
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	
Waste & Effluent 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	**Waste & Effluent Management**
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents (2018)	303-5	Water discharge	
GRI 306: Waste (2020)	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to 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 Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Occupational Safety & Health			
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	**Occupational Safety & Health**
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	401-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	
	404-3	Percentage of employees receiving regular performance and career development reviews	
GRI405: 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	
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**

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Food Quality & Safety			
GRI 103: Management Approach	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	

PERFORMANCE DATA TABLE

Environment

Indicator	Unit of Measurement	FY2021	FY2022	FY2023
Number of Entity in Scope		**12**	**14**	**17**
CLIMATE CHANGE & EMISSIONS				
Energy Consumption				
Diesel, Petrol & Natural Gas	Per Thousand Gigajoule, '000 GJ	374.97	294.46	441.78
	Per Thousand Megawatt hour, '000 MWh	104.16	81.79	122.72
Purchased Electricity	'000 GJ	412.08	427.82	612.89
	'000 MWh	114.47	118.84	170.25
Renewable Energy (Solar, Biogas & Biomass)	'000 GJ	314.05	320.75	841.91
	'000 MWh	87.23	89.10	233.86
Total Energy Consumption	'000 GJ	1,101.10	1,043.03	1,896.58
	'000 MWh	305.86	289.73	526.83
Energy Consumption Intensity	GJ/RM mil Revenue	350.38	255.66	355.29
	MWh/RM mil Revenue	97.33	71.02	98.69
GHG Emissions				
Scope 1 (Diesel, Petrol & Natural Gas)	Per Thousand Tonnes, '000 tCO_2e	28.09	23.52	35.51
Scope 2 (Purchased Electricity)	'000 tCO_2e	72.82	75.43	107.31
Total Carbon Emissions	'000 tCO_2e	100.91	98.95	142.82
Carbon Emissions Intensity	tCO_2e/ RM mil Revenue	32.11	24.25	26.75

Indicator	Unit of Measurement	FY2021	FY2022	FY2023
CLIMATE CHANGE & EMISSIONS				
GHG Emissions Avoidance				
Solar	Per Thousand Tonnes, '000 tCO_2e	2.93	5.99	10.25
Biogas	'000 tCO_2e	23.60	20.24	14.90
Total GHG Emissions Avoidance	'000 tCO_2e	26.53	26.23	25.15
WATER SECURITY				
Water Withdrawal				
Source from Municipal Water	Per Thousand Cubic Meter, '000 m^3	1,863.97	1,685.22	2,507.14
Source from Groundwater	'000 m^3	363.14	353.50	277.52
Source from River Water	'000 m^3	453.98	386.67	250.73
Source from Rainwater	'000 m^3	0.09	4.03	6.75
Total Water Withdrawal	'000 m^3	2,681.18	2,429.42	3,042.14
Water Withdrawal Intensity	Cubic Meter/RM mil Revenue	853.17	595.49	569.89
Wastewater Discharged				
Water Discharged from Wastewater Treatment Plant	Per Thousand Cubic Meter, '000 m^3	812.73	802.62	1,213.62
Wastewater Discharged Intensity	m^3/RM Mil Revenue	258.62	196.73	227.35
WASTE & EFFLUENT MANAGEMENT				
Non-Hazardous Wastes				
Recyclable Wastes	Per Thousand Metric Tonnes, '000 MT	0.91	0.94	1.24
Municipal Solid Waste	'000 MT	3.89	2.49	3.57
Organic Waste	'000 MT	17.54	16.68	31.78
Food/Feed Waste	'000 MT	8.89	7.87	9.07
Chicken Manure	'000 MT	89.07	104.73	125.20
Empty Fruit Bunch (EFB)	'000 MT	60.53	42.08	27.34
Others	'000 MT	6.29	5.29	2.86
Total Non-Hazardous Wastes	'000 MT	187.12	180.08	201.06
Non-Hazardous Wastes Disposal Method				
Reuse	Per Thousand Metric Tonnes, '000 MT	17.41	5.86	7.26
Recycle	'000 MT	10.46	18.60	1.21
Recovery	'000 MT	64.65	46.39	58.01
Composting	'000 MT	89.07	104.73	125.20
Incineration	'000 MT	0.31	0.14	0.26
Landfill	'000 MT	5.22	4.36	9.12

Indicator	Unit of Measurement	FY2021	FY2022	FY2023
WASTE & EFFLUENT MANAGEMENT				
Chicken Manure Conversion				
Chicken Manure Generated	Per Thousand Metric Tonnes, '000 MT	105.84	109.88	133.69
Chicken Manure Converted to Organic Fertiliser	'000 MT	89.07	104.73	125.20
Conversion Rate	Percentage, %	84.2%	95.3%	93.7%
Hazardous Wastes				
Chemical Waste	Metric Tonnes	1.26	1.60	4.32
Medical Waste	Metric Tonnes	3.14	0.84	1.95
Mercury/E-Wastes	Metric Tonnes	0.27	0.17	0.64
Used Oil	Metric Tonnes	13.06	18.07	15.22
Total Hazardous Waste Generated	Metric Tonnes	17.73	20.68	22.13
Hazardous Wastes Disposal Method				
Recovery	Metric Tonnes	12.75	18.01	16.43
Incineration	Metric Tonnes	1.96	1.93	2.95
Landfill	Metric Tonnes	2.75	0.57	2.14
Physical & Chemical Treatment	Metric Tonnes	0.07	0.07	0.17
Solidification	Metric Tonnes	0.20	0.10	0.44

Social

Indicator	Unit of Measurement	FY2021	FY2022	FY2023
GROWING OUR BUSINESS				
Direct Economic Value Generated				
Sale of Goods	RM'000	4,308,421	4,968,001	5,935,525
Construction Contracts	RM'000	70,362	267,975	307,097
Dividend Income	RM'000	17	73	21
Total	RM'000	4,378,800	5,236,049	6,242,643
Operating Costs				
Cost of Sales and Others (Suppliers, Service, etc.)	RM'000	3,383,270	4,196,725	4,920,618
Depreciation and Amortisation	RM'000	180,247	195,871	208,198
Expenses Arising from Leases/ Rental	RM'000	35,169	45,411	50,412
One-Off Remeasurement Gain of Previously Held Equity Interest in an Associate	RM'000	(79,031)	-	-
Total Operating Costs	RM'000	3,519,655	4,438,007	5,179,228

Indicator	Unit of Measurement	FY2021	FY2022	FY2023
GROWING OUR BUSINESS				
Employee Wages and Benefits				
Contributions to State Plans	RM'000	26,225	30,030	33,453
Expenses Related to Defined Benefit Plans	RM'000	3,997	646	3,072
Wages, Salaries and Others	RM'000	372,966	434,730	534,596
Total Wages and Others	RM'000	403,188	465,406	571,121
Community Investments				
Fisherman Financial Assistance Scheme**	RM'000	777	700	647
Support for Communities & Community Infrastructure	RM'000	570	982	836
Total Community Investments	RM'000	1,347	1,682	1,483
Payment to Government				
Tax Expense	RM'000	107,383	85,670	118,929
Payment to Provider of Capital				
Loan Providers	RM'000	36,503	30,233	31,664
Shareholders	RM'000	73,010	85,178	170,356
Total Payment to Provider of Capital	RM'000	109,513	115,411	202,020
Economic Value Distributed	RM'000	4,141,086	5,106,176	6,072,781
Economic Value Retained	RM'000	237,714	129,873	169,862
FAIR LABOUR PRACTICES				
Workplace Grievance and Harassment Handling				
Number of Substantiated Complaints Concerning Human Rights Violations	Case	0	0	0
Number of Substantiated Complaints Concerning Harassment	Case	4	2	2

*** Computed is estimated net financing cost (opportunity cost). Total advance is disclosed under Commitment to Our Communities*
*** Includes interest opportunity costs*

		FY2021		FY2022		FY2023	
Indicator		Number	Percentage	Number	Percentage	Number	Percentage
TALENT MANAGEMENT							
Board Diversity							
By Age Group	Under 50	1	9.1%	2	15.4%	2	15.4%
	50 to 59	3	27.3%	3	23.1%	2	15.4%
	60 to 69	6	54.5%	7	53.8%	7	53.8%
	70 and above	1	9.1%	1	7.7%	2	15.4%
By Gender	Male	7	63.6%	8	61.5%	8	61.5%
	Female	4	36.4%	5	38.5%	5	38.5%
By Ethnicity	Chinese	10	90.9%	12	92.3%	12	92.3%
	Malay	1	9.1%	1	7.7%	1	7.7%
Total Number of Directors on the Board		**11**		**13**		**13**	
Workforce Diversity*							
By Age Group	Over 50	297	5.7%	450	6.0%	623	7.0%
	30 to 50	2,259	42.7%	3,084	41.0%	4,283	47.8%
	Under 30	2,739	51.6%	3,996	53.0%	4,050	45.2%
By Gender	Male	3,022	57.1%	4,346	57.7%	5,456	60.9%
	Female	2,273	42.9%	3,184	42.3%	3,500	39.1%
By Employment Type	Permanent	4,445	83.9%	5,896	78.3%	5,957	66.5%
	Contract	850	16.1%	1,634	21.7%	2,999	33.5%
By Job Band	Management	194	3.7%	292	3.9%	349	3.9%
	Executive	421	8.0%	642	8.5%	911	10.2%
	Non-Executive	4,680	88.3%	6,596	87.6%	7,696	85.9%
Total Number of Employees		**5,295**		**7,530**		**8,956**	
New Hires*							
By Gender	Male	1,354	57.3%	2,763	53.1%	4,511	58.7%
	Female	1,009	42.7%	2,437	46.9%	3,175	41.3%
By Age Group	Over 50	n/a		34	0.7%	61	0.8%
	30 to 50	n/a		921	17.7%	1,991	25.9%
	Under 30	n/a		4,245	81.6%	5,634	73.3%
Total Number of New Hires		**2,363**		**5,200**		**7,686**	
Hiring Rate[1]		**44.6%**		**69.1%**		**85.8%**	
Resignation*							
By Gender	Male	n/a		2,408	53.1%	3,316	54.9%
	Female	n/a		2,125	46.9%	2,727	45.1%
By Age Group	Over 50	n/a		151	3.3%	106	1.8%
	30 to 50	n/a		1,081	23.9%	1,518	25.1%
	Under 30	n/a		3,301	72.8%	4,419	73.1%
Total Number of Employees Resigned		**2,197**		**4,533**		**6,043**	
Turnover Rate[2]		**39.0%**		**60.2%**		**67.5%**	

Indicator		FY2021 Number	FY2021 Percentage	FY2022 Number	FY2022 Percentage	FY2023 Number	FY2023 Percentage
TALENT MANAGEMENT							
Talent Retainment*							
Employee's Year of Service	< 5 years	4,100	77.4%	5,177	76.3%	6,911	77.2%
	≥ 5 years, ≤ 15 years	928	17.5%	1,272	18.8%	1,668	18.6%
	≥ 15 years, < 25 years	236	4.5%	282	4.2%	332	3.7%
	≥ 25 years	31	0.6%	50	0.7%	45	0.5%
Total Number of Employees		**5,295**		**6,781**		**8,956**	

1 *The hiring rate is based on the number of new hires against the total number of employees*
2 *The turnover rate is based on the number of voluntary turnovers against the total number of employees*

			FY2021	FY2022	FY2023
Training*					
By Gender	Male	Hours	27,642	51,896	82,522
	Female	Hours	25,295	54,595	96,515
By Job Level	Management	Hours	1,436	2,482	5,343
	Executive	Hours	5,323	7,580	16,511
	Non-Executive	Hours	46,178	96,429	157,182
Total Training Hours		**Hours**	**52,937**	**106,490**	**179,037**
Occupational Safety And Health					
Fatality		Case	1	0	1
Lost Time Injury		Case	67	72	86
Non-Lost Time Injury		Case	428	245	115
Occupational Illness, Poisoning & Diseases		Case	1	0	0
Near-Miss/Significant Safety Occurrence		Case	25	33	26
Non-Compliance		Case	3	1	7
Total Number of Cases		**Case**	**525**	**351**	**235**

* *FY2023 data corresponds to the numbers shown in "All Pillars" graphs in Social Responsibility*

Governance

Indicator		Unit of Measurement	FY2021	FY2022	FY2023
UPHOLDING BUSINESS INTEGRITY					
Anti-Bribery and Corruption					
Number of Corruption and Bribery Cases		Number	0	0	0
Fines Imposed in Relation to Corruption, Bribery & Anti-Competitive Business Practices		RM	0	0	0
Employees who have received training on anti-corruption	**Executive**	Percentage, %	92	100	74
	Non-executive		74	100	92
Code of Business Ethics					
Suppliers Signed QL's Suppliers and Business Associates Code of Business Ethics		Number	1,322	2,988	3,433

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Chia Song Kun
Executive Chairman

Mr. Chia Song Kooi
Group Managing Director

Mr. Chia Seong Pow
Executive Director
(Appointed on 1 April 2023)

Mr. Chia Song Swa
Executive Director
(Appointed on 1 April 2023)

Mr. Cheah Juw Teck
Executive Director

Mr. Chia Lik Khai
Executive Director

Mr. Chia Seong Fatt
(Alternate Director to Chia Seong Pow)
(Appointed on 1 April 2023)

Mr. Chia Mak Hooi
(Alternate Director to Chia Song Swa)
(Appointed on 1 April 2023)

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, Millie
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

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

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Email : corporate@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
OCBC Al-Amin Bank Berhad

REGISTRARS

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Tel : +603 2783 9299
Fax : +603 2783 9222

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

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PROFILE OF BOARD OF DIRECTORS

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Board Meeting Attendance in the Financial Year

Dr. Chia Song Kun

Executive Chairman

Dr. Chia Song Kun, aged 73, 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 and subsequently, resigned as a member on 1 December 2022.

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, Palm Oil and Clean Energy and Convenience Store Chain. The company has a market capitalisation of approximately fourteen 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 28 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries (other than related party transactions) 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

Board Meeting Attendance in the Financial Year

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Mr. Chia Song Kooi, aged 63, 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 Programme 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 Product and Market Development 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

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Board Meeting Attendance in the Financial Year

Mr. Chia Seong Pow

Executive Director

Mr. Chia Seong Pow, aged 67, 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 1 April 2021 to 1 April 2023, he was appointed as an Alternate Director to Mr. Chia Seong Fatt. During the period of 1 April 2019 to 1 April 2021 and on 1 April 2023, he was the Executive Director of the Company. He is also a member of the Risk Management Committee since 1 April 2023.

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 Resources Berhad ("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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries (other than related party transactions) 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

Executive Director

Board Meeting Attendance in the Financial Year

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Mr. Chia Song Swa, aged 63, 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 1 April 2021 to 1 April 2023, he was appointed as an Alternate Director to Mr. Chia Mak Hooi. During the period of 1 April 2019 to 1 April 2021 and on 1 April 2023, he was the 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

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5/6 Board Meeting Attendance in the Financial Year

Mr. Cheah Juw Teck

Executive Director

Mr. Cheah Juw Teck, aged 54, 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 was the Executive Director of the Company. Since 1 December 2022, he is a member of the Risk Management Committee.

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

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

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

Mr. Cheah has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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

Board Meeting Attendance in the Financial Year

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Mr. Chia Lik Khai, aged 44, 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. During the period of 1 April 2019 to 1 April 2021 and since 4 January 2022, he is appointed as the Executive Director of the Company. Since 1 December 2022, he is a member of the Risk Management Committee.

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

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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

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Board Meeting Attendance in the Financial Year

Mr. Chia Seong Fatt

Alternate Director to Chia Seong Pow

Mr. Chia Seong Fatt, aged 67, 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 and on 1 April 2023, he was appointed as an Alternate Director to Mr. Chia Seong Pow. During the period of 1 April 2021 to 1 April 2023, he was the Executive Director of the Company. On 1 April 2023, he ceased to be a member of the Risk Management Committee.

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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries (other than related party transactions) 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

Alternate Director to Chia Song Swa

Board Meeting Attendance in the Financial Year

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Mr. Chia Mak Hooi, aged 58, 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 and on 1 April 2023, he was appointed as an Alternate Director to Mr. Chia Song Swa. During the period of 1 April 2021 to 1 April 2023, he was the 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 Finance Director of QL Feedingstuffs Sdn. Bhd., and was involved in the proposed listing of the Company on the Second Board of Bursa Malaysia.

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

Mr. Chia Mak Hooi is the director of EITA 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

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6/6

Board Meeting Attendance in the Financial Year

Mr. Low Teng Lum

Senior Independent Non-Executive Director

Mr. Low Teng Lum, aged 69, 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. On 1 December 2022, he resigned as Chairman and member of the Remuneration Committee and was redesignated as a member of the Risk Management Committee.

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.

He 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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

Board Meeting Attendance in the Financial Year

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6/6

Datin Paduka Setia Dato' Dr. Aini Binti Ideris, aged 70, 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. On 1 December 2022, she resigned as a member of the Audit Committee and was appointed as a member of the Remuneration Committee.

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), President of WVPA Malaysia, 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 the EXCO member of Global WVPA. Dato' Dr. Aini is a Senior Fellow and EXCO of Academy of Sciences Malaysia, Fellow and Council member of the World Islamic Academy of Sciences, Founding Fellow and Council member of Malaysian College of Veterinary Specialists, Fellow of the World Academy of Sciences, 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries. 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.

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6/6

Board Meeting Attendance in the Financial Year

Ms. Kow Poh Gek

Independent Non-Executive Director

Ms. Kow Poh Gek, aged 65, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 April 2018. She is also a member of the Audit, Risk Management, Nominating and Remuneration Committees. On 1 December 2022, she resigned as a member of the Risk Management and Nomination Committees and was redesignated as Chairman of the Remuneration Committee.

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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries and she has no convictions for any offences within the past five years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Ms. Chan Wai Yen, Millie

Independent Non-Executive Director

Board Meeting Attendance in the Financial Year

67

6/6

Ms. Chan Wai Yen, Millie, aged 67, female, Malaysian, was appointed as an Independent Non-Executive Director of the Company on 1 April 2018. She is a member of the Risk Management Committee. She served as a member of the Audit Committee until 1 December 2022 when she resigned from the Audit Committee. On 1 December 2022, she was appointed as a member of the Remuneration Committee.

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

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

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

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

Ms. Chan 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.

Ms. Chan is also an Independent Non-Executive Director of Gamuda Berhad.

Ms. Chan Wai Yen, Millie has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

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Board Meeting Attendance in the Financial Year

Ms. Cynthia Toh Mei Lee

Independent Non-Executive Director

Ms. Cynthia Toh Mei Lee, aged 49, 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. On 1 December 2022, she resigned as a member of the Risk Management Committee and was appointed as a member of the Nominating Committee.

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 is also an Independent Non-Executive Director of Unitrade Industries Berhad.

Ms. Cynthia Toh has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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

Board Meeting Attendance in the Financial Year

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Mr. Wee Beng Chuan, aged 60, 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. On 1 December 2022, he resigned as a member of the Nominating and Remuneration Committees and was redesignated as Chairman of the Risk Management Committee.

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 an Executive Director of Tuju Setia Berhad and was appointed as an Independent Non-Executive Director of both V.S. Industry Berhad on 25 November 2022 and I REIT Managers Sdn. Bhd. (Manager of AME REIT) on 1 April 2022.

Mr. Wee does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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.

Madam Tan Ler Chin, Cindy

Independent Non-Executive Director

Madam Tan Ler Chin, Cindy, aged 62, 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. On 1 December 2022, she resigned as a member of the Audit Committee and was appointed as a member of the Nominating Committee.

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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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

1 **Dr. Chia Song Kun**
Executive Chairman

Please refer to Directors' Profile on pages 78 - 79.

2 **Mr. Chia Song Kooi**
Group Managing Director

Please refer to Directors' Profile on pages 78 - 79.

3 **Mr. Chia Seong Pow**
Executive Director

Please refer to Directors' Profile on pages 80 - 81.

4 **Mr. Chia Song Swa**
Executive Director

Please refer to Directors' Profile on pages 80 - 81.

5 **Mr. Cheah Juw Teck**
Executive Director

Please refer to Directors' Profile on pages 82 - 83.

6 **Mr. Chia Lik Khai**
Executive Director

Please refer to Directors' Profile on pages 82 - 83.

7 **Mr. Chia Seong Fatt**
Alternate Director to Chia Seong Pow

Please refer to Directors' Profile on pages 84 - 85.

8 **Mr. Chia Mak Hooi**
Alternate Director to Chia Song Swa

Please refer to Directors' Profile on pages 84 - 85.

9 **Mr. Chia Song Kang**
Executive Director

Mr. Chia Song Kang, aged 72, 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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 47, 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 or potential conflict of interest, including interest in any competing business, with the Company or its subsidiaries 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 ("The Board") 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 2023 (FY2023). 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 2023. 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 2023, the Company applied 43 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 FY2023 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[1] (Executive Chairman)	6/6	-	3/3	-	-
Chia Song Kooi (Group Managing Director)	6/6	-	4/4	-	-
Chia Seong Fatt[2]	6/6	-	1/1	-	-
Chia Mak Hooi	6/6	-	-	-	-
Cheah Juw Teck[3]	5/6[12]	-	1/1	-	-
Chia Lik Khai[4]	6/6	-	1/1	-	-
Alternate Director					
Chia Seong Pow	6/6	-	-	-	-
Chia Song Swa	4/6 [13]	-	-	-	-
Independent Non-Executive Director					
Low Teng Lum[5]	6/6	5/5	4/4	4/4	3/3
Datin Paduka Setia Dato' Dr. Aini Binti Ideris[6]	6/6	4/4	4/4	-	1/1
Kow Poh Gek[7]	6/6	5/5	3/3	3/3	4/4
Chan Wai Yen, Millie[8]	6/6	4/4	4/4	-	1/1
Cynthia Toh Mei Lee[9]	6/6	5/5	3/3	1/1	-
Wee Beng Chuan[10]	6/6	5/5	4/4	3/3	3/3
Tan Ler Chin, Cindy[11]	6/6	4/4	4/4	1/1	-

Notes:
[1] to [11] *Board Committees restructuring in December 2022.*
[12] *He could not attend one of the meetings due to prior arrangement.*
[13] *He could not attend two of the meetings due to medical reason.*

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 2021, the Board reviewed and approved amendments to the Board Charter to be in line with the additional recommendation revised in the MCCG 2021. 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. During the financial year, there were changes to the composition of the Nominating Committee:-

1. Low Teng Lum (Chairman)
2. Kow Poh Gek (Resigned on 1 December 2022)
3. Wee Beng Chuan (Resigned on 1 December 2022)
4. Cynthia Toh Mei Lee (Appointed on 1 December 2022)
5. Tan Ler Chin, Cindy (Appointed on 1 December 2022)

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 39% female representation. The diversity relating to age is available in the Sustainability Statement.

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 for FY2022; Board Diversity Policy and proposed Fit and Proper Policy;
- trainings attended by Directors for FY2022 and proposed Sustainability Training for Directors and Senior Management;
- composition of the Board Committees; and
- progress of the succession planning for Directors and Senior Management.

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.

On 1 April 2023, Mr. Chia Seong Pow and Mr. Chia Song Swa was appointed as Executive Directors while Mr. Chia Seong Fatt and Mr. Chia Mak Hooi as Alternate Directors following the restructuring of the Board.

The Board had 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 FY2023, 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 have engaged independence experts to conduct the Board evaluation target to complete by FY2024.

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 composition of the Board Committees. Upon assessing the size, mix of skills, knowledge, experience, and competency of the Board members, the Nominating Committee proposed to the Board the restructuring of the Board Committees in November 2022 and the changes were effected on 1 December 2022.

For succession planning, the Nominating Committee 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 FY2023, 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
Advocacy Session on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	Bursa Malaysia
Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework	COSPEC Management Services Sdn. Bhd.
Anti Bribery Course, Management System Virtual Awareness Training	BDO Malaysia
Anti-Money Laundering/Counter Terrorist Financing Briefing	Affin Bank/Affin Islamic
AOB Conversation with Audit Committees	Audit Oversight Board
Artificial Intelligence (AI) for Company Directors and Executives	Malaysian Institute of Corporate Governance
Assessment of the Board, Board Committees & Individual Directors	Malaysian Institute of Corporate Governance
BNM FIDE Core Programme – Banks (Module A and B)	Asia School of Business
BNM's Climate Change and Principle Based Taxonomy Policy	Affin Bank/Affin Islamic
Board Oversight Role on Bursa's Enhanced Sustainability Reporting Framework	Institute of Corporate Directors Malaysia
Board Strategy & Risk Management Oversight	Institute of Corporate Directors Malaysia
Board's At-A-Glance: Bursa Malaysia's Enhanced Sustainability Reporting Framework	Institute of Corporate Directors Malaysia
Cyber Security – What Directors need to know	Minority Shareholder Watchdog Group
Developing a Holistic Enterprise Risk Management Framework	Malaysian Institute of Corporate Governance
Driving Responsible and Sustainable Value Creation through Governance	Securities Industry Development Corporation
East Malaysia Palm & Lauric Oils Price Outlook Conference & Exhibition (emPOC2022)	Bursa Malaysia
ESG and Sustainability Reporting	The Malaysian Institute of Chartered Secretaries and Administrators
ESG Briefing	Unitrade Industries Berhad in-house training
Exposure Draft on Climate Risk Management and Scenario Analysis	Affin Bank/Affin Islamic
Forum on Professional Skeptism for Risk Managers	Institute of Enterprise Risk Practitioners (IERP)
Governance in Groups	Asia School of Business
How to Raise Funds with Sustainable Bonds	Boardroom Corporate Services Sdn. Bhd.
How to start your Sustainability Journey - Climate Governance Malaysia	Bursa Malaysia
Hydrogen Economy Seminar - Building A Sustainable Ecosystem in Shaping the Future of Energy, Materials & Infrastructure	Malaysian Investment Development Authority (MIDA)
International Directors Summit	Institute of Corporate Directors Malaysia
Islamic Finance for Board of Directors Programme	International Shari'ah Research Academy (ISRA)

Seminar/Course	Organiser
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.
Khazanah Megatrend	Khazanah Nasional Berhad
Managing Whistleblowing and Conducting Effective Internal Corporate Investigations	Malaysian Institute of Accountants
National Biomas Action Plan 2022-2025 Focus Group Discussion	Ministry of Plantation and Commodities
Net Zero Emissions	Malaysian Institute of Corporate Governance
Plan Your ESG Journey: Lessons for the Boardroom	Institute of Corporate Directors Malaysia
PLC Transformation Programme - Guidance 2 and 3 Highlights	Bursa Malaysia
PowerTalk ESG Series #4 – ESG Disclosure At a Glance: Key Developments and Future Trends	Institute of Corporate Directors Malaysia
PowerTalk ESG Series #5 – Climate Change and Carbon: From the Financial Risk & Reporting Perspectives	Institute of Corporate Directors Malaysia
PowerTalk ESG Series #6 – Characteristics of ESG & Sustainability Leadership	Institute of Corporate Directors Malaysia
Related Party Transactions and Conflict of Interest, including the "Arms-Length" Definition on Transactions – Implications to the Board, Audit Committee, Management and Auditors	Malaysian Institute of Corporate Governance
Safety Leadership Training	QL in-house training
Section 17A Malaysian Anti-Corruption Commission Act 2009 & Adequate Procedures	Suruhanjaya Syarikat Malaysia
Sustainability & Its Impact on Organisations-What Directors Need to Know	Asia School of Business
Sustainable, Socially Responsible and Ethical Plcs: Guidebook 2 Highlights	Bursa Malaysia
Tax and Business Summit 2022	KPMG
The Future of Digital Assets, Opportunities, Market Trends & Regulations	DBS Group
Why Investors Care About ESG	Institute of Corporate Directors Malaysia

Scan here to read the QL CG report

III. Remuneration

The Remuneration Committee comprises three Independent Non-Executive Directors. During the financial year, there were changes to the composition of the Remuneration Committee:-

1. Low Teng Lum (Chairman, resigned on 1 December 2022)
2. Kow Poh Gek (Redesignated to Chairman on 1 December 2022)
3. Wee Beng Chuan (Resigned on 1 December 2022)
4. Datin Paduka Setia Dato' Dr. Aini Binti Ideris (Appointed on 1 December 2022)
5. Chan Wai Yen, Millie (Appointed on 1 December 2022)

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 financial year 2023 is set out in the table below:

No	Name	Directorate	Company ('000)							Group ('000)						
			*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	269.34	14	1,788.24	2,160.48	22.7	83.28	4,338.04
2	Chia Song Kooi	Executive Director	108	0	0	0	0	0	108	251.34	1.6	1,218.40	2,067.28	22.7	56.10	3,617.42
3	Chia Seong Fatt	Executive Director	84	0	0	0	0	0	84	222	0	871.65	1,152.19	28	40.60	2,314.44
4	Chia Mak Hooi	Executive Director	84	0	0	0	0	0	84	114	0	692.64	807.51	25.49	96.78	1,736.42
5	Cheah Juw Teck	Executive Director	84	0	0	0	0	0	84	137.34	12.8	727.27	1,894.78	28	190.16	2,990.35
6	Chia Lik Khai	Executive Director	84	0	0	0	0	0	84	96	0	1,083.60	624.29	35.20	175.82	2,014.91
7	Chia Seong Pow^	Executive Director	36	0	0	0	0	0	36	126.14	1.6	890.67	802.53	20.52	41.49	1,882.95
8	Chia Song Swa^^	Executive Director	36	0	0	0	0	0	36	68.4	0	688.98	786.87	22.70	32.10	1,599.05
9	Low Teng Lum	Independent Director	110	6	0	0	0	0	116	110	6	0	0	0	0	116
10	Datin Paduka Setia Dato' Dr. Aini Binti Ideris	Independent Director	90	5	0	0	0	0	95	90	5	0	0	0	0	95
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	5	0	0	0	0	95	90	5	0	0	0	0	95
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	Independent Director	90	5	0	0	0	0	95	90	5	0	0	0	0	95

Note:
^ *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.*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Beginning of financial year 2023, the Audit Committee comprised seven Independent Non-Executive Directors and is chaired by Mr. Low Teng Lum, Senior Independent Non-Executive Director. In December 2022, there were changes to the composition of the Audit Committee:-

1. Low Teng Lum (Chairman)
2. Kow Poh Gek
3. Cynthia Toh Mei Lee
4. Wee Beng Chuan
5. Datin Paduka Setia Dato' Dr. Aini Binti Ideris (Resigned on 1 December 2022)
6. Chan Wai Yen, Millie (Resigned on 1 December 2022)
7. Tan Ler Chin, Cindy (Resigned on 1 December 2022)

In the annual assessment on the suitability, objectivity and independence of the external auditors, the Audit Committee 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 Audit Committee is available at page 103.

II. Risk Management and Internal Control

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.

An Enterprise Risk Management Framework ("ERM") has been established by the Board to identify, evaluate and manage the principal risks faced by the Group. Management of the respective entities reviews its risk on an ongoing basis to ensure that risks are being identified, adequately mitigated and reported. On a periodic basis, the Board, through Risk Management Unit and Risk Management Committee monitors the risk management framework and internal control system, continually reassesses their effectiveness.

Also put in place are internal control processes covering financial, operational and compliance which are being monitored and assessed from time to time. The Board understood that the design of the Group's internal control system is meant to manage and minimise, rather than eliminate, the risk of failure to achieve its business objectives. As such, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Statement on Risk Management and Internal Control provides an overview of the risk management and internal controls within the Group and further details can be found on pages 106 to 109 of the report.

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 40 engagements with the investment community were carried out in FY2023. All communications were undertaken through physical, online platforms and virtual briefings. Participation includes overseas roadshows as well as visit to plant and factories.

Stakeholder engagements in FY2023	Number of activities
Briefing to Analysts and Fund Managers	20
Participating in Investor Conferences organised by Investment banks for domestic as well as foreign fund managers	6
ESG Engagement	6
In-house Investor meetings	4
Engagement with other stakeholders	4
Total	**40**

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 25th AGM of the Company held on 30 August 2022 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 virtual AGM was attended by 288 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 25th 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 SKY Corporate Services Sdn. Bhd. as an independent scrutineer, verified the poll results.

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

The Board has deliberated, reviewed and approved the Corporate Governance Overview Statement on 10 July 2023.

AUDIT COMMITTEE REPORT

The Audit Committee assists 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 currently consist of four (4) members, all of whom are Independent Non-Executive Directors. The list of Audit Committee members in the financial year under review (FY2023) is available in the Corporate Governance Overview Statement at page 94.

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

ATTENDANCE AT MEETINGS

During FY2023, 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 95.

Where relevant and necessary, Members of Management are invited to attend the meetings to ensure that the topics of discussion are comprehensively deliberated and any concerns noted by the Audit Committee are effectively and immediately communicated. 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 the Board's approval of the Circular to Shareholders in respect of the proposed shareholders' mandates for recurrent related party transactions and proposed new mandates for additional recurrent related party transactions of revenue or trading nature.

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

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

Reviewed the Terms of Reference of the Audit Committee.

Reviewed and approved the Non-Audit Services fees.

Reviewed summary of whistleblowing cases.

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 in May 2022, November 2022 and February 2023 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.

Assessed 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 audits and considered their recommendations to Management for improvement in internal control process.

Examined the adequacy and appropriateness of the Management's action plans and responses to the audit findings and recommendations.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional consulting firm with global presence in approximately 158 countries with more than 236,000 people who are committed to delivering quality in assurance, advisory and tax services.

The engagement partner is Mr. Nik Shahrizal Sulaiman, a chartered accountant (ICAEW) with relevant experience in the areas of governance, risk and controls. He also holds a Master in Business Administration. The staff involved in the reviews have the relevant training in the area of internal audit, of which some are members of the Institute of Internal Auditors Malaysia.

The internal audit reviews were conducted using the firm's risk-based Internal Audit methodology, which are guided by industry good practices including the Institute of Internal Auditors framework. The areas of coverage are driven by a risk assessment process and presented to the Audit Committee for approval.

The firm has an internal policy that requires their personnel to declare their professional independence and disclose any potential conflict of interest. During the course of the internal audit engagement for the financial year ended 2023, the firm did not highlight any conflict of interest matters with regards to its personnel.

Activities

The activities undertaken by the internal auditors are based on the Professional Services Firm's Internal Audit methodology, which is aligned to Institute of Internal Auditors ("IIA") standards.

Key Activities

Formulated the internal audit plan and presented for the Audit Committee's review and approval. Executed internal audit reviews on key business processes and internal controls of business units as per approved audit plan. Reported to the Audit Committee on exceptions noted and highlighted areas of improvements, after discussion with management.

Audit Fees

In FY2023, the total cost incurred for the internal audit function was approximately RM256,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD'S RESPONSIBILITIES

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

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

The Board has received assurance from the Executive Committee ("EXCO") 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, applying the relevant practices set out in the Malaysian Code on Corporate Governance 2021, to ensure that there is an on-going process of identifying, evaluating, and managing risk exposure. The Group's ERM framework enhances the Group's ability to make better decisions, improve performance and capitalise on opportunities which are essential 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.

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.

Risk Management Committee

The members of the RMC comprises a majority of Independent Non-Executive Directors appointed by the Board of Directors. The RMC is responsible for amongst others:

- To create a high-level risk strategy policy aligned with the Company's strategic business objectives;
- To perform risk oversight and review risk profiles (Company and the Group) and organisational performance; and
- To provide guidance to the business 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 comprises Heads of Business Units ("HOBU") and 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 respective subsidiaries maintain their own risk registers. Overseen by the respective HOBU, subsidiaries perform quarterly review of their risk registers to document their risk identification, assessment and mitigation. Residual risks are being assessed for its likelihood and impact defined by the ERM Framework. Risks that are deemed significant or high at Group level are brought up to the RMU for further review and deliberation.

The Head of Internal Audit and Risk Management facilitates the risk management process in accordance with the ERM Framework. This facilitation is a consulting service provided to the Group without assuming any management responsibility.

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
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, depleting fish resources, food safety, halal compliance, high feed cost and environmental related risk.	• Day-to-day operational risks are mainly decentralised at the respective business unit level and guided by standard operating procedures (SOPs). • Where applicable, monitoring mechanisms are established to ensure that the risks are being adequately mitigated and managed.
Financial Risk	The Group is exposed to various financial risks relating to foreign currency exchanges and commodity trading and pricing related risk. The Group has imports and exports in foreign currencies, hence fluctuation of the currency exchange rates may result in financial impact. In addition, volatility of commodity prices may adversely affect financial performance of the Group.	• Management has low risk appetite with regards to foreign currency exchange and commodity prices and exercises utmost prudence in managing this risk. • Constant and regular monitoring of the market and available data and being guided by hedging policies. • The futures market is utilised as a hedging tool to manage the Group's exposure to price fluctuations.
Geopolitical Risk	The Group's business can be affected by geopolitical events that may disrupt supply chain, cause high inflation, escalate feed cost and affect consumers' purchasing power.	• Supply chain and markets are being diversified. Supplies are sought from various regions and market is not concentrated to ensure that the impact arising from any unwanted geopolitical event on business and operations can be mitigated.

INTERNAL CONTROL PROCESS

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

Code of Business Ethics and Conduct sets out expected ethical standards and code of conduct which are binding on all employees in the Group.

Delegation of Responsibilities - The Board has delegated its responsibility to several committees and to the Management of the Company to implement and monitor designated tasks. At Management level, organisation charts are used to establish clear line of reporting and delineation of responsibilities.

Authority Limits are in place to define the level of authority given to various levels of management in making operational and commercial business decisions. As for the matters reserved for collective decision of the Board, they are defined in the Board Charter.

Standard Operating Procedures (SOPs) for business processes are formalised to govern the Group's business operations. SOPs are being reviewed and revised from time to time to ensure that they remain relevant at all times.

Budgetary Process has been conducted starting from the respective entities proposing budgets and CAPEX to be reviewed at pillar level. The budgets and CAPEX are then submitted to the EXCO for deliberation and consolidated into the Group's budget that will be approved by the Board.

Annual Budget and Periodic Performance Review are being undertaken by Management. While the Board approves the annual budget, EXCO meets on a quarterly basis to review performance against the budget to ensure that the business remains on track to achieve the Group's strategic direction.

Anti-Bribery Framework ("ABF") has been adopted by the Group which reflects the Group's zero tolerance stance against all forms of bribery and corruption at all times. The ABF covers policies and procedures on facilitation payments, gifts and entertainment, third party travel, donation and sponsorship, business rewards, rebates, commissions, or other incentives. A copy of the Anti-Bribery Policy is published at QL's website.

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.

Sustainability Framework is providing the roadmap to ensure the Group conducts its business responsibly, ethically and sustainably with regards to environment, social and governance.

Quality Assurance, Control and Monitoring have been undertaken by entities of various business operations. For instance, Family Mart has QA/QC Teams focusing on food safety and compliance at central kitchens and stores. Internal quality auditors visit various locations to ensure that the quality requirements are complied with. In addition, at pillar level, centralised departments such as Centre of Excellence Department ("COE") at ILF focuses on the Integrated Livestock Farming's quality assurance.

Safety, Health and Environment ("HSE") is among the Group's emphasis in the Group's Sustainability Roadmap. The Group's Sustainability Roadmap has included a plan to obtain certification for ISO 45001:2018 Occupational Health and Safety Management System by stages for relevant entities. During financial year ended 2023, one (1) of the entities under ILF has obtained the certification.

Human Capital Management involves having roles and responsibilities clearly defined in the job description for each position. There is also a systematic process for periodic appraisals of employees' performance comprising criteria of rating and performance indicators to assess personnel productivity, growth and succession planning.

Quarterly Board and Board Committee Meetings including the Audit Committee and RMC are being conducted to review business performance, discuss strategic matters, deliberate on key risks and matters brought up by the Management, Internal and External Auditors.

Physical Safeguard and Insurance are undertaken to ensure adequate protection and coverage. Physical control is in place to protect the Group's assets at various locations. Various insurance policies are being reviewed annually to ensure that the Group is covered against unwanted events.

Information and Communications Systems within the Group include the use of ERP system and other systems which capture data and provide management with analysis and reports for performance monitoring. Employees are guided by the Information Technology (IT) policies and procedures such as IT Security Policy and IT User Guide to ensure the Group's data and information are being safeguarded.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31 March 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

a. has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
b. is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

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 10 July 2023.

ADDITIONAL COMPLIANCE INFORMATION

OTHER INFORMATION

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

The shareholders of the Company approved the Proposed Renewal of Shareholders' Mandate for RRPT of a revenue or trading nature during its AGM held on 30 August 2022.

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

(b) Share Buy-Back

The shareholders of the Company approved the Proposed Renewal of Share Buy-Back Authority during its AGM held on 30 August 2022.

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 2023 were as follows:-

	Audit fees		Non-audit fees	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
KPMG PLT Malaysia	1,866	158	129	30
Overseas affiliates of KPMG PLT Malaysia	305	-	113	-
Other auditors	580	-	-	-

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.

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DIRECTORS' REPORT

for the year ended 31 March 2023

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 2023.

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	346,821	171,796
Non-controlling interests	15,081	-
	361,902	171,796

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 the financial year ended 31 March 2022, a final single tier dividend of 3.50 sen per ordinary share totalling approximately RM85,178,000 was approved on 30 August 2022 and paid on 23 September 2022.

In respect of the financial year ended 31 March 2023:-

- a single tier interim dividend of 3.50 sen per ordinary share totalling approximately RM85,178,000 was declared on 9 February 2023 and paid on 29 March 2023; and

- a final single tier dividend recommended by the Directors is 3.50 sen per ordinary share totalling approximately RM85,178,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

DIRECTORS 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 Pow#	Mr. Chia Seong Fatt^
Mr. Chia Song Swa#	Mr. Chia Mak Hooi^
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	

^ Resigned as Director on 1 April 2023 and subsequently appointed as alternate Director on 1 April 2023 respectively.
# Resigned as alternate Director on 1 April 2023 and subsequently appointed as Director on 1 April 2023 respectively.

LIST OF DIRECTORS OF SUBSIDIARIES

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

Mr. Ahmad Azlam Bin Jikan
Mr. Ang Han Seng
Mr. Cheah Soon Hai
Mr. Cheah Yaw Song
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
Mrs. Juliet Kristianto Liu
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. Brahanuddin Bin Hussin
Mr. Chia Jooi Seng
Ms. Judith Binti Petrus Pilos
Mr. Kok Wan Shong
Mr. Chua Lee Guan

LIST OF DIRECTORS OF SUBSIDIARIES (CONTINUED)

Dokter Hewan Cecep Mohammad Wahyudin
Mr. Leong Yew Cheong
Mr. Tee Seng Chun (Alternate to Mr. Gan Chih Soon)
Mr. Gan Chih Soon
Mr. Ho Cheok Yuen
Mr. Adrian Chair Yong Huang
Ms. Rina Meileene 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)
Ir. Haryanto (Appointed on 16 August 2022)
Mr. Koh Kim Sing (Appointed on 18 August 2022)
Mr. Kok Hang Seng (Appointed on 20 February 2023)
Mr. Kristianto Kandi Saputro (Deceased on 19 July 2022)
Mr. Chia Chw Pew (Resigned on 28 March 2023)
Mr. Tan Gek Len (Resigned on 1 May 2023)
Mr. Khoo Ng Hiong (Resigned on 30 June 2023)

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 1.4.2022	Bought	Sold	At 31.3.2023
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	2,805,500	269,700	-	3,075,200
Chia Seong Fatt	390,000	-	-	390,000
Chia Mak Hooi	3,905,755	112,200	-	4,017,955
Cheah Juw Teck	4,193,622	202,900	-	4,396,522
Low Teng Lum	6,000	1,000	-	7,000

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

	Number of ordinary shares			
	At 1.4.2022	Bought	Sold	At 31.3.2023
Shareholdings in the Company which Directors have deemed interests:				
Chia Song Kun	1,003,822,371	67,300	(994,100)	1,002,895,571
Chia Song Kooi	4,727,560	-	-	4,727,560
Chia Seong Pow	293,815,796	42,570	(844,100)	293,014,266
Chia Song Swa	4,233,900	14,000	-	4,247,900
Chia Lik Khai	285,480	-	-	285,480
Chia Seong Fatt	290,667,979	37,200	(844,100)	289,861,079
Chia Mak Hooi	713,700	-	-	713,700
Cheah Juw Teck	2,298,000	-	-	2,298,000
Kow Poh Gek	13,845	-	-	13,845
Low Teng Lum	125,825	10,000	-	135,825

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.

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 2023 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 shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	1,298	1,935
Remuneration	39	19,043
Other short-term employee benefits (including estimated monetary value of any benefits-in-kind)	-	205
	1,337	21,183

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 30 August 2022, 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	29,384	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.

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

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

In the opinion of the Directors, except for the government subsidy income as disclosed in Note 23 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 March 2023 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.

SUBSEQUENT EVENT

Details of such event is disclosed in Note 36 to the financial statements.

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the year are RM2,751,000 and RM158,000 respectively. The details of auditors' remuneration are 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: 10 July 2023

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Assets					
Property, plant and equipment	3	2,209,906	2,187,275	-	-
Right-of-use assets	4	520,544	475,265	-	-
Investment properties	5	25,065	26,813	-	-
Intangible assets	6	125,017	128,108	-	-
Investment in subsidiaries	7	-	-	1,319,172	1,349,424
Investment in associates	8	6,202	2,391	-	-
Deferred tax assets	9	14,081	11,803	-	-
Trade and other receivables	10	26,085	24,614	170,068	348,243
Total non-current assets		2,926,900	2,856,269	1,489,240	1,697,667
Biological assets	11	251,914	231,988	-	-
Inventories	12	955,218	679,302	-	-
Current tax assets		32,884	28,944	157	-
Contract assets	13.1	55,743	53,820	-	-
Contract costs	13.2	850	1,075	-	-
Trade and other receivables	10	616,441	495,120	208,006	197,541
Prepayments and other assets	14	66,105	75,487	385	784
Derivative financial assets	15	25,643	4,281	23,551	4,106
Cash and cash equivalents	16	346,499	481,131	18,285	14,915
		2,351,297	2,051,148	250,384	217,346
Assets classified as held for sale	17	6,902	49,638	-	-
Total current assets		2,358,199	2,100,786	250,384	217,346
Total assets		5,285,099	4,957,055	1,739,624	1,915,013
Equity					
Share capital		620,025	620,025	620,025	620,025
Reserves		2,036,420	1,851,101	486,907	480,257
Equity attributable to owners of the Company	18	2,656,445	2,471,126	1,106,932	1,100,282
Non-controlling interests		231,101	235,281	-	-
Total equity		2,887,546	2,706,407	1,106,932	1,100,282

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Liabilities					
Loans and borrowings	19	237,898	436,289	191,308	372,865
Lease liabilities		181,284	145,996	-	-
Other payables	20	6,684	4,642	-	-
Employee benefits	21	12,258	10,875	-	-
Deferred tax liabilities	9	172,756	154,085	-	-
Total non-current liabilities		610,880	751,887	191,308	372,865
Loans and borrowings	19	1,017,168	924,106	247,284	268,969
Lease liabilities		29,493	25,563	-	-
Trade and other payables	20	649,117	463,952	194,100	172,657
Contract liabilities	13.1	77,265	62,221	-	-
Derivative financial liabilities	15	52	490	-	-
Current tax liabilities		13,578	22,429	-	240
Total current liabilities		1,786,673	1,498,761	441,384	441,866
Total liabilities		2,397,553	2,250,648	632,692	814,731
Total equity and liabilities		5,285,099	4,957,055	1,739,624	1,915,013

The notes on pages 129 to 222 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue					
- sale of goods	22	5,935,525	4,968,001	-	-
- construction contracts	22	307,097	267,975	-	-
- dividend income		21	73	176,953	172,681
		6,242,643	5,236,049	176,953	172,681
Cost of sales		(4,988,417)	(4,333,582)	-	-
Gross profit		1,254,226	902,467	176,953	172,681
Administrative expenses		(366,984)	(325,608)	(11,619)	(11,119)
Distribution costs		(322,177)	(240,490)	-	-
Other expenses		(67,219)	(29,140)	(10,001)	(2,325)
Other income		38,484	57,402	11,855	6,562
Results from operating activities	23	536,330	364,631	167,188	165,799
Finance costs	24	(64,475)	(51,721)	(26,319)	(26,457)
Finance income	25	7,760	7,780	31,749	39,105
Share of profits of equity-accounted associates, net of tax		1,216	521	-	-
Profit before tax		480,831	321,211	172,618	178,447
Tax expense	26	(118,929)	(85,670)	(822)	(1,050)
Profit for the year		361,902	235,541	171,796	177,397
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		587	1,367	-	-
		587	1,367	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		7,645	21,387	-	-
Cash flow hedge		5,151	5,784	5,210	6,317
		12,796	27,171	5,210	6,317
Total other comprehensive income for the year, net of tax		13,383	28,538	5,210	6,317
Total other comprehensive income for the year		375,285	264,079	177,006	183,714
Profit attributable to:					
Owners of the Company		346,821	217,345	171,796	177,397
Non-controlling interests		15,081	18,196	-	-
Profit for the year		361,902	235,541	171,796	177,397
Total comprehensive income attributable to:					
Owners of the Company		362,890	245,787	177,006	183,714
Non-controlling interests		12,395	18,292	-	-
Total comprehensive income for the year		375,285	264,079	177,006	183,714
Basic earnings per ordinary share (sen)	27	14	9		

The notes on pages 129 to 222 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

		Attributable to owners of the Company						
		Non-distributable			Distributable			
	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
Group								
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	35.3	-	-	-	(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				

		Attributable to owners of the Company						
		Non-distributable			Distributable			
	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
Group (continued)								
At 1 April 2022		620,025	(78,370)	(3,810)	1,933,281	2,471,126	235,281	2,706,407
Foreign currency translation differences for foreign operations		-	10,306	-	-	10,306	(2,661)	7,645
Cash flow hedge		-	-	5,151	-	5,151	-	5,151
Actuarial gain/(loss) on estimated liabilities for employee benefits		-	-	-	612	612	(25)	587
Total other comprehensive income/(expense) for the year		-	10,306	5,151	612	16,069	(2,686)	13,383
Profit for the year		-	-	-	346,821	346,821	15,081	361,902
Total comprehensive income for the year		-	10,306	5,151	347,433	362,890	12,395	375,285
Contributions by and distributions to owners of the Company								
- Dividend to owners of the Company	28	-	-	-	(170,356)	(170,356)	-	(170,356)
- Dividends to non-controlling interests		-	-	-	-	-	(10,691)	(10,691)
- Acquisition of non-controlling interests	35.1	-	-	-	(7,215)	(7,215)	(5,884)	(13,099)
Total transactions with owners of the Company		-	-	-	(177,571)	(177,571)	(16,575)	(194,146)
At 31 March 2023		620,025	(68,064)	1,341	2,103,143	2,656,445	231,101	2,887,546
		Note 18.1	Note 18.2	Note 18.3				

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Note	Share capital RM'000	Hedging reserves RM'000	Retained earnings RM'000	Total equity RM'000
		Attributable to owners of the Company			
		Non-distributable		Distributable	
Company					
At 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/1 April 2022		620,025	(2,583)	482,840	1,100,282
Cash flow hedge		-	5,210	-	5,210
Total other comprehensive income for the year		-	5,210	-	5,210
Profit for the year		-	-	171,796	171,796
Total comprehensive income for the year		-	5,210	171,796	177,006
Distribution to owners of the Company					
- Dividend to owners of the Company	28	-	-	(170,356)	(170,356)
Total transactions with owners of the Company		-	-	(170,356)	(170,356)
At 31 March 2023		620,025	2,627	484,280	1,106,932
		Note 18.1	Note 18.3		

The notes on pages 129 to 222 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities					
Profit before tax		480,831	321,211	172,618	178,447
Adjustments for:					
Amortisation of:					
- intangible assets	6	2,058	1,563	-	-
Change in fair value of:					
- biological assets	11	19,220	(20,516)	-	-
- agriculture produce		(896)	(2,361)	-	-
Depreciation of:					
- investment properties	5	2,953	3,888	-	-
- property, plant and equipment	3	203,187	190,420	-	10
- right-of-use assets	4	38,319	34,150	-	-
Derivative gain		(198)	(552)	-	-
Dividends from:					
- liquid investments		(22)	(76)	(21)	(73)
- subsidiaries		-	-	(176,932)	(172,607)
Finance costs		64,475	51,721	26,319	26,457
Finance income		(7,760)	(7,780)	(31,749)	(39,105)
Gain on disposal of property, plant and equipment		(4,190)	(1,264)	-	-
Gain on disposal of asset held for sale		(2,684)	-	-	-
Gain on disposal of subsidiary		-	(3,725)	-	-
Gain on unrealised foreign exchange, net		(3,504)	(7,568)	(1,228)	(2,171)
Gain on unrealised liquid investment		(162)	(12)	(162)	(12)
Gain on termination of lease contracts		(96)	(208)	-	-
Impairment loss on:					
- advances to suppliers		125	-	-	-
- contract assets		41	134	-	-
- intangible assets		1,211	-	-	-
- property, plant and equipment		11,738	14	-	-
- trade and other receivables		6,009	5,104	4,225	-
- subsidiary		-	-	1,432	981
Inventories write-down		460	1,110	-	-
Property, plant and equipment written off	3	2,866	1,999	-	-
Share of associates' profits		(1,216)	(521)	-	-
Operating profit/(loss) before changes in working capital		812,765	566,731	(5,498)	(8,073)
Changes in working capital:					
Biological assets		(38,250)	459	-	-
Inventories		(276,376)	(30,910)	-	-
Trade and other receivables and other financial assets		(87,321)	(11,327)	(9,567)	(29,097)
Employee benefits		1,383	(1,154)	-	-
Trade and other payables, including derivatives		215,047	5,463	36,791	(43,884)
Contract assets		(1,964)	(24,593)	-	-
Contract costs		225	2,221	-	-
Contract liabilities		15,044	(8,765)	-	-
Bills payable		115,722	138,351	-	-
Cash generated from/(used in) operations		756,275	636,476	21,726	(81,054)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash generated from/(used in) operations (continued)		756,275	636,476	21,726	(81,054)
Dividends from liquid investments		22	76	21	73
Income taxes paid		(115,493)	(88,983)	(1,219)	(90)
Interest paid		(29,959)	(19,134)	(7,689)	(4,602)
Interest received		7,760	7,780	31,749	39,105
Net cash generated from/(used in) operating activities		618,605	536,215	44,588	(46,568)
Cash flows from investing activities					
Acquisition of:					
- investment properties	5	(964)	(1,807)	-	-
- intangible assets	6	(177)	(446)	-	-
- property, plant and equipment	3	(232,997)	(211,745)	-	-
- leasehold land	4	(6,180)	(8,042)	-	-
Advances from subsidiaries		-	-	207,977	130,943
Change in pledged deposits		(4)	(83)	-	-
Deposit received from sale of asset held for sale		3,090	-	-	-
Dividends received from:					
- associates		605	394	-	-
- subsidiaries		-	-	176,932	172,607
Addition of investment in associate		(3,200)	-	-	-
Net proceeds from disposal of subsidiaries	35.2	-	14,438	-	-
Proceeds from disposal of property, plant and equipment		8,303	8,921	-	-
Proceeds from disposal of investment properties		120	219	-	-
Net cash (used in)/generated from investing activities		(231,404)	(198,151)	384,909	303,550
Cash flows from financing activities					
Acquisition of non-controlling interests	35.1	(13,099)	(7,086)	-	-
Dividends paid to:					
- non-controlling interests		(10,691)	(10,922)	-	-
- owners of the Company	28	(170,356)	(85,178)	(170,356)	(85,178)
Interest paid		(34,516)	(32,587)	(18,630)	(21,855)
Proceeds from:					
- term loans and revolving credit		191,813	221,125	109,369	209,053
Payment of lease liabilities	(iii)	(29,141)	(28,844)	-	-
Repayment of:					
- term loans and revolving credit		(449,220)	(370,238)	(346,510)	(355,764)
- hire purchase liabilities		-	(124)	-	-
- supplier factoring facilities		(624)	(32,910)	-	-
Net cash used in financing activities		(515,834)	(346,764)	(426,127)	(253,744)
Net (decrease)/increase in cash and cash equivalents		(128,633)	(8,700)	3,370	3,238
Cash and cash equivalents at 1 April 2022/2021		471,821	480,521	14,915	11,677
Cash and cash equivalents at 31 March	(ii)	343,188	471,821	18,285	14,915

NOTES TO THE STATEMENTS OF CASH FLOWS

(i) Non-cash transactions

Investing activities

Company

In the previous year, the Company subscribed shares in subsidiaries amounting to RM54,739,000 of which RM54,739,000 was satisfied via capitalisation of debts.

(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 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash and bank balances		323,060	420,535	17,110	13,920
Deposits placed with licensed banks		15,590	35,414	316	310
Liquid investments		7,849	25,182	859	685
	16	346,499	481,131	18,285	14,915
Bank overdrafts	19	(3,121)	(9,124)	-	-
Pledged deposits	16	(190)	(186)	-	-
		343,188	471,821	18,285	14,915

(iii) Cash outflows for leases as a lessee

	Note	Group 2023 RM'000	Group 2022 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	23	9,699	8,361
Payment relating to leases of low-value assets	23	823	1,006
Payment relating to variable lease payments not included in the measurement of lease liabilities	23	1,571	1,894
Interest paid in relation to lease liabilities	24	7,796	7,389
Included in net cash from financing activities:			
Payment of lease liabilities		29,141	28,844
Total cash outflows for leases		49,030	47,494

NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

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

	At 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/ 1.4.2022 RM'000
Group						
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	947,223

	At 31.3.2022/ 1.4.2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Termination of lease contracts RM'000	Remeasurement of leases RM'000	Foreign exchange movement RM'000	At 31.3.2023 RM'000
Group							
Term loans	720,566	(283,114)	-	-	-	43,012	480,464
Lease liabilities	171,559	(29,141)	64,500	(2,896)	6,755	-	210,777
Revolving credit	29,537	25,707	-	-	-	(29)	55,215
Supplier factoring facilities	25,561	(624)	-	-	-	-	24,937
Total liabilities from financing activities	947,223	(287,172)	64,500	(2,896)	6,755	42,983	771,393

	At 1.4.2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2022/ 1.4.2022 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31.3.2023 RM'000
Company							
Term loans	752,850	(124,635)	9,619	637,834	(257,010)	33,928	414,752
Revolving credit	26,177	(22,076)	(101)	4,000	19,869	(29)	23,840
Total liabilities from financing activities	779,027	(146,711)	9,518	641,834	(237,141)	33,899	438,592

The notes on pages 129 to 222 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 2023 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 2023 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 10 July 2023.

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 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 – 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 and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024
- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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*

1. **BASIS OF PREPARATION (CONTINUED)**

(a) Statement of compliance (continued)

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

- 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; and

- from the annual period beginning on 1 April 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards, amendments and interpretations 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.

(c) Functional and presentation currencies

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

(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.

1. **BASIS OF PREPARATION (CONTINUED)**

(d) Use of estimates and judgements (continued)

(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.

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iv) Acquisitions from entities under common controls

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

(v) Loss of control

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

(vi) Associates

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

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

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

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

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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(a) Basis of consolidation (continued)

(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 (CONTINUED)**

(b) Foreign currency (continued)

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

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

(vi) Derecognition

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

Buildings and improvements	5 - 58 years
Farm buildings	10 - 50 years
Fishing boat and equipment	2 - 20 years
Furniture, fittings and equipment	2 - 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

- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

(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.

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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(f) **Leases (continued)**

(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.

(b) **As a lessor**

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(g) **Intangible assets**

(i) **Goodwill**

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

(ii) **Franchise fees, 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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(g) **Intangible assets (continued)**

(iv) **Amortisation (continued)**

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

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. Freehold land is not depreciated.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) **Reclassification to/from investment properties**

When an item of property, plant and equipment is transferred to/from investment property following a change in its use, the transfer does not change the cost and the carrying amount of that property transferred.

(i) **Biological assets**

(i) **Livestock**

Layer and breeder

Layers and breeders are measured at fair value less cost to sell. The fair value of layers and breeders is determined using discounted cash flow model based on expected cash inflow from agriculture produce, less expected cost incurs over the remaining life of the layers and breeders and contributory assets charges for the land and farm houses owned by the Group. Changes in fair value of the livestock are recognised in profit or loss.

Broiler

Broilers are measured at fair value less cost to sell. The fair value of the broilers is estimated based on the selling price, less the estimated costs necessary to nurture the broiler at the point of sale. Changes in fair value of the livestock are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Biological assets (continued)

(ii) Aquaculture

Aquaculture consists of shrimp and fishes. Aquaculture is measured at cost less any accumulated depreciation and any accumulated impairment losses due to 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.

Cost of fish includes cost of immature fish and all attributable costs in breeding the immature fish to saleable condition.

(iii) Agriculture produce

Agriculture produce growing in bearer plants

Produce growing on bearer plants are measured at fair value less cost to sell. Any gains or losses arising from changes in the fair value less cost to sell of produce growing on bearer plants are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the selling price of the produce growing on bearer plants.

Hatching eggs

Hatching eggs are measured at fair value less cost to sell. The fair value of the hatching eggs is determined based on the discounted cash flow from selling of agriculture produce – day-old chick, less estimated hatchery cost to be incurred for hatching the eggs into day-old chick. Changes in fair value of the agriculture produce are recognised in profit or loss.

(j) Inventories

(i) Manufacturing and trading goods

Inventories comprise raw materials, manufactured inventories and trading inventories which are measured at the lower of cost and net realisable value. The cost of inventories is measured based on first-in-first-out principle.

The cost of raw materials and trading inventories comprises the original purchase price plus incidentals in bringing these inventories to their present location and condition. For manufactured inventories, cost consists of raw materials, direct labour, an appropriate portion of fixed and variable production overheads based on normal operating capacity and other incidental costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories (continued)

(ii) Agriculture produce

Layer eggs

Layer eggs are measured at fair value less cost to sell. The fair values of the layer eggs are determined based on the observable market prices in active markets, less the necessary transportation cost at the point of sale. Changes in fair value of the agriculture produce are recognised in profit or loss.

(k) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale or distribution are not depreciated.

(l) Contract assets/liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(o)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(m) Contract cost

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management for their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(o) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, biological assets, 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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(o) Impairment (continued)

(ii) Other assets (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (continued)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(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.

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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group											
Cost											
At 1 April 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	35.2	-	(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/1 April 2022		172,584	655,376	628,497	72,288	364,352	1,279,207	163,238	111,502	99,660	3,546,704
Additions		33	30,168	10,001	-	61,193	30,124	12,445	3,332	85,701	232,997
Disposals		-	(312)	(1,286)	(2,682)	(1,720)	(7,910)	(3,168)	(6,367)	-	(23,445)
Written off		-	(1,689)	(1,058)	(1,575)	(2,438)	(1,131)	(168)	-	(473)	(8,532)
Transfer in/(out)		-	28,023	24,457	-	14,010	55,764	1,128	-	(123,382)	-
Transfer from assets held for sale	17	-	16,239	-	-	379	18,528	5,275	17,744	74	58,239
Transfer to right-of-use assets	4	-	-	-	-	-	-	-	-	(1,741)	(1,741)
Effect of movements in exchange rates		195	(329)	4,716	-	343	1,977	546	995	309	8,752
At 31 March 2023		172,812	727,476	665,327	68,031	436,119	1,376,559	179,296	127,206	60,148	3,812,974

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)											
Depreciation and impairment loss											
At 1 April 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	35.2	-	(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

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings and improvements RM'000	Farm buildings RM'000	Fishing boat and equipment RM'000	Furniture, fittings and equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Bearer plants RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)											
Depreciation and impairment loss (continued)											
At 1 April 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
Depreciation for the year		-	31,412	28,302	3,513	36,785	82,032	14,764	6,379	-	203,187
Disposals		-	(236)	(562)	(2,572)	(1,421)	(5,750)	(2,963)	(5,828)	-	(19,332)
Written off		-	(987)	(597)	(678)	(2,310)	(926)	(168)	-	-	(5,666)
Impairment loss		-	400	-	-	-	-	-	-	11,338	11,738
Transfer from assets held for sale	17	-	13,550	-	-	341	17,469	5,201	14,374	-	50,935
Effect of movements in exchange rates		-	(25)	1,320	-	224	821	152	285	-	2,777
At 31 March 2023											
- Accumulated depreciation		-	207,632	204,505	32,581	184,870	780,440	130,916	44,113	-	1,585,057
- Accumulated impairment loss		-	1,295	-	-	215	5,162	1	-	11,338	18,011
		-	208,927	204,505	32,581	185,085	785,602	130,917	44,113	11,338	1,603,068
Carrying amounts											
At 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/1 April 2022		172,584	490,563	452,455	39,970	212,886	587,251	49,307	82,599	99,660	2,187,275
At 31 March 2023		172,812	518,549	460,822	35,450	251,034	590,957	48,379	83,093	48,810	2,209,906

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000
Company	
Cost	
At 1 April 2021/31 March 2022/1 April 2022/31 March 2023	495
Accumulated depreciation	
At 1 April 2021	485
Depreciation for the year	10
At 31 March 2022/1 April 2022/31 March 2023	495
Carrying amounts	
At 1 April 2021	10
At 31 March 2022/1 April 2022/31 March 2023	-

3.1 **Capital work-in-progress**

Capital work-in-progress is in respect of the ongoing construction of buildings and installation of plant and machinery in certain subsidiaries.

3.2 **Assets pledged to licensed banks**

Freehold land and buildings with carrying amount of RM830,000 (2022: RM830,000) and RM3,115,000 (2022: RM3,192,000) respectively are pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

3.3 **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.

3.4 **Impairment loss**

During the current financial year, the Group has carried out the impairment reassessment of certain property, plant and equipment of a subsidiary. As a result, the Group fully impaired the said asset with carrying amount of RM11,338,000 (2022: RM Nil) recognised the impairment as other expenses in profit or loss during the year.

3.5 **Capitalised borrowing costs**

In the previous financial year, included in the additions to the property, plant and equipment of the Group are borrowing costs capitalised ranging from 2.20% - 4.67% per annum amounting to RM993,000.

4. RIGHT-OF-USE ASSETS

	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
Group							
At 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	35.2	(1,609)	-	-	-	-	(1,609)
At 31 March 2022/ 1 April 2022		289,811	17,389	-	570	167,495	475,265
Additions		6,180	27	-	1,029	63,444	70,680
Transfer from property, plant and equipment	3	1,741	-	-	-	-	1,741
Transfer from assets held for sale	17	6,836	386	-	-	-	7,222
Depreciation		(6,279)	(442)	-	(403)	(31,195)	(38,319)
Remeasurement		(10)	-	-	(61)	6,826	6,755
Derecognition		(780)	-	-	(40)	(1,980)	(2,800)
At 31 March 2023		297,499	17,360	-	1,095	204,590	520,544

The Group entities lease a number of retail stores, offices, hostels and warehouses that run between 1 to 15 years (2022: 3 to 15 years), with an option to renew the lease after that date. There is no extension or renewal option for motor vehicles.

Leasehold land has an original unexpired lease period between 1 year and 914 years (2022: 1 year and 914 years).

In the previous financial year, 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. 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.

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 RM619,000 (2022: RM632,000) 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Leases with lease payments based on sales	1,571	1,894	1,387	178

5. INVESTMENT PROPERTIES

	Note	Group RM'000
Cost		
At 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/1 April 2022		43,314
Additions		964
Disposal		(220)
Effect of movement in exchange rates		398
At 31 March 2023		44,456
Depreciation and impairment loss		
At 1 April 2021		
- Accumulated depreciation		11,348
- Accumulated impairment loss		1,221
		12,569
Depreciation for the year		3,888
Transfer from property, plant and equipment	3	26
Effect of movement in exchange rates		18
At 31 March/1 April 2022		
- Accumulated depreciation		15,280
- Accumulated impairment loss		1,221
		16,501
Depreciation for the year		2,953
Disposal		(100)
Effect of movement in exchange rates		37
At 31 March 2023		
- Accumulated depreciation		18,170
- Accumulated impairment loss		1,221
		19,391
Carrying amounts		
At 1 April 2021		19,841
At 31 March/1 April 2022		26,813
At 31 March 2023		25,065

Investment properties with carrying amount of RM5,713,000 (2022: RM5,842,000) have been pledged to licensed banks as security for banking facilities granted to the Group (see Note 19.1).

5. INVESTMENT PROPERTIES (CONTINUED)

The following are recognised in profit or loss:

	Group	
	2023 RM'000	2022 RM'000
Lease income	2,826	1,381
Direct operating expenses:		
- income generating investment properties	(145)	(87)
- non-income generating investment properties	(58)	(58)

The operating lease payments to be received are as follows:

	Group	
	2023 RM'000	2022 RM'000
Less than one year	239	210
One to five years	317	458
Total undiscounted lease payments	556	668

Fair value information

Fair value of investment properties are categorised as follows:

	Group Level 3	
	2023 RM'000	2022 RM'000
Land and building	68,490	68,345

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. The significant unobservable inputs include adjustments to price per square feet at comparable properties.

6. INTANGIBLE ASSETS

	Goodwill RM'000	Franchise fees RM'000	License RM'000	Contractual production backlog RM'000	Other intangible assets RM'000	Total RM'000
Group						
Cost						
At 1 April 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/1 April 2022	121,578	3,960	487	5,315	511	131,851
Additions	-	-	-	-	177	177
Effect of movements in exchange rates	-	-	-	-	1	1
At 31 March 2023	121,578	3,960	487	5,315	689	132,029
Amortisation and impairment loss						
At 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/1 April 2022						
- Accumulated amortisation	-	1,138	-	2,215	156	3,509
- Accumulated impairment loss	234	-	-	-	-	234
	234	1,138	-	2,215	156	3,743
Amortisation for the year	-	198	-	1,772	88	2,058
Impairment loss for the year	858	-	-	-	353	1,211
At 31 March 2023						
- Accumulated amortisation	-	1,336	-	3,987	244	5,567
- Accumulated impairment loss	1,092	-	-	-	353	1,445
	1,092	1,336	-	3,987	597	7,012
Carrying amounts						
At 1 April 2021	121,344	3,078	487	4,315	-	129,224
At 31 March/1 April 2022	121,344	2,822	487	3,100	355	128,108
At 31 March 2023	120,486	2,624	487	1,328	92	125,017

For the purpose of the impairment testing, goodwill is allocated to the following cash-generating units at which the goodwill is monitored for internal management purposes:

	Note	2023 RM'000	2022 RM'000
Engineering, procurement and construction ("EPC") for Clean Energy business	6.1	113,585	113,585
Multiple units without significant goodwill	6.2	6,901	7,759
		120,486	121,344

6. INTANGIBLE ASSETS (CONTINUED)

6.1 Impairment testing for EPC for Clean Energy business

The Group has assessed the recoverable amount using value-in-use method using the discounted cash flows expected to be generated from the continuing use of the cash-generating unit based on the following key assumptions:

- Cash flows were projected based on 5 years (2022: 5 years) plan and an estimated long-term growth rate of 3% (2022: 2%).
- The anticipated annual revenue growth included in the cash flow on average of 7% (2022: 8%) based on historical growth performance and anticipate growth within the next 5 years.
- Pre-tax discount rate of approximately 12% (2022: 12%) were applied in determining the recoverable amount of the unit. 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 unit and are based on both external sources and internal sources (historical data). These key assumptions are not particularly sensitive.

The recoverable amount is higher than its carrying value.

6.2 The recoverable amounts of the respective cash-generating units without significant goodwill were based on value in use method. These calculations use pre-tax cash flow projections based on financial budgets approved by management. During the year, the Group has recognised impairment loss of goodwill amounting to RM858,000.

7. INVESTMENT IN SUBSIDIARIES

	Note	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost	7.1	1,094,177	1,094,177
Amounts due from subsidiaries	7.2	226,427	255,247
Less: Impairment loss		(1,432)	-
		1,319,172	1,349,424

7.1 In the previous financial year, the Company subscribed shares in subsidiaries amounting to RM54,739,000 of which RM54,739,000 was satisfied via capitalisation of debts.

7.2 The amounts due from subsidiaries are advances of:

i) RM172,877,000 (2022: RM194,047,000) which are subject to fixed interest rate from 2.22% to 6.50% (2022: 2.22% to 6.50%) per annum and the repayment is neither planned nor likely to occur in the foreseeable future; and

ii) RM53,550,000 (2022: RM61,200,000) which are subject to the Company's weighted average cost of funds ("COF") (2022: COF) per annum and the repayment is neither planned nor likely to occur in the foreseeable future.

Details of the Company's subsidiaries are shown in Note 34.

7. **INVESTMENT IN SUBSIDIARIES (CONTINUED)**

Non-controlling interests in subsidiaries

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

	31.3.2023						
	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%	47.43%		
Carrying amount of NCI	67,111	7,172	(1,275)	6,250	147,547	4,296	231,101
Total comprehensive income/(expense) allocated to NCI	5,725	436	(3,884)	1,483	7,633	1,002	12,395
Summarised financial information before intra-group elimination							
As at 31 March							
Non-current assets	132,915	119,779	160,981	51,594	177,731		
Current assets	119,441	85,493	74,469	8,478	281,083		
Non-current liabilities	(14,972)	(36,747)	(9,912)	(8,004)	(21,014)		
Current liabilities	(9,192)	(96,907)	(230,540)	(3,159)	(135,306)		
Net assets/(Net liabilities)	228,192	71,618	(5,002)	48,909	302,494		

7. **INVESTMENT IN SUBSIDIARIES (CONTINUED)**

Non-controlling interests in subsidiaries (continued)

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

	31.3.2023				
	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	192,858	210,159	89,066	52,323	377,684
Total comprehensive income/(expense)	19,464	4,509	(15,233)	11,607	16,280
Cash flows from operating activities	14,218	42,220	9,134	16,130	12,677
Cash flows used in investing activities	(9,155)	(13,152)	(2,881)	(4,456)	(9,008)
Cash flows used in financing activities	(12,759)	(20,570)	(84,168)	(10,772)	(10,901)
	(7,696)	8,498	(77,915)	902	(7,232)
Dividends paid to NCI	(3,709)	-	-	(833)	(4,836)

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

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

	31.3.2022 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		

7. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

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

	31.3.2022 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)

8. INVESTMENT IN ASSOCIATES

	Group 2023 RM'000	2022 RM'000
At cost:		
Unquoted shares	5,794	2,594
Less: Impairment loss	(49)	(49)
	5,745	2,545
Share of post-acquisition reserve	457	(154)
	6,202	2,391

During the year, the Group via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd. acquired 2,500,000 ordinary shares in Belmont Logistics Sdn. Bhd. ("Belmont") representing 25% of the issued and paid-up capital in Belmont for a total consideration of RM3,200,000 only.

8. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2023 %	Effective ownership interest and voting interest 2022 %
Indahgrains Logistics Sdn. Bhd.*	Malaysia	Operating of warehouse and warehouse management	29.87	29.87
AB Hatchery Sdn. Bhd.*	Malaysia	Larvae farming and trading	42.74	42.74
Belmont Logistics Sdn. Bhd.*	Malaysia	Warehousing and storage services	25.00	-

* 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Property, plant and equipment and investment properties	301	1,495	(203,412)	(193,118)	(203,111)	(191,623)
Right-of-use assets, net of lease liabilities	2,101	2,276	(12,039)	(12,222)	(9,938)	(9,946)
Biological assets	-	-	(6,400)	(8,284)	(6,400)	(8,284)
Unutilised tax losses	10,817	14,457	-	-	10,817	14,457
Unabsorbed capital allowances	36,164	45,716	-	-	36,164	45,716
Other temporary differences	16,719	9,122	(2,926)	(1,724)	13,793	7,398
Tax assets/(liabilities)	66,102	73,066	(224,777)	(215,348)	(158,675)	(142,282)
Set off of tax	(52,021)	(61,263)	52,021	61,263	-	-
Net tax assets/(liabilities)	14,081	11,803	(172,756)	(154,085)	(158,675)	(142,282)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the year

	At 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/ 1.4.2022 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income RM'000	At 31.3.2023 RM'000
Group							
Property, plant and equipment and investment properties	(166,109)	(25,514)	-	(191,623)	(11,488)	-	(203,111)
Right-of-use assets, net of lease liabilities	(10,528)	582	-	(9,946)	8	-	(9,938)
Biological assets	(3,578)	(4,706)	-	(8,284)	1,884	-	(6,400)
Unutilised tax losses	1,928	12,529	-	14,457	(3,640)	-	10,817
Unabsorbed capital allowances	32,698	13,018	-	45,716	(9,552)	-	36,164
Other temporary differences	8,181	(398)	(385)	7,398	6,561	(166)	13,793
	(137,408)	(4,489)	(385)	(142,282)	(16,227)	(166)	(158,675)

Unrecognised deferred tax

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

	Group 2023 RM'000	Group 2022 RM'000
Unutilised tax losses	(125,704)	(121,825)
Unabsorbed capital allowances and investment tax allowances carry-forwards	(18,836)	(14,296)
Other taxable temporary differences	(6,132)	(10,269)
	(150,672)	(146,390)

The unutilised tax losses of subsidiaries in Malaysia of RM96,074,000 (2022: RM93,477,000) can be carried forward up to 10 consecutive years of assessment under the tax legislation in Malaysia, whereas the unutilised tax losses of subsidiaries in Indonesia of RM29,630,000 (2022: RM21,635,000) and Vietnam of RM Nil (2022: RM6,713,000) will expire over a 5-year period. The remaining unutilised tax losses, 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 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Subsidiaries	10.1	-	-	170,068	348,243
Other receivables	10.2	25,185	23,778	-	-
Trade receivables		900	836	-	-
		26,085	24,614	170,068	348,243
Current					
Trade					
Trade receivables		462,016	427,617	-	-
Non-trade					
Subsidiaries	10.1	-	-	213,212	198,522
Less: Impairment loss		-	-	(5,206)	(981)
		-	-	208,006	197,541
Other receivables	10.2	154,425	67,503	-	-
		154,425	67,503	208,006	197,541
		616,441	495,120	208,006	197,541
		642,526	519,734	378,074	545,784

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) RM127,929,000 (2022: RM191,932,000) which is unsecured, subject to fixed interest rate from 1.70% to 4.67% (2022: 1.70% to 6.00%) per annum with fixed terms of repayment over a period of 1 to 5 years (2022: 1 to 7 years);

ii) RM238,184,000 (2022: RM333,392,000) which is subject to the Company's weighted average cost of funds ("COF") (2022: COF) per annum with fixed terms of repayment over a period of 1 to 6 years (2022: 1 to 7 years); and

iii) RM Nil (2022: RM676,000) which is subject to Company's COF (2022: 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 RM16,796,000 (2022: RM16,564,000).

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 RM8,389,000 (2022: RM7,214,000).

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

10.2 Other receivables (continued)

iii) Included in current other receivables of the Group relate to refundable deposits for utilities amounting to RM4,570,000 (2022: RM3,697,000) and advance payments for purchases of plant and equipment amounting to RM7,139,000 (2022: RM6,483,000).

iv) Included in current other receivables of the Group are advances made to suppliers of certain subsidiaries amounting to RM54,440,000 (2022: RM33,581,000) 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 RM38,257,000 (2022: RM9,030,000).

vi) Included in current other receivables arising from remaining purchase consideration of the disposal of assets classified as held for sale amounting to RM27,804,000 (2022: RM Nil).

10.3 Trade receivables

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

	Group 2023 RM'000	Group 2022 RM'000
A person connected with a Director	677	632
Companies in which certain Directors have interests	2,511	5,027
	3,188	5,659

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

11. BIOLOGICAL ASSETS

	Group 2023 RM'000	Group 2022 RM'000
At cost:		
Aquaculture biological assets	1,549	5,229
At fair value less cost to sell:		
- Livestock biological assets	246,214	219,166
- Hatching eggs	2,934	4,468
- Fresh fruit bunches	1,217	3,125
	250,365	226,759
	251,914	231,988

11. BIOLOGICAL ASSETS (CONTINUED)

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:

	2023 RM'000	2022 RM'000
At 1 April 2022/2021	226,759	204,075
Additions	335,829	287,943
Depopulation/Livestock losses	(294,669)	(288,430)
Changes in fair value recognised in profit or loss	(19,220)	20,516
Effect of movements in exchange rates	1,666	2,655
At 31 March	250,365	226,759

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	
	2023 heads	2022 heads	2023	2022
Livestock:				
- Layers	10.4 million	9.9 million	2.4 billion eggs	2.5 billion eggs
- Breeders	0.5 million	0.4 million	49 million DOC*	42 million DOC*
- Broilers	2.0 million	1.7 million	37 million kg	36 million kg

* DOC: Day-old chick

For fresh fruit bunches, total mature planted area amounted to 8,403 hectares (2022: 8,569 hectares). During the financial year, the Group has harvested approximately 140,472 MT (2022: 155,510 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 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.

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.

11. BIOLOGICAL ASSETS (CONTINUED)

Valuation processes applied by the Group (continued)

Biological assets measured at fair value less cost to sell: (continued)

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 eggs.

Fresh fruit bunches ("FFB")

The fair value is estimated by the management based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated selling price of the produce growing on bearer plants.

To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible. Therefore, quantity of unripe FFB on bearer plants of up to 15 days prior to harvest was used for valuation purpose.

Fair value information

The Group has classified its livestock, hatching eggs and fresh fruit bunches measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

11. **BIOLOGICAL ASSETS (CONTINUED)**

Fair value information (continued)

Type	Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Layers and Breeders	Discounted cash flow Fair values of the layers and breeders are determined using discounted cash flow model. The expected net cash flows are discounted using risk-adjusted discount rate.	• Estimated selling price of the agriculture produce • Estimated feed cost	The estimated fair value would increase/(decrease) if: • The estimated selling price of the agriculture produce were higher/(lower) • The estimated feed cost were lower/(higher)
Broilers	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)

11. **BIOLOGICAL ASSETS (CONTINUED)**

Fair value information (continued)

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

	2023	2022
Layers		
Estimated average eggs' selling prices per piece (sen)	41 – 49	39 – 44
Estimated feed costs (RM per MT)	1,969 – 2,292	1,725 – 2,065
Breeders		
Estimated selling prices of the day-old chick (RM)	1.50 – 2.36	1.70 – 2.10
Estimated feed costs (RM per MT)	2,169 – 2,307	1,929 – 2,121
Broilers		
Estimated selling prices of the broiler at the point of sale (RM per KG)	5.52 – 7.27	5.94 – 6.66
Hatching eggs		
Estimated selling prices of the day-old chick at point of sales (RM)	1.50 – 2.16	1.35 – 2.15
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (RM per MT)	597 - 748	888 – 1,250

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	
	2023	2022
Layers		
Estimated average selling price of eggs		
- Increased by 5%	+15.18%	+14.25%
- Decreased by 5%	-15.18%	-14.25%
Estimated feed costs (per MT)		
- Increased by 5%	-9.35%	-8.57%
- Decreased by 5%	+9.35%	+8.57%
Breeders		
Estimated selling price of the day-old chick		
- Increased by 5%	+9.60%	+9.07%
- Decreased by 5%	-9.60%	-9.07%
Estimated feed costs (per MT)		
- Increased by 5%	-3.88%	-3.40%
- Decreased by 5%	+3.88%	+3.40%

11. BIOLOGICAL ASSETS (CONTINUED)

Sensitivity analysis (continued)

	Effect on fair value of respective biological assets	
	2023	2022
Broilers		
Estimated selling price of the broiler at the point of sale (per KG)		
- Increased by 5%	+9.56%	+10.96%
- Decreased by 5%	-9.56%	-10.96%
Hatching eggs		
Estimated selling price of the day-old chick		
- Increased by 5%	+8.50%	+6.70%
- Decreased by 5%	-8.50%	-6.70%
Fresh fruit bunches		
Estimated selling price of the fresh fruit bunches (per MT)		
- Increased by 5%	+16.64%	+7.28%
- Decreased by 5%	-16.64%	-7.28%

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	
	2023 RM'000	2022 RM'000
At cost:		
Raw materials	263,570	203,453
Manufactured and trading inventories	681,341	463,691
	944,911	667,144
At net realisable value:		
Raw materials	2,454	2,785
Manufactured and trading inventories	3,229	4,433
	950,594	674,362
At fair value:		
Agricultural produce – layer eggs	4,624	4,940
	955,218	679,302

13. CONTRACT WITH CUSTOMERS

13.1 Contract assets/(liabilities)

Group	2023 RM'000	2022 RM'000
Contract assets	55,743	53,820
Contract liabilities	(77,265)	(62,221)

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 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 RM2,915,000 (2022: RM2,688,000).

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 or expired, which is expected to occur over a year;

ii) advance considerations of RM5,723,000 (2022: RM9,217,000) received from customers for their purchases; and

iii) advance considerations of RM68,627,000 (2022: RM50,316,000) 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	2023 RM'000	2022 RM'000
Cost to fulfil a contract	850	1,075

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Prepayments	50,582	55,011	357	756
Other assets	15,523	20,476	28	28
	66,105	75,487	385	784

15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2023			2022		
	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)
Derivatives used for hedging						
- Cross currency swap	341,286	22,024	-	549,586	3,873	-
- Forward exchange contracts	89,977	2,092	(52)	149,073	175	(49)
- Interest rate swap	59,601	1,527	-	102,736	233	-
	490,864	25,643	(52)	805,203	4,281	(490)
Company						
Derivatives used for hedging						
- Cross currency swap	341,286	22,024	-	549,586	3,873	-
- Interest rate swap	59,601	1,527	-	102,736	233	-
	400,887	23,551	-	652,322	4,106	-

The commodity future contracts were entered into with the objective of managing and hedging the Group's exposure to adverse commodity price movements. The cross currency swap and interest rate swap contracts of the Group and of the Company are mainly used to hedge against its exposures of foreign currency and movements in interest rates.

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

16. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		323,060	420,535	17,110	13,920
Deposits with licensed banks	16.1	15,590	35,414	316	310
Liquid investments	16.2	7,849	25,182	859	685
		346,499	481,131	18,285	14,915

16.1 Deposits with licensed banks

Included in the deposits with licensed banks of the Group is RM190,000 (2022: RM186,000) 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 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 within next financial year. As at end of reporting period, the assets classified as held for sale are as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Property, plant and equipment			
Cost			
As at 1 April 2022/2021		88,928	2,479
Transfer (to)/from property, plant and equipment	3	(58,239)	86,449
Disposal		(28,210)	-
As at 31 March		2,479	88,928
Accumulated depreciation			
As at 1 April 2022/2021		(50,935)	-
Transfer to/(from) property, plant and equipment	3	50,935	(50,935)
		-	(50,935)
		2,479	37,993
Right-of-use assets			
As at 1 April 2022/2021		9,288	2,066
Transfer (to)/from right-of-use assets	4	(7,222)	7,222
		2,066	9,288
Investment property			
As at 1 April 2022/2021		2,357	-
Transfer from investment property	5	-	2,357
		2,357	2,357
Carrying amount		6,902	49,638

17. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

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 2023 RM'000	Number of shares 2023 '000	Amount 2022 RM'000	Number of shares 2022 '000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 April 2022/31 March 2023/1 April 2021/31 March 2022	620,025	2,433,657	620,025	2,433,657

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

18.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM as well as the exchange differences arising from monetary items that in substance form the Company's net investments in subsidiaries.

18.3 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

19. LOANS AND BORROWINGS

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Term loans					
- Conventional - unsecured		223,841	419,972	179,660	359,399
- Conventional - secured	19.1	2,409	2,851	-	-
- Islamic - unsecured		11,648	13,466	11,648	13,466
		237,898	436,289	191,308	372,865
Current					
Term loans					
- Conventional - unsecured		239,625	255,990	220,948	237,122
- Conventional - secured	19.1	445	440	-	-
- Islamic - unsecured		2,496	27,847	2,496	27,847
Bank overdrafts					
- Unsecured		3,121	9,124	-	-
Bills payable					
- Conventional - unsecured		624,991	487,370	-	-
- Islamic - unsecured		66,338	88,237	-	-
Revolving credit					
- Unsecured		55,215	29,537	23,840	4,000
Supplier factoring facilities	20.4	24,937	25,561	-	-
		1,017,168	924,106	247,284	268,969
		1,255,066	1,360,395	438,592	641,834

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.

20. TRADE AND OTHER PAYABLES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-current					
Other payables	20.1	6,684	4,642	-	-
Current					
Trade					
Trade payables	20.2	419,028	272,914	-	-
Associate	20.3	852	1,060	-	-
		419,880	273,974	-	-
Non-trade					
Other payables	20.1	123,808	106,924	95	38
Supplier factoring facilities	20.4	17,366	17,933	-	-
Accrued expenses	20.5	88,063	65,121	2,359	3,386
Subsidiaries	20.6	-	-	191,646	169,233
		649,117	463,952	194,100	172,657
		655,801	468,594	194,100	172,657

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 3.97% (2022: 3.73%).

Current

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

	Group 2023 RM'000	Group 2022 RM'000
Companies in which certain Directors have interests	14	89
Amount due to non-controlling interests and its related parties	65,448	64,573
	65,462	64,662

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

20. TRADE AND OTHER PAYABLES (CONTINUED)

20.2 Trade payables

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

	Group 2023 RM'000	Group 2022 RM'000
Companies in which certain directors of subsidiaries have interests	294	403

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 RM3,101,000 (2022: RM2,688,000), 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 2.88% - 3.98% (2022: 2.86% - 2.89%) 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	
	2023 RM'000	2022 RM'000
a. Expense recognised in profit or loss		
Current service cost	2,160	1,421
Past service cost	(184)	(1,666)
Interest on obligation	1,096	891
Net employee benefit expense	3,072	646
b. Present value of defined employee benefit obligations		
Net employee benefit expense	12,258	10,875
c. Present value of defined employee benefit obligations		
Defined employee benefit obligations at 1 April 2022/2021	10,875	12,029
Current service cost and interest	3,072	646
Payment during the year	(992)	(366)
Actuarial gain recorded in other comprehensive income	(753)	(1,752)
Effect of movements in exchange rate	56	318
Defined employee benefit obligations at 31 March	12,258	10,875

The principal assumptions used in determining the retirement benefit cost at end of the reporting period are as follows:

Calculation method	:	Projected Unit Credit
Normal pension age	:	55 - 57 years
Annual salary increment (estimated)	:	5.00% - 10.20% (2022: 5.00% - 10.20%)
Annual discount rate	:	7.00% - 7.27% (2022: 6.92% - 8.16%)
Mortality level	:	Indonesian Mortality Table ("TMI") 3 & 4
Disability level	:	10% from mortality level (2022: 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.

22. REVENUE

	Marine-products manufacturing		Palm oil and clean energy		Integrated livestock farming		Convenience store chain		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group										
Major products and service lines										
Sale of goods	1,341,701	1,164,856	293,392	379,960	3,439,415	2,786,474	861,017	636,711	5,935,525	4,968,001
Construction contracts	-	-	307,097	267,975	-	-	-	-	307,097	267,975
	1,341,701	1,164,856	600,489	647,935	3,439,415	2,786,474	861,017	636,711	6,242,622	5,235,976
Primary geographical markets										
Malaysia	853,331	762,769	336,190	414,627	2,117,866	1,771,576	861,017	636,711	4,168,404	3,585,683
Indonesia	155,565	80,132	251,438	227,426	720,886	571,218	-	-	1,127,889	878,776
Vietnam	13,056	2,582	230	-	360,409	257,936	-	-	373,695	260,518
Other countries	319,749	319,373	12,631	5,882	240,254	185,744	-	-	572,634	510,999
	1,341,701	1,164,856	600,489	647,935	3,439,415	2,786,474	861,017	636,711	6,242,622	5,235,976
Timing and recognition										
At a point in time	1,341,701	1,164,856	293,392	379,960	3,439,415	2,786,474	861,017	636,711	5,935,525	4,968,001
Over time	-	-	307,097	267,975	-	-	-	-	307,097	267,975
	1,341,701	1,164,856	600,489	647,935	3,439,415	2,786,474	861,017	636,711	6,242,622	5,235,976

22. REVENUE (CONTINUED)

Sale 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 7 days to 90 days (2022: 30 days to 90 days) from invoice date or cash term. There were no warranties given to the customers, nor any variable element in the consideration except for customers who purchase the goods using the customer loyalty programme are entitled to earn loyalty points that are redeemable against future purchases and will be recognised as revenue when the points are redeemed by the customers, which is expected to occur over a year.

The Group allocates a portion of the consideration received to the loyalty points. The consideration allocated to the points issued is estimated by reference to the monetary value attributable to the redemption points and are based on the best estimate of future redemption profile. This amount is deferred and included in contract liabilities.

Construction contracts

Revenue from construction services is recognised over time using the input method, determined based on proportion of construction costs incurred for work performed to-date over the estimated total construction costs. Generally, payment terms for revenue from customers is 30 days from invoice date. Transaction price is computed based on the price specified in the contract. 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 (2022: 3 months to 5 years) from the date of completion.

The following table shows revenue from performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date:

Group	2023 RM'000	2022 RM'000
Within 1 year	238,653	168,031
More than 1 year	82,636	83,318
	321,289	251,349

The amounts disclose does not include any variable consideration which are constrained.

There was no performance obligation that are unsatisfied in the previous financial year ended.

23. RESULTS FROM OPERATING ACTIVITIES

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Results from operating activities is arrived at after charging:					
Auditors' remuneration:					
- Audit fees					
KPMG in Malaysia					
- current year		1,866	1,676	158	142
- prior years		-	29	-	-
Overseas affiliates of KPMG in Malaysia		305	276	-	-
Other auditors		580	462	-	-
- Non-audit fees					
KPMG in Malaysia		129	108	30	30
Overseas affiliates of KPMG in Malaysia		113	107	-	-
Material expenses:					
Amortisation of intangible assets	6	2,058	1,563	-	-
Amortisation of investment properties	5	2,953	3,888	-	-
Bad debts written off		-	26	-	-
Depreciation of property, plant and equipment	3	203,187	190,420	-	10
Depreciation of right-of-use assets	4	38,319	34,150	-	-
Impairment loss:					
- contract assets		41	134	-	-
- intangible assets		1,211	-	-	-
- property, plant and equipment		11,738	14	-	-
- subsidiary		-	-	1,432	-
- advances to suppliers		125	-	-	-
- trade and other receivables		6,009	5,104	4,225	981
Inventories write-down		460	1,110	-	-
Loss on change in fair value of biological assets, net	11	19,220	-	-	-
Loss on foreign exchange, net:					
- realised		6,504	-	-	-
- unrealised		3,504	-	-	-
Personnel expenses (including key management personnel):					
- contributions to state plans		33,453	30,030	-	-
- expenses related to defined benefit plans		3,072	646	-	-
- wages, salaries and others		534,596	434,730	1,370	1,277
Property, plant and equipment written off		2,866	1,999	-	-

23. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Material income:					
Dividend income from:					
- Subsidiaries (unquoted)		-	-	176,932	172,607
- Liquid investments		22	76	21	73
Derivative gain		198	552	-	-
Gain on change in fair value of biological assets, net	11	-	20,516	-	-
Gain on change in fair value of agriculture produce, net		896	2,361	-	-
Gain on disposal of subsidiary	35.2	-	3,725	-	-
Gain on foreign exchange, net:					
- realised		-	3,196	6,121	3,141
- unrealised		-	7,568	1,228	2,171
Gain on liquid investments, net:					
- unrealised		162	12	162	12
Gain on disposal of property, plant and equipment		4,190	1,264	-	-
Gain on disposal of asset held for sale		2,684	-	-	-
Gain on termination of lease contracts		96	208	-	-
Government grant	a	111,872	13,771	-	-
Reversal of impairment loss of advances to suppliers		-	703	-	-
Expenses arising from leases:					
Expenses relating to short-term leases		9,699	8,361	-	-
Expenses relating to leases of low-value assets		823	1,006	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		1,571	1,894	-	-
Income arising from leases:					
Rental of equipment		8	14	-	-
Rental of premises		2,826	1,381	-	-

Note a

Included in government grant are government subsidy income received amounted to RM110,526,000 (2022: RM9,030,000) to mitigate the high production cost caused by the hike in commodity feed prices whilst the government imposed price control for chicken and egg. This government subsidy income was recognised in profit or loss in cost of sales where the raw material costs were recognised. The outstanding balances of the government subsidy receivables is disclosed in Note 10.

24. FINANCE COSTS

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans	31,664	30,233	19,232	21,388
- bank overdrafts	844	699	-	-
- bills payable	17,525	9,280	-	-
- hire purchase liabilities	-	7	-	-
- lease liabilities	7,796	7,389	-	-
- revolving credit	2,852	2,347	1,667	1,424
- supplier factoring facilities	957	328	-	-
- subsidiaries	-	-	5,420	3,645
	61,638	50,283	26,319	26,457
Other finance costs	2,837	1,438	-	-
	64,475	51,721	26,319	26,457

25. FINANCE INCOME

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- deposits placed with licensed banks	6,995	6,799	288	182
- subsidiaries	-	-	31,461	38,923
- others	290	177	-	-
Interest income of financial assets measured at fair value through profit or loss mandatorily:				
- liquid investment	475	804	-	-
	7,760	7,780	31,749	39,105

26. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax expense on continuing operations	118,929	85,670	822	1,050
Share of tax of equity-accounted associates	422	172	-	-
Total tax expense	119,351	85,842	822	1,050
Current tax expense				
- Current year	97,240	83,098	864	1,056
- Under/(Over) provision in prior years	5,399	(1,917)	(42)	(6)
	102,639	81,181	822	1,050
Deferred tax expense				
- Origination of temporary differences	12,528	3,654	-	-
- Under provision in prior years	3,762	835	-	-
	16,290	4,489	-	-
Share of tax of equity-accounted associates	422	172	-	-
Total tax expense	119,351	85,842	822	1,050
Reconciliation of tax expense				
Profit for the year	361,902	235,541	171,796	177,397
Total income tax expense	119,351	85,842	822	1,050
Profit excluding tax	481,253	321,383	172,618	178,447
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	115,501	77,132	41,428	42,827
Effect of tax rates in foreign jurisdictions	(7,522)	(669)	-	-
Non-deductible expenses	11,069	12,772	5,917	2,431
Tax exempt income	(6,640)	(3,132)	(46,481)	(44,202)
Tax incentives	(4,364)	(3,026)	-	-
Effect of temporary differences not recognised	2,316	3,930	-	-
Under/(Over) provided in prior years	9,161	(1,082)	(42)	(6)
Others	(170)	(83)	-	-
Tax expense	119,351	85,842	822	1,050

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 RM346,821,000 (2022: RM217,345,000) and the weighted average number of ordinary shares in issue during the year.

	2023 '000	2022 '000
Weighted average number of ordinary shares at 31 March	2,433,657	2,433,657
Basic earnings per ordinary share (sen)	14	9

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share at 31 March 2023 and 31 March 2022.

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2023			
Interim 2023	3.50	85,178	29 March 2023
Final 2022	3.50	85,178	23 September 2022
		170,356	
2022			
Final 2021	3.50	85,178	15 October 2021

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2023 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 (CONTINUED)

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, feed-milling, animal health supplement and 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 four geographical areas: Malaysia, Indonesia, Vietnam and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers, segment assets are based on the geographical location of the assets.

29. OPERATING SEGMENTS (CONTINUED)

	Marine-products manufacturing		Palm oil and clean energy		Integrated livestock farming		Convenience store chain		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Business segments										
Revenue from external customers	1,341,701	1,164,856	600,489	647,935	3,439,415	2,786,474	861,017	636,711	6,242,622	5,235,976
Segment profit before taxation	242,232	200,764	11,736	45,329	183,115	32,115	43,748	43,003	480,831	321,211
Included in the measurement of segment profit before taxation are:										
Inter-segment revenue	157,232	131,554	8,756	14,227	8,416	6,848	6	-	174,410	152,629
Finance costs	(4,273)	(4,545)	(4,924)	(5,994)	(45,456)	(32,360)	(9,822)	(8,822)	(64,475)	(51,721)
Finance income	2,026	1,858	2,377	3,029	2,795	2,354	562	539	7,760	7,780
Depreciation and amortisation	(64,222)	(66,931)	(27,385)	(27,227)	(95,200)	(91,297)	(59,710)	(44,566)	(246,517)	(230,021)
Share of profits of associates, net of tax	-	-	-	-	1,216	521	-	-	1,216	521
Not included in the measurement of segment profit before taxation but provided to CODM:										
Tax expense	(60,179)	(45,537)	(7,365)	(11,698)	(41,711)	(16,660)	(9,674)	(11,775)	(118,929)	(85,670)

29. OPERATING SEGMENTS (CONTINUED)

	Marine-products manufacturing 2023 RM'000	Marine-products manufacturing 2022 RM'000	Palm oil and clean energy 2023 RM'000	Palm oil and clean energy 2022 RM'000	Integrated livestock farming 2023 RM'000	Integrated livestock farming 2022 RM'000	Convenience store chain 2023 RM'000	Convenience store chain 2022 RM'000	Consolidated 2023 RM'000	Consolidated 2022 RM'000
Segment assets	1,339,601	1,323,571	863,892	900,605	2,447,389	2,206,455	634,217	526,424	5,285,099	4,957,055
Segment liabilities	225,367	254,023	290,088	318,361	1,472,401	1,341,521	409,697	336,743	2,397,553	2,250,648
Included in the measurement of segment assets are:										
Investment in associates	-	-	-	-	6,202	2,391	-	-	6,202	2,391
Additions to non-current assets other than financial instruments and deferred tax assets	58,930	54,760	7,477	9,098	102,886	104,215	135,525	90,888	304,818	258,961

	Malaysia 2023 RM'000	Malaysia 2022 RM'000	Indonesia 2023 RM'000	Indonesia 2022 RM'000	Vietnam 2023 RM'000	Vietnam 2022 RM'000	Other countries 2023 RM'000	Other countries 2022 RM'000	Consolidated 2023 RM'000	Consolidated 2022 RM'000
Geographical segments										
Revenue from external customers	4,925,195	4,161,487	966,325	806,328	350,175	257,238	927	10,923	6,242,622	5,235,976
Non-current assets other than deferred tax assets	2,228,320	2,164,038	474,670	483,582	209,827	196,841	2	5	2,912,819	2,844,466

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
2023				
Financial assets				
Group				
Derivative financial assets	25,643	-	-	25,643
Trade and other receivables, excluding advances to suppliers	588,086	588,086	-	-
Cash and cash equivalents	346,499	338,650	7,849	-
	960,228	926,736	7,849	25,643
Company				
Derivative financial assets	23,551	-	-	23,551
Trade and other receivables	378,074	378,074	-	-
Cash and cash equivalents	18,285	17,426	859	-
	419,910	395,500	859	23,551
Financial liabilities				
Group				
Loans and borrowings	(1,255,066)	(1,255,066)	-	-
Derivative financial liabilities	(52)	-	-	(52)
Trade and other payables	(655,801)	(655,801)	-	-
	(1,910,919)	(1,910,867)	-	(52)
Company				
Loans and borrowings	(438,592)	(438,592)	-	-
Trade and other payables	(194,100)	(194,100)	-	-
	(632,692)	(632,692)	-	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.1 Categories of financial instruments (continued)

	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)	-	-

30.2 Net losses and gains arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net (losses)/gains on:				
Financial liabilities at amortised cost	(66,687)	(44,323)	(25,091)	(24,287)
Financial assets at amortised cost	1,751	13,414	33,645	41,266
Financial assets at FVTPL	184	88	183	85
Financial liabilities at FVTPL	198	552	-	-
	(64,554)	(30,269)	8,737	17,064

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not have any significant exposure to any individual counterparty. The Group has credit policy in place to ensure that transactions are conducted with creditworthy counterparty.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

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	
	2023 RM'000	2022 RM'000
Malaysia	362,071	358,985
Indonesia	127,185	86,348
Vietnam	6,468	5,770
Others	22,935	31,170
	518,659	482,273

Recognition and measurement of impairment loss

In managing credit risk of receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 to 150 days.

The Group uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2023			
Current (not past due)	384,540	(2,133)	382,407
1-30 days past due	86,983	(1,381)	85,602
31-60 days past due	17,776	(336)	17,440
61-90 days past due	7,333	(555)	6,778
91-120 days past due	13,756	(538)	13,218
More than 120 days past due	18,229	(6,510)	11,719
	528,617	(11,453)	517,164
Credit impaired			
Individually impaired	16,595	(15,100)	1,495
	545,212	(26,553)	518,659
Trade receivables	488,388	(25,472)	462,916
Contract assets	56,824	(1,081)	55,743
	545,212	(26,553)	518,659
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

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 instalment plan, and other credit enhancement in managing exposure to credit risk.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of receivables net of advances to suppliers during the year are shown below.

	Trade receivables			
	Lifetime ECL RM'000	Credit impaired RM'000	Contract assets RM'000	Total RM'000
Group				
Balance at 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/1 April 2022	8,270	13,811	1,040	23,121
Amounts written off	(131)	(2,487)	-	(2,618)
Net remeasurement of loss allowance	3,314	2,695	41	6,050
Balance at 31 March 2023	11,453	14,019	1,081	26,553

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, and government subsidy receivables. The deposit paid 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.

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.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM855,017,000 (2022: RM800,863,000) 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.

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:

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.4 Credit risk (continued)

Intercompany loans and advances (continued)

Recognition and measurement of impairment loss (continued)

Company	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2023			
Low credit risk	378,074	-	378,074
Credit impaired	5,206	(5,206)	-
	383,280	(5,206)	378,074
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:

	Lifetime ECL RM'000
Company	
Balance at 1 April 2021	-
Net remeasurement of loss allowance	981
Balance at 31 March/1 April 2022	981
Net remeasurement of loss allowance	4,225
Balance at 31 March 2023	5,206

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 manages 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 liability as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group							
2023							
Non-derivative financial liabilities							
Revolving credit	55,215	2.88 - 9.04	56,570	56,570	-	-	-
Lease liabilities	210,777	2.88 - 4.92	247,323	38,349	32,853	59,490	116,631
Bank overdrafts	3,121	2.66 - 9.50	3,230	3,230	-	-	-
Bills payable	691,329	2.60 - 9.04	721,695	721,695	-	-	-
Term loans	480,464	1.66 - 10.50	500,507	266,225	173,534	59,942	806
Trade and other payables	649,117	-	649,117	649,117	-	-	-
Supplier factoring facilities	24,937	2.57	25,578	25,578	-	-	-
	2,114,960		2,204,020	1,760,764	206,387	119,432	117,437
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	-	-	87,937	87,937	-	-	-
Inflow	(2,040)	-	(89,977)	(89,977)	-	-	-
	2,112,920		2,201,980	1,758,724	206,387	119,432	117,437

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group							
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	-	-	-
	1,996,221		2,083,877	1,450,987	269,867	277,864	85,159

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000
Company						
2023						
Non-derivative financial liabilities						
Revolving credit	23,840	2.88 - 6.32	24,920	24,920	-	-
Term loans	414,752	1.66 - 6.01	429,121	243,239	150,257	35,625
Trade and other payables	2,454	-	2,454	2,454	-	-
Amount due to subsidiaries	191,646	2.88 - 3.98	198,218	198,218	-	-
Financial guarantees	-	-	855,017	855,017	-	-
	632,692		1,509,730	1,323,848	150,257	35,625

	Carrying amount RM'000	Contractual interest/ discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Company							
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

30. **FINANCIAL INSTRUMENTS (CONTINUED)**

30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's and the Company's financial position or cash flows.

30.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk arising from transactions that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily US Dollars.

The management does not view the exposure to other currencies to be significant.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's foreign exchange management policies are to minimise exposures arising from currency movements. The Group monitors currency movements closely and may enter into foreign currency swaps, forward foreign currency contracts and options to limit its exposure when the needs arise.

Exposure to foreign currency risk

The Group's and the Company's main exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD	
	2023 RM'000	2022 RM'000
Group		
Trade receivables	21,236	29,833
Loans and borrowings	(542,672)	(755,529)
Trade payables	(176,886)	(77,806)
Forward exchange contracts	89,977	149,072
Cross currency swap	341,286	549,586
Cash and cash equivalents	71,398	53,573
Net exposure	(195,661)	(51,271)
Company		
Trade and other receivables	28,628	25,103
Loans and borrowings	(423,592)	(637,834)
Cross currency swap	341,286	549,586
Cash and cash equivalents	10,267	10,548
Net exposure	(43,411)	(52,597)

30. **FINANCIAL INSTRUMENTS (CONTINUED)**

30.6 Market risk (continued)

30.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 1.50% (2022: 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	
	2023 RM'000	2022 RM'000
Group		
USD	2,231	584
Company		
USD	495	600

A 1.50% (2022: 1.50%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

30.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

In managing interest rate risk, the Group and the Company maintain a balanced portfolio of fixed and floating rate instruments. All interest rate exposures are monitored and managed by the Group and the Company on a regular basis.

30. **FINANCIAL INSTRUMENTS (CONTINUED)**

30.6 Market risk (continued)

30.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial assets	15,590	35,414	128,245	192,242
Financial liabilities	(774,583)	(665,905)	(23,840)	(4,000)
Lease liabilities	(210,777)	(171,559)	-	-
	(969,770)	(802,050)	104,405	188,242
Floating rate instruments				
Financial assets	330,909	445,717	256,153	348,673
Financial liabilities	(480,483)	(694,490)	(606,398)	(807,067)
	(149,574)	(248,773)	(350,245)	(458,394)

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 2023 RM'000	50 bp decrease 2023 RM'000	50 bp increase 2022 RM'000	50 bp decrease 2022 RM'000
Group				
Floating rate instruments	(568)	568	(945)	945
Company				
Floating rate instruments	(1,331)	1,331	(1,742)	1,742

30. **FINANCIAL INSTRUMENTS (CONTINUED)**

30.7 Hedging activities

30.7.1 Cash flow hedge

The Group entered into forward exchange contracts as hedges for purchases denominated in foreign currencies. The Group and the Company also entered into cross currency swap and interest rate swap to hedge against its exposures of borrowings in foreign currency and movements in interest rates. The commodities futures were entered into with the objective of managing and hedging the Group's exposure to adverse commodity price movements.

During the year, the Group and the Company had recognised net gain of RM5,151,000 and RM5,210,000 (2022: net gain of RM5,784,000 and RM6,317,000) respectively in other comprehensive income.

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings approximate fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate borrowings and long term advances to subsidiaries approximate fair values as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
2023										
Financial assets										
Forward exchange contracts	-	2,040	-	2,040	-	-	-	-	2,040	2,040
Liquid investments	7,849	-	-	7,849	-	-	-	-	7,849	7,849
Cross currency swap	-	22,024	-	22,024	-	-	-	-	22,024	22,024
Interest rate swap	-	1,527	-	1,527	-	-	-	-	1,527	1,527
	7,849	25,591	-	33,440	-	-	-	-	33,440	33,440

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group										
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	-	-	-	-	-	-	(12,108)	(12,108)	(12,108)	(11,056)
Forward exchange contracts	-	(49)	-	(49)	-	-	-	-	(49)	(49)
Commodity future contracts	-	(441)	-	(441)	-	-	-	-	(441)	(441)
	-	(490)	-	(490)	-	-	(12,108)	(12,108)	(12,598)	(11,546)

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.8 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Company										
2023										
Financial assets										
Amount due from subsidiaries	-	-	-	-	-	-	127,974	127,974	127,974	127,929
Cross currency swap	-	22,024	-	22,024	-	-	-	-	22,024	22,024
Interest rate swap	-	1,527	-	1,527	-	-	-	-	1,527	1,527
Liquid investments	859	-	-	859	-	-	-	-	859	859
	859	23,551	-	24,410	-	-	127,974	127,974	152,384	152,339
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

30. FINANCIAL INSTRUMENTS (CONTINUED)

30.8 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: 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, cross currency swap, commodity future contracts and interest rate swap are based on the information 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
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	
	2023 RM'000	2022 RM'000
Capital commitments:		
Property, plant and equipment		
Contracted but not provided for	62,350	56,225

32. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital is to maintain a healthy capital ratio and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain the confidence of shareholders, creditors and other stakeholders in the Group and the Company and to sustain the future development of the business.

There were no change in the Group and the Company's approach to capital management during the financial year.

32. CAPITAL MANAGEMENT (CONTINUED)

The summary of quantitative data used in capital management is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net debt (excluding lease liabilities)				
Loans and borrowings (note 19)	1,255,066	1,360,395	438,592	641,834
Less: Cash and cash equivalents (note 16)	(346,499)	(481,131)	(18,285)	(14,915)
	908,567	879,264	420,307	626,919
Total equity	2,887,246	2,706,407	1,106,932	1,100,282

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.

33. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Group	
	2023 RM'000	2022 RM'000
With companies in which certain Directors and/or person(s) connected to them have interests:		
M.B. Agriculture (Sandakan) Sdn. Bhd.:		
Sales	(8,057)	(11,393)
Purchases	666	520
M.B. Agriculture (Sabah) Sdn. Bhd.:		
Sales	(4,454)	(28,171)
Arena Dijaya Sdn. Bhd.:		
Sales	(4,989)	(9,170)
Highglobal Properties Sdn. Bhd.:		
Purchases	1,377	1,111
Sin Teow Fatt Trading Co.:		
Purchases	897	936
Cheah Joo Kiang Enterprise:		
Sales	(6,283)	(5,461)
E Koon Trading:		
Purchases	2,440	2,241
Fusipim Sdn. Bhd.:		
Sales	(351)	(1,315)
Eita Electric Sdn. Bhd.:		
Purchases	1,799	1,096
With companies in which certain directors of certain subsidiaries and person(s) connected to them have interests:		
Perikanan Sri Tanjung Sdn. Bhd.:		
Purchases	1,057	815
Timurikan Trengganu Sdn. Bhd.:		
Purchases	654	56
Primem (Chenzhou) Co. Ltd.:		
Purchases	310	628
Associates		
Gross dividends received	(605)	(394)
Warehousing services	8,306	9,119
Subsidiaries		
Finance income	(31,461)	(38,923)
Dividend received	(176,932)	(172,607)
Finance costs	5,420	3,645
Management fee expense	8,157	7,432

33. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

The key management personnel compensation are as follows:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Directors of the Company				
- Fees	1,935	1,819	1,298	1,205
- Remuneration	19,043	17,633	39	37
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	205	176	-	-
	21,183	19,628	1,337	1,242
Directors of subsidiaries				
- Fees	459	534	72	72
- Remuneration	11,026	10,988	-	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	209	247	-	-
	11,694	11,769	72	72
	32,877	31,397	1,409	1,314

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 2023 %	Effective ownership interest 2022 %
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 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

34. SUBSIDIARIES (CONTINUED)

Name of company	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
PT. QL Agrofood[(a)]	Layer farming, broiler farming, breeder farming and feed milling	100	100
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary	Investment holding	95	90
QL Pacific Vet Group Sdn. Bhd.	Trading of feed supplement, animal health food and agricultural products	95	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 fertilizer	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 fertilizer, 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
Merkaya Sdn. Bhd.	Property holding	100	100
QL Agrobio Sdn. Bhd.	Commercial production and supply of biologically digested feeding raw materials	100	100
QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries	Investment holding, poultry farming, and provision of ancillary transportation services	90	90
QL Rawang Poultry Farm Sdn. Bhd.	Property holding	90	90
Haji Hussin Markom Sdn. Bhd.	Dormant	54	54
QL Vietnam AgroResources Liability Limited Company[(b)]	Poultry farming	100	100
QL International Pte. Ltd.	Marketing and trading of animal raw materials	100	100
PT. QL Feed Indonesia[(a)]	Trading of animal feed raw materials and related products	88	88
QL Palm Pellet Sdn. Bhd.	Investment holding	90	90

34. SUBSIDIARIES (CONTINUED)

Name of company	Principal activities	Effective ownership interest	
		2023 %	2022 %
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
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

34. SUBSIDIARIES (CONTINUED)

Name of company	Principal activities	Effective ownership interest	
		2023 %	2022 %
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)]	Investment holding	100	100
Kuala Kedah Fish Meal Sendirian Berhad	Property investment	100	100
KS Monodon Sdn. Bhd.	Dormant	100	100
Kembang Subur Sdn. Bhd. and its subsidiaries	Hatchery and culturing of shrimps and fishes	87.22	87.22
Kembang Subur (Perak) Sdn. Bhd.	Dormant	87.22	87.22
KS Pekan Hatchery Sdn. Bhd.	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	52.57	51.99

34. SUBSIDIARIES (CONTINUED)

Name of company	Principal activities	Effective ownership interest 2023 %	2022 %
Boilermech Sdn. Bhd.	Engaged in the business of manufacturing, repairing and servicing of boilers	52.57	51.99
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	52.57	51.99
Zenith Index Sdn. Bhd.	Engaged in the business of manufacturing bio energy systems	52.57	51.99
PT Boilermech and its subsidiary[a]	Engaged in trading services especially in repairing, servicing, installation and commissioning of biomass boilers	52.57	51.99
PT Boilermech Manufacturing Indonesia[a]	Engaged in the business of manufacturing, repairing and servicing of boilers	52.57	51.99
Boilermech Oretech Sdn. Bhd.	Engaged in the business of supplying palm oil recovery enhancement system	52.57	51.99
Tera VA Sdn. Bhd.	Engaged in the business of dealing and installation of green solar power energy products and electrical equipment	52.57	31.19
Teknologi Enviro-Kimia (M) Sdn. Bhd. and its subsidiaries	Engaged in the business of general trader and contractor of water treatment chemicals and equipment and investment holdings	31.66	31.31
T.E.K. Greencare Sdn. Bhd.	Dormant	31.66	31.31
T.E.K. Water Sdn. Bhd.	Supplier of water treatment chemical and related accessories	31.66	31.31
TEK Biotechnology Sdn. Bhd	Management services, technical consultancy service, project management, laboratory testing, trading and engineering works	25.33	25.05
QL IPC Sdn. Bhd. and its subsidiaries	Investment holding	100	100
Axrail Pte. Ltd.[e] 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

34. SUBSIDIARIES (CONTINUED)

(a) Subsidiaries incorporated in Indonesia and audited by another firm of accountants.

(b) Subsidiaries incorporated in Vietnam and audited by a member firm of KPMG.

(c) Subsidiaries incorporated in Singapore and audited by another firm of accountants.

(d) Subsidiary incorporated in Indonesia and consolidated based on management accounts.

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

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

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

	Number of ordinary shares At 1.4.2022	Bought	Sold	At 31.3.2023
Interest in non wholly-owned subsidiaries via QL Feedingstuffs Sdn. Bhd.				
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary	2,736,000	304,000	152,000	2,888,000
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

34. SUBSIDIARIES (CONTINUED)

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

	Number of ordinary shares			
	At 1.4.2022	Bought	Sold	At 31.3.2023
Interest in non wholly-owned subsidiaries via				
QL Foods Sdn. Bhd.				
Citra Jernih Sdn. Bhd.	70,000	-	-	70,000
Mesra Prima Sdn. Bhd.	70,000	-	-	70,000
QL Prima Sdn. Bhd.	70,000	-	-	70,000
Interest in non wholly-owned subsidiary via				
QL Green Resources Sdn. Bhd.				
Leisure Pyramid Sdn. Bhd.	1,300,000	-	-	1,300,000
Boilermech Holdings Berhad and its subsidiaries	268,271,106	2,992,000	-	271,263,106
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	280,000	-	700,000
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.	610,000	300,000	-	910,000

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

35.1 Acquisition and disposal of non-controlling interest in 2023

Boilermech Holdings Berhad

During the financial year, the Group, via its wholly-owned subsidiary, QL Green Resources Sdn. Bhd. ("QLGR") acquired an additional 0.58% equity interest in Boilermech Holdings Berhad ("Boilermech") for a total consideration of RM2,558,000. As a result, the Company's ownership interest in Boilermech increased from 51.99% to 52.57%.

In August 2022 and January 2023, the Group acquired an additional 5% and 35% equity interest for total cash consideration of RM630,000 and RM8,200,000 respectively in Tera VA Sdn. Bhd., increasing its ownership from 60% to 100%. Upon completion of the acquisition, Tera VA Sdn. Bhd. became a wholly-owned subsidiary.

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

35.1 Acquisition and disposal of non-controlling interest in 2023 (continued)

QL Feedingstuffs Sdn. Bhd.

In November 2022, the Group, via QL Feedingstuffs Sdn. Bhd. ("QLF") entered into a Share Purchase Agreement with Cheah Soon Hai to acquire 304,000 ordinary shares in Pacific Vet Group (M) Sdn. Bhd. ("PVG") for a total consideration of RM3,421,000. Following the acquisition, PVG became a wholly-owned subsidiary of the Group, via QLF.

In February 2023, the Group, via QLF entered into a Share Purchase Agreement with Dr Kok Hang Seng to dispose its 152,000 ordinary shares in PVG for a total consideration of RM1,710,395 only. Following the disposal, QLF's shareholding in PVG decreased from 100% to 95% of the issued and paid-up capital of PVG.

35.2 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
		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

35.3 Acquisition of non-controlling interest in 2022

Boilermech Holdings Berhad

During the year, the Group, via its wholly-owned subsidiary, QL Green Resources Sdn. Bhd. ("QLGR") acquired an additional of 1.46% equity interest 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%.

36. SUBSEQUENT EVENT

(i) In April 2023, the Group via its subsidiary, Kembang Subur Sdn. Bhd. entered into a Share Acquisition Agreement with Mr. Lee Ah Choy and Mr. Tay Kuan Huat to acquire 100 ordinary shares in Agromacy Sdn. Bhd. for a total cash consideration of RM404,000.

Agromacy Sdn. Bhd. is a private limited company incorporated and domiciled in Malaysia. The company has total issued and paid-up share capital of RM100. The company is principally engaged in coconut plantation and has been dormant since 2021.

The acquisition was completed on 26 May 2023. Following the acquisition, Agromacy Sdn. Bhd. became a wholly-owned subsidiary of Kembang Subur Sdn. Bhd., which in turn is 87.22% owned by the Group.

(ii) On 7 July 2023, the Group via its wholly-owned subsidiary, QL Lian Hoe (S) Pte. Ltd. ("QLLHS"), has convened an Extraordinary General Meeting on matters relating to members' voluntary winding up in accordance with the relevant sections of Singapore's Insolvency, Restructuring and Dissolution Act 2018 ("Winding Up") as the board of directors of QLLHS have no intention to further carry out any operational activities going forward.

The Winding Up of QLLHS will not have significant financial and operational impact on the Company and its Group for the financial year ending 31 March 2024.

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 119 to 222 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 2023 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: 10 July 2023

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 119 to 222 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 10 July 2023.

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 2023 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 119 to 222.

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 2023, 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 RM250,365,000 of biological assets measured at fair value less cost to sell as at 31 March 2023. 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 meeting that discussed on the outlook of the projected selling prices and projected feed costs; • We evaluated the appropriateness of the methodology used by management in valuation of the biological assets; • We assessed the appropriateness of the key assumptions and relevant inputs used by the management in the valuation model by comparing to the external data as well as the historical data provided to us by the management;

Key Audit Matters (continued)

i) Valuation of biological assets – Livestock (continued)	
Refer to Note 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. (continued)	
Key audit matter	**How the matter was addressed in our audit**
	Our audit procedures performed over this area included, among others: (continued) • In respect of the projected selling prices and feed costs, we performed testing by comparing the projected selling prices against externally derived data, historical trends and other collaborative evidence available; • We tested the Group's control over the recording of livestock quantities. Our testing involved a comparison of actual quantity to our expectations, derived based on our understanding of the operation, size of the farms and subsequent quantities sold; and • We evaluated the adequacy of the disclosure, including disclosure of key assumptions, judgments and sensitivities analysis performed by the management.

ii) 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.	
The 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 2023. 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, long-term growth rate and discount 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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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.

- 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: 10 July 2023

LIST OF PROPERTIES

as at 31 March 2023

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	**107,115**	14
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 m²	5,742	
					Gross build-up area: 106,319 m²	83,233	5
						88,975	
PT QL Agrofood	1) HGB No. 1919 2) 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.	49,835 1,587	8 8
	3) SHM No. 332 Kec. Jampang Tengah Desa. Cijulang Kabupaten Sukabumi, Jawa Barat	(01.08.2022)		Feedmill	1.21 acres	1,732	1
						53,154	
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	18,000	
					Built up area 245,000 sq. ft. (factory building)	16,030	18
				5-storey workers hostel.	908.8 sq. m. (9,782 sq. ft.)	4,072	6 months
						38,102	
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.	**38,011**	N/A
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 sq. m. 3.55 ha	**32,055**	8

Owner Company	Particulars of property	Date of revaluation or (date of acquisition)	Tenure	Existing use	Land & Build-up area	Net Book Value (RM'000)	Age of building (years)
QL 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 sq. m. 4.365 ha	**30,767**	19
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.	2,732 193 25,750 **28,675**	19
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.	**24,252**	N/A
KS Galah Sdn. Bhd.	H.S.(D) 168498, PT 162048, Mukim Klang, Daerah Klang, Negeri Selangor	(27.03.2019)	99-year leasehold expiring on 24.02.2097	Vacant Industrial land	Provisional land area 9.604 acres (9.605 acres) or 418,357.33 sq. ft. (418,393.8 sq. ft.)	**22,497**	N/A

SHAREHOLDERS' ANALYSIS REPORT

as at 30 June 2023

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	565	22,430	0.001
100 to 1,000	3,016	1,758,479	0.072
1,001 to 10,000	4,468	18,225,362	0.749
10,001 to 100,000	2,500	82,197,257	3.378
100,001 to less than 5% of issued shares	943	1,175,989,458	48.322
5% and above of issued shares	2	1,155,464,153	47.478
	11,494	2,433,657,139	100.000

Directors' Shareholdings

Name of directors	No. of shares held			
	Direct	%^	Indirect	%^
Chia Song Kun	1,316,250	0.054	1,002,895,571*	41.209
Chia Song Kooi	1,696,500	0.070	4,727,560**	0.194
Chia Seong Pow	3,540,000	0.145	293,014,266#	12.040
Chia Song Swa	1,105,650	0.045	4,247,900**	0.175
Cheah Juw Teck	4,396,522	0.181	2,298,000**	0.094
Chia Lik Khai	3,075,200	0.126	285,480##	0.012
Chia Seong Fatt (Alternate Director)	390,000	0.016	289,861,079#	11.911
Chia Mak Hooi (Alternate Director)	4,017,955	0.165	713,700##	0.029
Low Teng Lum	7,000	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	1,002,895,571	41.209
5	Chia Seong Pow	3,540,000	0.145	293,014,266	12.040
6	Chia Seong Fatt	390,000	0.016	289,861,079	11.911

List of 30 Largest Shareholders

No.	Name of Shareholders	Shareholdings	%
1	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR CBG (L) PTE LTD (PB)	873,831,859	35.906
2	FARSATHY HOLDINGS SDN. BHD.	281,632,294	11.572
3	CBG (L) PTE LTD	105,764,250	4.345
4	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	56,098,647	2.305
5	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	41,000,000	1.684
6	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	36,518,700	1.500
7	LEMBAGA TABUNG HAJI	35,400,000	1.454
8	AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	30,329,980	1.246
9	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	23,059,550	0.947
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	19,578,650	0.804
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	17,270,340	0.709
12	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	15,724,630	0.646
13	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	13,727,064	0.564
14	PERMODALAN NASIONAL BERHAD	13,000,000	0.534
15	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. PBTB FOR TAKAFULINK DANA EKUITI	12,239,055	0.502
16	CITIGROUP NOMINEES (ASING) SDN. BHD. CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	11,239,250	0.461
17	CHIA SONG PHUAN	10,111,676	0.415
18	LIU & CHIA HOLDINGS SDN. BHD.	9,742,350	0.400
19	CHIA SIANG ENG	9,368,054	0.384
20	CITIGROUP NOMINEES (ASING) SDN. BHD. UBS AG	9,063,960	0.372

List of 30 Largest Shareholders (continued)

No.	Name of Shareholders	Shareholdings	%
21	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. PAMB FOR PRULINK EQUITY FUND	8,101,073	0.332
22	KEE SIOK HIN	8,040,375	0.330
23	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	8,000,000	0.328
24	HSBC NOMINEES (ASING) SDN. BHD. JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	7,994,700	0.328
25	CARTABAN NOMINEES (ASING) SDN. BHD. BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	7,849,000	0.322
26	LIU FUI MOY	7,339,040	0.301
27	HSBC NOMINEES (ASING) SDN. BHD. J.P. MORGAN SECURITIES PLC	7,133,879	0.293
28	ATTRACTIVE FEATURES SDN. BHD.	7,062,750	0.290
29	CHIA BAK LANG	6,615,450	0.271
30	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC TREASURES GROWTH FUND	6,543,030	0.268

DISCLOSURE ON RECURRENT RELATED PARTY TRANSACTIONS

Existing Recurrent Related Party Transactions ("RRPT")

(a) Transactions between QL Group and companies in which Mr. Chia Song Kun and person(s) connected to him have interests:

No.	Transacting Parties	Nature of Transaction	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 30 August 2022 to 30 June 2023 (RM'000)	Actual transacted value for the financial year ended 31 March 2023 (RM'000)
1.	QL Fishery Group and the following companies:- • 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	Purchase of raw fish; sale of surimi and surimi-based product; sale of frozen fish; renting of property; purchase of lubricant and packing material	15,850	15,150	8,276	10,108
2	QL Feedingstuffs Group and the following companies:- • M.B. Agriculture (Sabah) Sdn. Bhd. • Arena Dijaya Sdn. Bhd. • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd.	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 fertiliser and animal health product	62,650	62,150	8,492	17,529
3.	QL Oil Group and the following companies:- • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd.	Purchase of fresh fruit bunch and ERP fertiliser	2,800	3,300	1,861	2,526
	Total		**81,300**	**80,600**	**18,629**	**30,163**

(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.	Transacting Parties	Nature of Transaction	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 30 August 2022 to 30 June 2023 (RM'000)	Actual transacted value for the financial year ended 31 March 2023 (RM'000)
1.	QL Fishery Group and M.B. Agriculture (Sandakan) Sdn. Bhd.	Sale of frozen fish	200	200	56	77
2.	QL Feedingstuffs Group and the following companies:- • M.B. Agriculture (Sabah) Sdn. Bhd. • Arena Dijaya Sdn. Bhd. • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd.	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 fertiliser and animal health product	62,650	62,150	8,492	17,529
3.	QL Oil Group and the following companies:- • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd.	Purchase of fresh fruit bunch and ERP fertiliser	2,800	3,300	1,861	2,526
	Total		**65,650**	**65,650**	**10,409**	**20,132**

c) Transactions between QL Group and companies in which Mr. Chua Lee Guan and person(s) connected to him have interests:

No.	Transacting Parties	Nature of Transaction	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 30 August 2022 to 30 June 2023 (RM'000)	Actual transacted value for the financial year ended 31 March 2023 (RM'000)
1.	QL Fishery Group and the following companies:- • 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.	Purchase of spare part and other consumable; purchase of fish	6,500	6,500	2,028	2,438
	Total		**6,500**	**6,500**	**2,028**	**2,438**

Additional RRPT

Transaction between QL Group and companies in which Mr. Chia Song Kun, Mr. Chia Seong Pow/Mr. Chia Seong Fatt and person(s) connected to them have interests:

No.	Transacting parties	Nature of Transaction	Estimated Value from the date of the forthcoming AGM to the next AGM (RM'000)
1.	QL Oil Group and Amazing Synergy Realty Sdn. Bhd.	Purchase of fresh fruit bunch	300
	Total		**300**

Note:
[1] *The new estimated value is based on the Management's estimate, which takes into account the transacted amount for the financial year ended 31 March 2023 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.*

Relationship of the Related Parties/transacting parties with the Related Parties of QL and Persons Connected to them

Transacting parties	Related Parties of QL and Persons Connected to them	Remark
QL Fishery Group and the following companies:- • 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	Interested Directors and/or Major Shareholders of QL:- • Chia Song Kun (“**SKun**”)[i] • Chia Song Kooi (“**SKooi**”)[ii] • Cheah Juw Teck (“**JTeck**”)[iii] • Chia Song Phuan (“**SPhuan**”)[iv] • Cheah Yaw Song (“**YSong**”)[iv] • Chia Song Pou (“**SPou**”)[iv] • Chia Song Kang (“**SKang**”)[iv] • Chia Seong Fatt (“**SFatt**”)[v] • Chia Seong Pow (“**SPow**”)[v] • CBG (L) Pte. Ltd (“**CBG (L)**”)[vi] • CBG (L) Foundation (“**CBG Foundation**”)[vii] • Farsathy Holdings Sdn. Bhd. (“**Farsathy**”)[viii][ix] Persons Connected to the above:- • Chia Kah Chuan[x] • Eng Seng Poo[x] • Cheah Joo Kiang[xi] • Cheah Jui Koon[xi] • Chia Song Swa[xii] • Imbangan Lestari Sdn. Bhd.[xiii] • CBG Holdings Sdn. Bhd.[xiv]	(i) SKun is a Director and Major Shareholder of QL with total shareholding of 41.26% in QL. He is also a Director of certain subsidiaries of QL Fishery Group, QL Feedingstuffs Group and QL Oil Group, and a member of the Chia Family. He has deemed interests in QL Fishery Group, QL Feedingstuffs Group and QL Oil Group by virtue of his interests in QL. (ii) SKooi is a Director and shareholder of QL. He is also a Director of certain subsidiaries of QL Fishery Group, QL Feedingstuffs Group and QL Oil Group as well as a member of the Chia Family. (iii) JTeck is a Director and shareholder of QL as well as a Director of certain subsidiaries of QL Fishery Group. He is YSong’s son. (iv) SPhuan, YSong, SPou and SKang are Directors of certain subsidiaries in QL Fishery Group, shareholders of QL and members of the Chia Family. (v) SFatt and SPow are Directors and Major Shareholders of QL with total shareholding of 11.93% and 12.19% respectively in QL. They are brothers and SKun’s brother-in-law. SFatt is also a Director of certain subsidiaries of QL Feedingstuffs Group and QL Oil Group whilst SPow is a Director of certain subsidiaries of QL Fishery Group and QL Feedingstuffs Group. (vi) CBG (L) is a Major Shareholder of QL with total shareholding of 40.25% in QL. It is a body corporate that is accustomed or under an obligation, formal or informal, to act in accordance with the directions, instructions or wishes of the beneficiaries of CBG Foundation. The entire shareholdings in CBG (L) are held by CBG Foundation. The Directors of CBG (L) are SKun, SKang, SPou, SKooi, YSong, SPhuan, Chia Song Swa, Chia Teow Guan and Chia Mak Hooi. (vii) CBG Foundation is a Major Shareholder of QL by virtue of its 100% interests in CBG (L). CBG Foundation and CBG (L) are body corporates who are accustomed or under an obligation, formal or informal, to act in accordance with the directions, instructions or wishes of the beneficiaries of CBG Foundation. The council members and beneficiaries of CBG Foundation are SKun, SKooi, SPhuan, YSong, SPou, SKang, Chia Song Swa, Chia Teow Guan and Chia Cheong Soong whilst the other beneficiaries of CBG Foundation are Chia Bak Lang and Chia Mak Hooi. (viii) Farsathy is a Major Shareholder of QL with shareholding of 11.57%. It is a body corporate in which SPow and SFatt are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in Farsathy. SPow, SFatt and Chia Suan Hooi are the Directors and beneficial shareholders of Farsathy whilst the other beneficial shareholders of Farsathy are, Chia Chong Lang, Sim Ahi Yok, Chia Chw Pew, Koh Kwee Choo, Chia Chew Seng, Chia Chiew Yang and Chia Chew Ngee. (ix) The entire shareholdings in Farsathy are held by Kensington Trust Malaysia Berhad (“**KTM**”) as trustee of Chia Ser Teik trust, a trust company registered under the Trust Companies Act, 1949 on trust for the beneficiaries of a family trust. Although KTM has an interest in the voting rights of Farsathy, it does not have economic or beneficial interest in the said voting rights, and as such interest is held solely for the benefits of the beneficiaries under the family’s trust.
QL Feedingstuffs Group and the following companies:- • M.B. Agriculture (Sabah) Sdn. Bhd. • Arena Dijaya Sdn. Bhd. • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd.	Interested Directors and/or Major Shareholders of QL:- • SKun[i] • SKooi[ii] • SFatt[v] • SPow[v] • CBG (L)[vi] • CBG Foundation[vii] • Farsathy[viii][ix] Persons Connected to the above:- • Imbangan Lestari Sdn. Bhd.[xiii] • M.B. Agriculture (Sandakan) Sdn. Bhd. • SPou[iv] • Chia Lik Khai(“**LKhai**”)[xv]	

Transacting parties	Related Parties of QL and Persons Connected to them	Remark
QL Oil Group and the following companies:- • M.B. Agriculture (Sandakan) Sdn. Bhd. • Highglobal Properties Sdn. Bhd. • Total Icon Sdn. Bhd. • Amazing Synergy Realty Sdn. Bhd.	Interested Directors and/or Major Shareholders of QL:- • SKun[i] • SKooi[ii] • SFatt[v] • SPow[v] • CBG (L)[vi] • CBG Foundation[vii] • Farsathy[viii][ix] • LKhai[xv] • Liu Sin[xvi] Persons Connected to the above:- • Imbangan Lestari Sdn. Bhd.[xiii] • M.B. Agriculture (Sandakan) Sdn. Bhd.	(x) Chia Kah Chuan is a member of the Chia Family. Eng Seng Poo is Chia Kah Chuan’s spouse and brother-in-law of SKun, SKooi, YSong, SPhuan, SPou, SKang and Chia Song Swa. (xi) Cheah Joo Kiang and Cheah Jui Koon are JTeck’s brothers and YSong’s sons. (xii) Chia Song Swa is a Director and shareholder of QL. He is also a Director of certain subsidiaries of QL Feedingstuffs Group and Credential Development Sdn. Bhd. as well as a member of the Chia Family. (xiii) Imbangan Lestari Sdn. Bhd. is a wholly-owned subsidiary of CBG Foundation, an entity that has indirect interests in QL via CBG (L). (xiv) CBG Holdings Sdn. Bhd. is a body corporate in which SKun and his spouse are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares. (xv) LKhai is a Director and shareholder of QL. He is also a Director of certain subsidiaries of QL Fishery Group and QL Oil Group. He is SKun’s son. (xvi) Liu Sin is a Director of certain subsidiaries of QL Oil Group and a shareholder of QL. He is also the brother-in-law of SFatt and SPow. (xvii) CLG is a Director of QL Endau Marine Products Sdn. Bhd. (“**EMP**”) and QL Endau Fishmeal Sdn. Bhd., subsidiaries of QL Fishery Group. He is one of the Major Shareholders of EMP with total shareholding of 12.32% in EMP by virtue of his direct interest and indirect interest via KHT. (xviii) KHT is one of the Major Shareholders of EMP with total shareholding of 10.88% in EMP. (xix) PKC is a body corporate in which CLG is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in PKC. (xx) Chua Lee Swee is CLG’s brother.
QL Fishery Group and the following companies:- • 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.	Interested Directors and/or Major Shareholders of QL:- • Chua Lee Guan (“**CLG**”)[xvii] • Keang Huat Trading Sdn. Bhd. (“**KHT**”)[xviii] Persons Connected to the above:- • PK Chua Resources Sdn. Bhd.(“**PKC**”)[xix] • Chua Lee Swee[xx]	

Further details pertaining to the RRPT are set out in Part B of the Circular to Shareholders dated 27 July 2023 and are available on the Company’s website.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting ("AGM") of QL Resources Berhad ("QL" or the "Company") will be held at Saujana Ballroom, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 August 2023 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 2023 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 2023. — 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:

   Datin Paduka Setia Dato' Dr. Aini Binti Ideris — Ordinary Resolution 2

   Chan Wai Yen — Ordinary Resolution 3

   Cynthia Toh Mei Lee — Ordinary Resolution 4

   Wee Beng Chuan — 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 Seong Pow — Ordinary Resolution 6

   Chia Song Swa — Ordinary Resolution 7

5. To approve the proposed payment of fees to Directors up to RM1,644,000 from 1 September 2023 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 up to RM82,000 from 1 September 2023 until the next Annual General Meeting. — Ordinary Resolution 9

7. To approve the additional payment of fees to Directors up to RM292,000 following the restructuring of the Board Committees and proposed increase in fees to Directors from December 2022. — Ordinary Resolution 10

8. To approve the additional payment of Directors' benefits of approximately RM260 following the increased in payment for Directors' and Officers' Indemnity Insurance. — 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 and Waiver of Pre-Emptive Rights** — 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 ordinary 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 ranking equally with the existing ordinary shares in the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury 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;

    THAT in connection with Section 85 of the Companies Act 2016 and pursuant to Clause 14 of the Constitution of the Company, the shareholders of the Company do hereby irrevocably waive all and any of their pre-emptive rights to be first offered the new ordinary shares to be allotted and issued pursuant to the authority granted above which will rank equally with the existing ordinary shares in the Company, with such waiver resulting in a dilution to their shareholding percentage in the Company and the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company;

    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;

    (2) the maximum amount of funds to be utilised for the purpose of the proposed share buy-back shall not exceed the retained profits of the Company;

    (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) resell the treasury shares on Bursa Securities in accordance with the relevant 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.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary, including the opening and maintaining of a central depositories account(s) and entering into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to and to implement the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

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

"THAT approval be and is hereby given to the Company and its subsidiaries to renew the shareholders' mandate and seek new shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as set out in Part B, Section 2.4 of the Circular to Shareholders dated 27 July 2023 with the related parties described therein which are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not detriment of the minority shareholders;

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next annual general meeting of the Company, 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 annual general meeting of the Company 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 and New RRPT Mandate."

13. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final single tier dividend, if approved, will be paid on 22 September 2023 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 11 September 2023.

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 11 September 2023 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
27 July 2023

NOTES:-

PROXY:

1. A Member, including an Authorised Nominee, may appoint not more than two (2) proxies to attend and vote instead of the Member or Authorised Nominee at the meeting on the same occasion.

2. An Exempt Authorised Nominee (which holds ordinary shares in the Company for the Omnibus Account) may appoint one (1) or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

3. 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.

4. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.

5. Only members whose name appears on the Record of Depositors as at 18 August 2023 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his behalf.

6. 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 Share Registrar of 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.

7. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

8. Last date and time for lodging the proxy form is **Monday, 28 August 2023 at 10.00 a.m.**

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 2023, 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 22 September 2023 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.

YBhg. Datin Paduka Setia Dato' Dr. Aini Binti Ideris, Ms. Chan Wai Yen, Ms. Cynthia Toh Mei Lee and Mr. Wee Beng Chuan retires in accordance with Clause 124 of the Company's Constitution. They are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 26th AGM. Based on the outcome of the annual Board assessment, the Board endorsed the recommendation by the Nominating Committee that they remain competent and committed to the role as a Director. The Board recommends that shareholders approve the proposed re-election as they have met the fit and proper criteria in terms of character, integrity, experience, competence, commitment and time to effectively discharge their role as a Director.

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.

Mr. Chia Seong Pow and Mr. Chia Song Swa retires in accordance with Clause 129 of the Company's Constitution following the restructuring of the Board. They are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 26th AGM. Based on the outcome of the annual Board assessment, the Board endorsed the recommendation by the Nominating Committee that they remain competent and committed to the role as a Director. The Board recommends that shareholders approve the proposed re-election as they have met the fit and proper criteria in terms of character, integrity, experience, competence, commitment and time to effectively discharge their role as a Director.

The profiles of the Directors who are standing for re-election as per Agenda 3 and 4 are set out on pages 80, 81, 86, 87, 88, 89, 90 and 91.

4. Ordinary Resolutions 8 and 9

The actual payment of Directors' fees incurred for the financial year 2023 was RM1,298,000.

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 2023 until the next annual general meeting.

The fees and benefits comprise the following and will be paid as and when incurred:

Fees	Amount
Chairman of the Board	RM13,000 per month
Chairman of the Audit Committee	RM1,500 per month
Chairman of Other Committee	RM1,000 per month
Group Managing Director	RM11,000 per month
Executive Director	RM9,000 per month
Independent Director	RM9,500 per month
Alternate Director – Executive Committee	RM3,000 per month
Benefits	
Meeting Allowance	RM1,000 per meeting day
Directors' and Officers' Indemnity Insurance	Approximately RM82,000

5. Ordinary Resolution 10

The approved payment of fees to Directors commencing the conclusion of the 25th AGM up till August 2023 was at RM1,308,000. Following the restructuring of the Board Committees and proposed increase in fees to Directors from December 2022, the additional payment of fees to Directors amounted to RM292,000.

6. Ordinary Resolution 11

The approved payment of Directors' benefits commencing the conclusion of the 25th AGM up till August 2023 was at RM29,125. Following the increased in payment for Directors' and Officers' Indemnity Insurance, the additional payment of Directors' benefits amounted to approximately RM260.

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 25th AGM of the Company held on 30 August 2022 and which will lapse at the conclusion of the 26th AGM. A renewal of this authority is being sought at the 26th 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.

By voting in favour of this resolution, the shareholders of the Company would also be waiving their pre-emptive rights to be offered any new shares in the Company which rank equally with the existing issued shares in the Company, resulting in a dilution to their shareholding percentage in the Company. The Directors would also be empowered to issue new shares to any person without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

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 Share Buy-Back Statement dated 27 July 2023.

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 and New RRPT Mandate if passed, will mandate the Company and/or its subsidiaries to enter into categories of recurrent transactions of a revenue or trading nature and with those related parties/transacting parties as specified in Part B, Section 2.2 of the Circular to Shareholders dated 27 July 2023. The mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year. The director, major shareholder or person connected with a director or major shareholder, who has interest in the transaction, must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstain from voting on the resolutions approving the transactions.

全利資源有限公司
QL Resources Berhad
Registration No. 199701013419 (428915-X)

FORM OF PROXY

No. of ordinary shares held	
CDS Account No.	
Email address	

I/We ______________________________ (NRIC No./Passport No. ________________)
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member of **QL RESOURCES BERHAD**, hereby appoint ______________________
(FULL NAME)

(NRIC No./Passport No.________________) (Proxy 1) of ______________________,
(FULL ADDRESS)

and, ____________________ (NRIC No./Passport No. ________________) (Proxy 2)

of ____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company, to be held at Saujana Ballroom, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 August 2023 at 10.00 a.m. or any adjournment thereof.

My/our proxy is to vote as indicated below:

Resolutions	For	Against
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		
Ordinary Resolution No. 7		
Ordinary Resolution No. 8		
Ordinary Resolution No. 9		
Ordinary Resolution No. 10		
Ordinary Resolution No. 11		
Ordinary Resolution No. 12		
Ordinary Resolution No. 13		
Ordinary Resolution No. 14		
Ordinary Resolution No. 15		

*Please indicate with an "**X**" or "**✓**" in the space provided as to how you wish your votes to be cast on the resolutions specified in the Notice of 26th AGM. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.*

Dated this ____________ day of ________ 2023

For appointment of two (2) proxies, percentage of shareholding to be represented by the proxies:		
	No. of Shares	**Percentage**
Proxy 1		
Proxy 2		
Total		

____
Signature of Shareholder

Fold this flap for sealing

Notes:-

1. A Member, including an Authorised Nominee, may appoint not more than two (2) proxies to attend and vote instead of the Member or Authorised Nominee at the meeting on the same occasion.
2. An Exempt Authorised Nominee (which holds ordinary shares in the Company for the Omnibus Account) may appoint one (1) or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. 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.
4. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.
5. Only members whose name appears on the Record of Depositors as at 18 August 2023 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his behalf.
6. 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 Share Registrar of 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.

7. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
8. Last date and time for lodging the proxy form is **Monday, 28 August 2023 at 10.00 a.m.**

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The Share Registrar

QL RESOURCES BERHAD
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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QL Resources Berhad
Registration No. 199701013419 (428915-X)

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