



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2000

The directors have pleasure in submitting their report and the audited accounts of the Group and of the Company for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company consists of investment holding. The principal activities of the subsidiary companies are set out in Note 4 to the accounts. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit before taxation	20,058	29
Taxation	(3,897)	(13)
Profit after taxation	<u>16,161</u>	<u>16</u>
Minority interests	(3,222)	-
Profit after taxation and minority interests	<u>12,939</u>	<u>16</u>
Less: Pre acquisition profit	(8,811)	-
Unappropriated profit carried forward	<u>4,128</u> =====	<u>16</u> =====

DIVIDEND

No dividend was paid during the year and the directors do not recommend any dividend to be paid for the year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review other than those disclosed in the accounts.

DIRECTORS OF THE COMPANY

Directors who served since date of the last report are:

Chia Song Kun	(appointed on 3.1.2000)
Chia Seong Fatt	(appointed on 3.1.2000)
Chia Seong Pow	(appointed on 3.1.2000)
Chia Song Kooi	(appointed on 3.1.2000)
Chia Song Swa	(appointed on 3.1.2000)
Chia Mak Hooi	(appointed on 3.1.2000)
Mohd Rizal bin Ramlee	(appointed on 3.1.2000)
Tengku Dato' Zainal Rashid bin Tengku Mahmood	(appointed on 3.1.2000)
Tung Pui Hiew	(resigned on 3.1.2000)
Ng Eng Keong	(resigned on 3.1.2000)





D I R E C T O R S ' R E P O R T

F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 0

In accordance with Article 103 of the Company's Articles of Association, Chia Song Kun, Chia Seong Fatt, Chia Seong Pow, Chia Song Kooi, Chia Song Swa, Chia Mak Hooi, Mohd Rizal bin Ramlee and Tengku Dato' Zainal Rashid bin Tengku Mahmood who were appointed since the last Annual General Meeting retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The directors in office at the end of the year who have interests in the shares of the Company and its related companies are as follows:-

	<u>Number of Ordinary Shares of RM1 each</u>			
	Balance at 1.4.1999	Bought	Sold	Balance at 31.3.2000
The Company				
Direct interest				
Mohd Rizal bin Ramlee	-	1,210,609	-	1,210,609
Tengku Dato' Zainal Rashid bin Tengku Mahmood	-	10,000	-	10,000
Chia Song Kun	-	10,000	-	10,000
Chia Seong Pow	-	10,000	-	10,000
Chia Song Kooi	-	10,000	-	10,000
Chia Seong Fatt	-	10,000	-	10,000
Chia Song Swa	-	10,000	-	10,000
Chia Mak Hooi	-	10,000	-	10,000
Indirect interest				
Chia Song Kun	-	17,855,569	(1,113,000)	16,742,569
Chia Seong Pow	-	5,133,090	(320,000)	4,813,090
Chia Song Kooi	-	17,855,569	(1,113,000)	16,742,569
Chia Seong Fatt	-	5,133,090	(320,000)	4,813,090
Chia Song Swa	-	17,855,569	(1,113,000)	16,742,569
Chia Mak Hooi	-	17,855,569	(1,113,000)	16,742,569

All directors are deemed to have interests in shares in all subsidiary companies disclosed in Note 4 to the accounts to the extent that the Company has an interest. Details of their deemed shareholdings in non-wholly owned subsidiary companies are shown in Note 4.1 to the accounts.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the Group accounts) by reason of a contract made by the Company or a related company 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 except for certain directors who may be deemed to derive a benefit by virtue of certain trading transactions in the ordinary course of business between a related company and a firm in which certain directors have an interest.

There were no arrangements during and at the end of the 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.



D I R E C T O R S ' R E P O R T F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 0

SIGNIFICANT EVENTS DURING THE YEAR

Pursuant to the restructuring and listing exercise of the Group in connection with the listing of and quotation for the entire issued and paid-up capital of the Company on the Second Board of the Kuala Lumpur Stock Exchange, the Company acquired the entire issued and paid-up share capital of QL Feedingstuffs Sdn. Bhd. for a purchase consideration of RM43,607,569 satisfied by the issuance of 29,665,013 new ordinary shares in the Company of RM1.00 each at approximately RM1.47 per share.

ISSUE OF SHARES

In line with the restructuring scheme of the Group, the issued and paid-up share capital of the Company was increased to RM40,000,000 divided into 40,000,000 ordinary shares of RM1.00 each in the following manner.

Number of ordinary shares	Par value RM	Terms of Issue	Total RM
2	1.00	Subscribers' shares	2
29,665,013	1.00	Acquisition of 100% equity interest in QL Feedingstuffs Sdn. Bhd.	29,665,015
4,174,985	1.00	Right issue @ RM1.20 per share	33,840,000
6,160,000	1.00	Public issue @ RM2.50 per share	40,000,000

14

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

Before the profit and loss accounts and balance sheets 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) the current asset has been stated at the lower of cost and net realisable value.

At the date of this report, the directors of the Company 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 asset in the Group and in the Company's accounts misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of asset or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the accounts, that would render any amount stated in the accounts of the Group and of the Company misleading.





DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2000

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

- i) any charge on the asset 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 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 its obligations as and when they fall due.

In the opinion of the directors:-

- i) the results of the operations of the Group and of the Company for the financial year ended 31 March 2000 have not been substantially affected by any item, transaction or event occurred in the interval between the end of that financial year and the date of this report, and
- ii) the accounts of the Group and of the Company set out on pages 18 to 39, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2000 and of the results of their operations and cash flows of the Group for the year ended on that date.

AUDITORS

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

Signed in accordance with a resolution of the directors:

CHIA SONG KUN
Director

CHIA SEONG POW
Director

Klang,
19th June, 2000



STATUTORY DECLARATION

I, CHIA SONG KUN, being the director primarily responsible for the financial management of QL RESOURCES BERHAD, do solemnly and sincerely declare that the accounts of the Group and of the Company set out on pages 18 to 39, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
CHIA SONG KUN at KLANG in SELANGOR DARUL EHSAN
this 19th day of June 2000.

BEFORE ME:

Mr Soo Ah Kow @ Soo Keh Yap (JP AMS PJK)

Commissioner for Oaths

Klang, Selangor





REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts set out on pages 18 to 39. The preparation of the accounts is the responsibility of the Company's directors. Our responsibility is to express an opinion on the accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the accounts. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the accounts. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 March 2000 and the results of their operations and cash flows of the Group for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the accounts of the Group and of the Company;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

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

None of the audit reports on the accounts of the subsidiary companies were subject to any qualification nor included any comment under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

LIM HUN SOON @ DAVID LIM
Partner
Approval Number: 1514/5/02(J)

Kuala Lumpur,
19th June 2000



CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2000

	Note	RM'000
FIXED ASSETS	3	92,772
INVESTMENTS	5	1,002
EXPENDITURE CARRIED FORWARD	6	182
CURRENT ASSETS		
Stocks	7	39,312
Debtors	8	89,296
Fixed deposits	9	3,308
Cash and bank balances		4,191
		136,107
LESS:		
CURRENT LIABILITIES		
Creditors	10	30,815
Hire purchase and lease creditors	11	896
Term loans	12	10,580
Bills payable	13	79,891
Bank overdrafts	14	5,030
Provision for taxation		2,595
		129,807
Net Current Assets		6,300
		100,256
		=====
Financed by:-		
SHARE CAPITAL	15	40,000
SHARE PREMIUM	16	22,108
RESERVE ON CONSOLIDATION	17	3,260
UNAPPROPRIATED PROFIT		4,128
		69,496
Shareholders' Funds		
MINORITY INTERESTS	18	18,123
HIRE PURCHASE AND LEASE CREDITORS	11	350
TERM LOANS	12	8,589
DEFERRED TAXATION	19	3,698
		100,256
		=====

The notes set out on pages 24 to 39 form an integral part of,
and should be read in conjunction with, these accounts.





*CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000*

	Note	RM'000
Turnover	20	407,201 =====
Cost of goods sold		346,838 =====
Profit before taxation	21	20,058
Taxation	22	(3,897)
Profit after taxation		16,161
Minority interests		(3,222)
Profit after minority interests		12,939
Pre-acquisition profit		(8,811)
Unappropriated profit carried forward		4,128 =====
Earnings per share (sen)	23	50 =====
Retained by:-		
The Company		16
Subsidiary companies		4,112
		4,128 =====

The notes set out on pages 24 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



BALANCE SHEET AT 31 MARCH 2000

	Note	2000 RM'000	1999 RM'000
FIXED ASSETS	3	11	-
SUBSIDIARY COMPANIES	4	43,608	-
EXPENDITURE CARRIED FORWARD	6	-	6
CURRENT ASSETS			
Debtors	8	14,902	-
Amount due from subsidiary companies	4	4,085	-
Cash and bank balances		57	*
		19,044	*
LESS:			
CURRENT LIABILITIES			
Creditors	10	539	6
Net Current Assets/(Liabilities)		18,505	(6)
		<u>62,124</u>	<u>-</u>
		=====	=====
Financed by:-			
SHARE CAPITAL	15	40,000	*
SHARE PREMIUM	16	22,108	-
UNAPPROPRIATED PROFIT		16	-
Shareholders' Funds		<u>62,124</u>	<u>-</u>
		=====	=====

* Share capital comprises 2 ordinary shares of RM1.00 each.

The notes set out on pages 24 to 39 form an integral part of,
and should be read in conjunction with, these accounts.





P R O F I T A N D L O S S A C C O U N T
F O R T H E Y E A R E N D E D 3 1 M A R C H 2 0 0 0

	Note	RM'000
Turnover	20	49 =====
Profit before taxation	21	29
Taxation	22	(13) -----
Unappropriated profit carried forward		16 =====

The notes set out on pages 24 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation less minority interest	16,836
Group's share of pre-acquisition profit	(8,811)
	<hr/> 8,025
Adjustment for :	
Minority interests	3,222
Preliminary and pre-operating expenses written off	7
Depreciation	6,125
Interest income	(127)
Interest expense	4,809
Gain on disposal of fixed assets (net)	(119)
	<hr/> 21,942
Operating profit before working capital changes	21,942
Stocks	(4,464)
Debtors	(9,996)
Creditors	(698)
	<hr/> 6,784
Cash used in operations	6,784
Interest paid	(4,809)
Taxation paid	(2,086)
Interest received	127
	<hr/> 16
Net cash generated from operating activities	<hr/> 16
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(22,680)
Proceeds from disposal of fixed assets	3,083
	<hr/> (19,597)
Net cash used in investing activities	<hr/> (19,597)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of shares	20,410
Proceeds from term loans	1,975
Repayment of hire purchase and lease creditors	(36)
	<hr/> 22,349
Net cash generated from financing activities	<hr/> 22,349





CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,768
NET CASH FROM ACQUISITION OF SUBSIDIARY	(299)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,469
	=====
CASH AND CASH EQUIVALENTS COMPRISE:	
Deposits	3,308
Cash and bank balances	4,191
Bank overdrafts	(5,030)
	2,469
	=====

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Acquisition of Subsidiary Companies

During the year, the Company acquired QL Feedingstuffs Sdn. Bhd. and its subsidiary companies pursuant to the Listing Scheme of QL Group. The fair value of assets acquired and liabilities assumed were as follows:

	RM'000
Fixed assets	79,181
Deferred expenditure	233
Dividend payable	(15,410)
Current assets	122,783
Current liabilities	(106,044)
Minority interests	(15,245)
Hire purchase creditors	(652)
Deferred taxation	(3,558)
Term loan	(15,423)
Unquoted investment	1,002

Net assets acquired	46,867
Reserve on consolidation	(3,260)

Total purchase consideration	43,607
Less: Portion discharged by issuance of shares	(43,607)

Cash paid for acquisition	-
Less: Fixed deposits	4,970
Cash and bank balances	(5,269)

Cash flow on acquisition, net of cash acquired	(299)
	=====

The notes set out on pages 24 to 39 form an integral part of,
and should be read in conjunction with, these accounts.



NOTES TO THE ACCOUNTS - 31 MARCH 2000

1. PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year consists of investment holding. The principal activities of the subsidiary companies are stated in Note 4 to the accounts.

There have been no significant changes in the nature of these activities during the year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The accounts of the Group and of the Company have been prepared under the historical cost convention and in compliance with approved accounting standards in Malaysia.

2.2 Basis of Consolidation

The consolidated accounts incorporate the audited accounts of the Company and all its subsidiary companies made up to 31 March 2000.

Intercompany transactions are eliminated on consolidation and the turnover and profit reflect external transactions only.

The results and turnover of the subsidiary companies acquired or sold during the year are included in the consolidated profit and loss account from the effective date of acquisition or excluded from the effective date of disposal.

The difference between the purchase price and fair value of the net assets of subsidiary companies acquired is included in the consolidated balance sheet as goodwill or reserve on consolidation.

Goodwill is written off against reserve arising on consolidation.

2.3 Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Freehold land and capital work in progress are not depreciated. Leasehold land is amortised in equal instalments over the period of the respective remaining leasehold period at the date of purchase which range from 11 years to 939 years.

Other fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:-

Buildings	41 to 50 years
Farm buildings	12 years
Plant and machinery	5 to 10 years
Furniture, fittings and equipment	10 years
Office improvements and renovation	10 years
Motor vehicles	5 to 7 years

2.4 Plantation Development Expenditure

New planting expenditure incurred on land clearing and upkeep of plant to maturity is capitalised under plantation development expenditure and is not amortised.

Replanting expenditure is written off during the period in which it is incurred.



NOTES TO THE ACCOUNTS - 31 MARCH 2000

2.5 Investment in Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost. A provision is made when the directors are of the view that there is a permanent diminution in the value of the underlying net tangible assets.

2.6 Investments

Investments are stated at cost. A provision is made when the directors are of the view that there is a permanent diminution in the value of an investment.

2.7 Expenditure Carried Forward

(i) Preliminary Expenses

Preliminary expenses incurred prior to the commencement of operations of the subsidiary companies are deferred and will be written off upon the commencement of operations of the respective subsidiary companies.

(ii) Pre-operating Expenses

- a) Pre-operating expenses relating to the setting-up of the layer farms operations of the subsidiary companies are capitalised and will be amortised over the estimated economic life of the livestock upon the commencement of operations of the layer farms.
- b) Pre-operating expenses of the subsidiary companies whose principal activity is oil palm cultivation are capitalised and will be written off to the profit and loss account upon the maturity and commencement of harvesting of the plantation.
- c) Pre-operating expenses incurred other than that of a) and b) above are capitalised and will be written off upon the commencement of operations of the respective subsidiary companies.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and includes relevant raw materials, direct labour and an appropriate portion of fixed and variable production overheads.

Produce stocks are valued at the lower of cost of production and net realisable value. Cost includes direct manufacturing expenses and is determined on the weighted average method.

Other cost of finished goods includes direct production costs and attributable production overheads. Cost is determined on the first-in-first-out basis.

Livestock comprises pullets and layers and is valued at the lower of amortised cost and net realisable value. Cost includes cost of the pullet plus all attributable costs including relevant overheads in nursing the pullet to the point of lay. The cost is amortised over its estimated economic life of 58 weeks. Net realisable value is defined as the aggregate income expected to be generated from total eggs to be produced per layer and sales proceeds from the disposal of the ex-layer less expenses expected to be incurred to maintain the layer.

Cost of veterinary supplies and animal feeds includes purchase price and other incidental costs in bringing the stocks to this present location.



NOTES TO THE ACCOUNTS - 31 MARCH 2000

2.9 Hire purchase and lease agreement

Fixed assets acquired under hire purchase are capitalised in the accounts and the corresponding obligations treated as hire purchase creditors. Finance charges are allocated to the profit and loss account over the hire purchase periods to give a constant periodic rate of interest over the remaining period of the hire purchase liabilities.

2.10 Deferred Taxation

Provision for deferred taxation is made on the liability method for taxation deferred in respect of all material timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future. In arriving at the provision for deferred taxation, future income tax benefits arising from investment tax and reinvestment allowances are also accounted for.

2.11 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and deposits with licensed banks with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft.

2.12 Capitalisation of Borrowing Costs

Borrowing costs incurred on expenditure for assets that require a substantial period of time to get ready for their intended use are capitalised. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

2.13 Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange approximating those ruling at the balance sheet date. Transactions arising in foreign currencies during the year are translated at rates of exchange approximating those ruling on the transaction dates. Translation differences are dealt with in the profit and loss account.

3. FIXED ASSETS

Group	At 1.4.1999* RM'000	Additions RM'000	Transfer in/(out) RM'000	Revalua- tion** RM'000	Disposal RM'000	At 31.3.2000 RM'000
Cost :						
Freehold land	2,592	2	-	617	(305)	2,906
Long term leasehold land	7,023	3,795	210	6,110	(21)	17,117
Short term leasehold land	1,832	93	-	321	(212)	2,034
Buildings and improvements	20,980	1,070	308	(9,303)	(576)	12,479
Farm buildings	7,675	554	1,747	10,389	(5)	20,360
Plant and machinery	27,904	1,985	(65)	(145)	(182)	29,497
Furniture, fittings and equipment	4,013	1,430	217	-	(39)	5,621
Office improvements and renovation	132	1	-	-	-	133
Motor vehicles	8,511	2,284	-	-	(741)	10,054
Plantation development expenditure	1,683	4,876	-	1,885	-	8,444
Capital work-in-progress	466	6,601	(2,417)	-	-	4,650
	82,811	22,691	-	9,874	(2,081)	113,295





NOTES TO THE ACCOUNTS - 31 MARCH 2000

	At 1.4.1999* RM'000	Additions RM'000	Transfer in/(out) RM'000	Revalua- tion** RM'000	Disposal RM'000	At 31.3.2000 RM'000
Accumulated depreciation :						
Long term leasehold land	128	84	29	(134)	(1)	106
Short term leasehold land	138	103	-	-	(29)	212
Buildings and improvements	1,262	793	-	(1,263)	(97)	695
Farm buildings	1,603	823	44	(559)	-	1,911
Plant and machinery	8,607	2,549	(29)	(45)	(109)	10,973
Furniture, fittings and equipment	1,078	477	(44)	-	(26)	1,485
Office improvements and renovation	40	13	-	-	-	53
Motor vehicles	4,220	1,312	-	-	(444)	5,088
	17,076	6,154	-	(2,001)	(706)	20,523
	=====					

	Net book value at 31.3.2000 RM'000
Freehold land	2,906
Long term leasehold land	17,011
Short term leasehold land	1,822
Buildings and improvements	11,784
Farm buildings	18,449
Plant and machinery	18,524
Furniture, fittings and equipment	4,136
Office improvements and renovation	80
Motor vehicles	4,966
Plantation development expenditure	8,444
Capital work-in-progress	4,650
	92,772
	=====

* The fixed assets at 1 April 1999 represents fixed assets of subsidiary companies acquired on that date pursuant to the Restructuring and Listing Scheme of QL Group.

** Revaluation surplus represent surplus arising from the revaluation of land and buildings of subsidiary companies acquired prior to the acquisition by the Company and implemented pursuant to the Restructuring and Listing Scheme of QL Group.



NOTES TO THE ACCOUNTS - 31 MARCH 2000

Company	Furniture and fittings RM'000
Cost	
At 1 April	-
Additions	11
At 31 March	11
	===
Accumulated depreciation	
At 1 April	-
Charge for the year	*
At 31 March	*
	===
Net book Value	
At 31 March 2000	11
	===

* Represents depreciation for the year amounting to RM183.

Long term leasehold land at a net book value of RM232,815 is held under native title in the name of a third party in trust for a subsidiary company.

The title to certain long term leasehold land of a subsidiary company is not yet issued by the relevant authorities at 31 March 2000.

Capital work-in-progress is in respect of the on-going construction of a building and on-going installation of plant and machinery of a subsidiary company.

Deferred taxation arising from the revaluation of certain landed properties have not been provided for as the properties are held for long term use.

Fixed assets included in the above and acquired under hire purchase and lease are as follows:-

Group	Cost RM'000	Net book value RM'000
Plant and machinery	1,145	1,357
Motor vehicles	2,199	563
	3,344	1,920
	====	====

Depreciation charge of the Group have been allocated to:-

	RM'000
- directly to profit and loss account (Note 21)	6,125
- plantation development expenditure	29
	6,154
	====





NOTES TO THE ACCOUNTS - 31 MARCH 2000

The following expenses incurred during the year are capitalised in Plantation Development Expenditure under fixed assets:

	Group RM'000
- auditors remuneration	2
- depreciation	29
- term loan interest	68
- bank overdraft interest	13
	<hr/> 112 <hr/> <hr/>

4. SUBSIDIARY COMPANIES

	Company RM'000
a) Unquoted shares - at cost	43,608 <hr/> <hr/>

The subsidiary companies of the Company which are all incorporated in Malaysia are as follows:-

Name of Company	Principal activities	Effective equity interest (%)
QL Feedingstuffs Sdn. Bhd. and its subsidiary companies	Investment holding and distribution of animal feed raw materials	100.00
QL Layer Farm Sdn. Bhd.	Layer farming	100.00
QL Feedmills Sdn. Bhd.	Manufacturing of poultry and livestock feedmeal	100.00
QL Properties Sdn. Bhd.	Property holding	100.00
QL Realty Sdn. Bhd.	Property holding	100.00
QL Foods Sdn. Bhd.	Manufacturing of surimi and surimi-based products	97.59
Sin Chip Huat Fishmeal Sdn. Bhd.	Manufacturing of fishmeal	97.59
Sin Hong Heng Fishmeal Sdn. Bhd.	Manufacturing of fishmeal	62.32
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary company	Distributors of feed supplements, animal health food and agricultural products.	51.00
• Pets Wonderland Sdn. Bhd.	Dormant	51.00
Chingsan Development Sdn. Bhd.	Dormant	100.00
Natural Oscar Sdn. Bhd.	Dormant	100.00
Maxincome Resources Sdn. Bhd.	Dormant	100.00
Wijora Sdn. Bhd.	Dormant	70.00
QL Karasaki Ika Sdn. Bhd.	Dormant	100.00



NOTES TO THE ACCOUNTS - 31 MARCH 2000

Name of Company	Principal activities	Effective equity interest (%)
Banjaran Mentari Sdn. Bhd.	Layer farming and selling and distribution of animal feeds	75.00
Tong Len Trading Sdn. Bhd. and its subsidiary companies:	Investment holding, layer farming, meehoon and feedmeal manufacturing and general trading	68.77
• Tong Len Plantation Sdn. Bhd.	Cocoa and oil palm cultivation and oil palm related activities	61.89
• Tong Her Marine Products Sdn. Bhd.	Property holding	68.77
• Bergakau Development Sdn. Bhd.	Cocoa cultivation	68.77
• Adequate Triumph Sdn. Bhd.	Property holding	68.77
• Tri-F Corporation Sdn. Bhd.	Dormant	68.77
• Tophill Corporation Sdn. Bhd. and its subsidiary company	Oil palm cultivation	68.77
• Bukit Wang Sdn. Bhd.	Oil palm cultivation	68.77

**Company
RM'000**

b) Amount due from subsidiary companies	4,085
	=====

Amount due from subsidiary companies are unsecured advances, subject to interest rates ranging from 9.00% to 12.00% per annum with no fixed terms of repayment.

4.1 The Company's shareholding in non-wholly owned subsidiary companies are as follows:-

	_____ Number of Ordinary Shares _____			
	Balance at 1.4.1999	Bought	Sold	Balance at 31.3.2000
Ordinary shares of RM1.00 each:				
Interest in non-wholly owned subsidiary companies via QL Feedingstuffs Sdn. Bhd.				
QL Foods Sdn. Bhd.	1,951,976	-	-	1,951,976
Sin Chip Huat Fishmeal Sdn. Bhd.	1,756,777	-	-	1,756,777
Sin Hong Heng Fishmeal Sdn. Bhd.	824,500	-	-	824,500
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary company	102,000	408,000	-	510,000
• Pets Wonderland Sdn. Bhd.	-	2	-	2





NOTES TO THE ACCOUNTS - 31 MARCH 2000

	Number of Ordinary Shares		
	Balance at 1.4.1999	Bought	Sold
			Balance at 31.3.2000
Tong Len Trading Sdn. Bhd. and its subsidiary companies	2,750,735	-	-
• Tong Len Plantation Sdn. Bhd.	4,500,000	-	-
• Tong Her Marine Products Sdn. Bhd.	336,522	-	-
• Bergakau Development Sdn. Bhd.	1,600,048	-	-
• Adequate Triumph Sdn. Bhd.	100,000	-	-
• Tri - F Corporation Sdn. Bhd.	2	-	-
• Tophill Corporation Sdn. Bhd. and its subsidiary company	500,000	-	-
• Bukit Wang Sdn. Bhd.	100,000	-	-

5. INVESTMENTS

	Group RM'000
Quoted shares and warrants at cost in Malaysia	62
Unquoted shares at cost in Malaysia	940
	1,002
	====
Market value of quoted shares and warrants in Malaysia	44
	====

31

6. EXPENDITURE CARRIED FORWARD - AT COST

	Group RM'000
Balance at 1 April	110*
Pre-operating expenses	72
	182
	===

* Relates to expenditure carried forward of subsidiary companies acquired.

7. STOCKS

	Group RM'000
Raw materials	7,659
Livestock	4,087
Finished goods	20,925
Goods in transit	5,034
Palm oil products	1,505
Others	165
	39,375
Less: Provision for slow-moving stocks	(63)
	39,312
	=====



NOTES TO THE ACCOUNTS - 31 MARCH 2000

8. DEBTORS

	Group	Company	1999
	RM'000	RM'000	RM'000
Trade debtors	66,292	-	-
Less: Provision for doubtful debts	(9,632)	-	-
	<hr/>	<hr/>	<hr/>
	56,660	-	-
	<hr/>	<hr/>	<hr/>
Other debtors, deposits and prepayments	32,913	14,902	-
Less: Provision for doubtful debts	(277)	-	-
	<hr/>	<hr/>	<hr/>
	32,636	14,902	-
	<hr/>	<hr/>	<hr/>
	89,296	14,902	-
	<hr/>	<hr/>	<hr/>

Group

Included in other debtors, deposits and prepayments are trade advances made to suppliers of certain subsidiary companies amounting to RM12,113,503. The amount is unsecured and interest free with no fixed terms of repayment. Included in the trade advances is an amount of RM331,000 due from a firm in which certain directors have interest.

Included in the trade debtors are the following amounts due to related parties.

	RM'000
(i) a person connected with a director of a subsidiary company	294
(ii) companies in which a director of a subsidiary company has interest	487
	<hr/>

Group and Company

Included in other debtors, deposits and prepayments is amount of RM14,902,000 due from a share issuing house. This amount has been received subsequent to year end.

9. FIXED DEPOSITS

	Group
	RM'000
Placed with licensed banks	3,308
	<hr/>

Group

Fixed deposits of certain subsidiary companies are pledged with the banks as security for bank guarantees issued in favour of the said subsidiary companies.





NOTES TO THE ACCOUNTS - 31 MARCH 2000

10. CREDITORS

	Group	Company	1999
	RM'000	RM'000	RM'000
Trade creditors	16,781	-	-
Sundry creditors and accruals	14,034	539	6
	<u>30,815</u>	<u>539</u>	<u>6</u>
	=====	=====	=====

Included in creditors are amount due from companies in which a director of a subsidiary company has interest amounting to RM17,000. Also included in other creditors is an amount of RM4,993,325 which represents outstanding balances due for the purchase of leasehold plantation.

11. HIRE PURCHASE AND LEASE CREDITORS

	Group
	RM'000
Gross amount	1,338
Less: Unexpired interest	(92)
	<u>1,246</u>
	=====
Repayable as follows:-	
Within twelve months	896
After twelve months	350
	<u>1,246</u>
	=====

12. TERM LOANS

	Group
	RM'000
Secured	19,169
	=====
The term loans are repayable as follows:-	
Repayable within twelve months	10,580
Repayable after twelve months	8,589
	<u>19,169</u>
	=====



NOTES TO THE ACCOUNTS - 31 MARCH 2000

Group

SECURED

The term loans of certain subsidiary companies are subject to interest rates ranging from 1.00% to 2.50% above the bank's base lending rate and are secured by way of:-

- i) fixed charges over the said subsidiary companies' landed properties;
- ii) fixed and floating charges over all of the assets of the said subsidiary companies;
- iii) corporate guarantee by a subsidiary company; and
- iv) joint and several guarantee by all of the directors of the said subsidiary company.

Under the terms and conditions of the loan agreements, certain subsidiary companies are given the option to settle the loan by way of a written notice of three months to the bank. In this respect, the directors have given notice to the bank of such an intention on 5 April 2000 and RM1,647,469 becomes fully repayable in July 2000.

13. BILLS PAYABLE

	Group RM'000
Secured	24,655
Unsecured	55,236
	<hr/> 79,891 =====

Group

SECURED

Bills payable are subject to interest rates ranging from 0.25% to 2.00% (1999 - 0.75% to 1.00%) above the money market rates and are secured by way of:-

- i) fixed charges over certain landed properties of certain subsidiary companies;
- ii) corporate guarantee by a subsidiary company;
- iii) joint and several guarantee by all the directors of the said subsidiary companies; and
- iv) third party pledge of fixed deposits amounting to RM1.2 million.

UNSECURED

Bills payable are subject to interest rates ranging from 0.25% to 1.00% (1999 - 0.75% to 1.00%) above the money market rates and are supported by way of:-

- i) joint and several guarantee by all the directors of the said subsidiary companies; and
- ii) corporate guarantee by a subsidiary company.





NOTES TO THE ACCOUNTS - 31 MARCH 2000

14. BANK OVERDRAFTS

	Group RM'000
Secured	3,958
Unsecured	1,072
	<hr/> 5,030
	=====

Group

SECURED

The overdrafts are subject to interest rates ranging from 1.00% to 2.50% above the bank's base lending rate and are secured by way of:-

- i) fixed charges over certain landed properties of certain subsidiary companies;
- ii) fixed and floating charges over all the assets of the said subsidiary companies;
- iii) joint and several guarantee by all the directors of the said subsidiary companies;
- iv) corporate guarantee by a subsidiary company; and
- v) third party pledge of fixed deposits amounting to RM1.2 million.

UNSECURED

The overdrafts are subject to interest at rates ranging from 1.50% to 2.50% above the bank's base lending rate and are supported by way of joint and several guarantee by all the directors of a subsidiary company.

35

15. SHARE CAPITAL

	Group and Company 1999	
Ordinary shares of RM1 each:	RM'000	RM'000
Authorised		
Balance at 1 April	100	100
Increased during the year	199,900	-
	<hr/> 200,000	<hr/> 100
	=====	=====
Issued and fully paid		
Balance at 1 April	*	*
Issued during the year		
Issue of 29,665,013 new ordinary shares for the acquisition of QL Feedingstuffs Sdn. Bhd. at an issue price of RM1.47 per share	29,665	-
Right issue of 4,174,985 new ordinary shares at an issue price of RM1.20 per share	4,175	-
Public issue of 6,160,000 new ordinary shares at an issue price of RM2.50 each	6,160	-
	<hr/> 40,000	<hr/> *
	=====	=====

* Share capital comprises 2 ordinary shares of RM1.00 each.



NOTES TO THE ACCOUNTS - 31 MARCH 2000

16. SHARE PREMIUM

	Group and Company RM'000
Arising from :	
Issue of 29,665,013 new ordinary shares for the acquisition of QL Feedingstuffs Sdn. Bhd. at an issue price of approximately RM1.47 per share	13,943
Right issue of 4,174,985 new ordinary shares at an issue price of RM1.20 per share	835
Public issue of 6,160,000 new ordinary shares at an issue price of RM2.50 per share	9,240
	<hr/> 24,018
Less: Listing expenses written off	(1,910)
	<hr/> 22,108 =====

17. RESERVE ON CONSOLIDATION

	Group RM'000
Non-distributable:	
Reserve on consolidation	
Amount arising on acquisition of investment in subsidiary companies	3,260
	=====

18. MINORITY INTERESTS

This consists of the share capital and the proportion of reserves attributable to minority shareholders in certain subsidiary companies.

19. DEFERRED TAXATION

	Group RM'000
Balance at 1 April	2,360*
Transfer from profit and loss account	1,338
	<hr/>
Balance at 31 March	3,698 =====

* Relates to deferred taxation of subsidiary companies acquired.

Deferred taxation for the Group relates to timing differences between depreciation and capital allowances and other timing differences.





NOTES TO THE ACCOUNTS - 31 MARCH 2000

20. TURNOVER

Group

Turnover represents the invoiced value of goods sold less discounts, returns and inter-group sales.

Company

Turnover represents interest received and receivable.

21. PROFIT BEFORE TAXATION

	Group RM'000	Company RM'000
After charging:-		
Directors' remuneration		
- fees - current year	528	-
- underprovision in prior years	3	-
- salaries and bonuses	3,228	-
- benefits-in-kind	40	-
Auditors' remuneration		
- current year	105	8
- underprovision in prior years	3	-
Bad debts written off	63	-
Provision for doubtful debts	6,577	-
Depreciation	6,125	-
Loss on disposal of fixed assets	186	-
Hiring of equipment	103	-
Interest expense		
- bills payable	2,812	-
- hire purchase and lease creditors	186	-
- overdraft	471	-
- term loans	1,313	-
- others	27	-
Preliminary and pre-operating expenses written off	7	7
Provision for slow moving stocks	63	-
Realised loss on foreign exchange	74	-
Rental of land	66	-
Rental of office premises	535	-
Warehouse rental	61	-
	=====	=====
and crediting:-		
Bad debts recovered	140	-
Provision for doubtful debts written back	1,210	-
Gain on disposal of fixed assets	305	-
Interest income		
- bank	34	
- others	93	49
Insurance claim	32	-
Realised gain on foreign exchange	77	-
Rental of premises	33	-
	=====	=====



NOTES TO THE ACCOUNTS - 31 MARCH 2000

22. TAXATION

	Group RM'000	Company RM'000
Income tax		
- Current year tax charge	2,524	13
- Underprovision in prior years	36	-
Deferred taxation	1,337	-
	<u>3,897</u>	<u>13</u>
	=====	=====

Group

The Group's effective tax rate is lower than the prima facie tax rate due to the utilisation of tax investment incentives.

Company

The Company's effective tax rate is higher than the prima facie tax rate due to certain expenses which are not deductible for tax purposes.

Subject to agreement with the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank all of its unappropriated profits at 31 March 2000 if paid out as dividends.

23. EARNINGS PER SHARE

The earnings per share is calculated based on profit after taxation and minority interests and pre-acquisition profits of RM4,128,000 and on the weighted average number of shares in issue during the year of 8,332,433 ordinary shares of RM1.00 each.

24. CAPITAL COMMITMENT

	Group RM'000
Approved and contracted for	6,482
Approved but not contracted for	1,600
	=====

Capital commitment is in respect of the purchase of fixed assets.

25. SEGMENT INFORMATION

Analysis of results and assets employed by principal activities.

	Turnover RM'000	Profit before tax RM'000	Assets employed RM'000
Marine-based manufacturing	41,425	5,774	40,867
Integrated livestock activities	268,136	8,204	122,863
Oil Palm related and other activities	97,640	6,080	66,333
	<u>407,201</u>	<u>20,058</u>	<u>230,063</u>
	=====	=====	=====





NOTES TO THE ACCOUNTS - 31 MARCH 2000

Analysis by geographical location:

The Group operates predominantly in Malaysia and accordingly, information on the Group's operation is not presented.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group RM'000	Company RM'000
Purchases from :		
A firm in which certain directors have interest	611	-
A person connected with a director of a subsidiary company	3,027	-
Companies in which a director of a subsidiary company has interest	48	-
Sales to companies in which a director of a subsidiary company has interest	1,774	-
	====	====

27. COMPARATIVE FIGURES

There is no comparative figures for the consolidated accounts as this is the first year of consolidation.

There is no comparative figures for the profit and loss account for the Company as the Company only commenced operations during the year.



LIST OF PROPERTIES AS AT 31 MARCH 2000

a) Properties held for owner occupation

Particulars of property	Tenure	Description/ existing use	Land area/ built-up area	Net book value (RM'000)	Approximate age (years)
Lot Nos 275 and TLO 117 held under Geran Mukim 237 and HS(D) 506 Padang Endau/Endau, Mersing (No. 11, Jalan Merlimau 86900 Endau, Johor)	<u>Lot: 275</u> Freehold <u>Lot: TLO 117</u> Leasehold- expiring 28.2.2036	Fishmeal factory	<u>Lot No:275</u> 1.6212 ha <u>TLO 117</u> 0.1626 ha Gross up area: 4,555.48 square metres	2,801	7
Lots 148 & 9119 held under GM 1264 and GM 2111 Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang) (Factory building only)	Freehold	Surimi and surimi based products factory	Gross built-up area of 2,804.17 square metres	1,866	5
Lots 148 & 9119 held under GM 1264 and GM 2111 Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang)	Freehold	Fishmeal factory and factory site	1.3181ha Built up area: 2,628 square metres	1,679	7
Lots 9120 & 9121 held under GM 2112 & GM 2113 Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang) (Factory building only)	Freehold	Warehouse	1.422ha Gross Built up area: 1,025.65 square metres	930	2
Lot 3397 held under GM 2437 Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang)	Freehold	Vacant industrial land/not in use	0.837 ha	406	N/A
Lot 5275 held under Geran 5693 Mukim Hutan Melintang, Hilir Perak, Perak (Jalan Simpang Empat-Sabak Bernam, Hutan Melintang)	Freehold	Agricultural land-planted with oil palm	8.369 ha	930	N/A



LIST OF PROPERTIES AS AT 31 MARCH 2000

Particulars of property	Tenure	Description/ existing use	Land area/ built-up area	Net book value (RM'000)	Approximate age (years)
PT 22264 & PT 22265, held Under HS(M) 16168 and HS(M) 16169 Mukim Kapar, Klang, Selangor (Nos 5 & 7, Lorong Bukit Kuda, Off Jalan Batu Tiga Lama, Klang, Selangor)	Freehold	2 adjoining units of 4 storey shophouses	296 sq metres Gross Built up area: 1,183 square metres	1,691	3
NT 013052581 Kota Kinabalu, Sabah	Freehold	Industrial land with 2 warehouses cum office and factory	1.03 ha Built up area: 4,946 sq metres	4,258	2
CL 025093207 & NT 023078140 Papar, Sabah	<u>CL 025093207</u> Leasehold/ 17.6.2937 <u>NT 023078140</u> Leasehold/ 31.12.2093	Layer farm	7.280 ha	2,179	3
CL 105355977, KM58, alongside Tawau-Kunak highway, Tawau, Sabah	Leasehold 31.12.2076	Agricultural and planted with oil palm with a crude and palm oil mill together with other building & improvements	81.06 ha	10,605	2
CL 115327396 CL 115327403 and CL 115332520, District of Lahad Datu Sabah	Leasehold/ 31.12.2069	Oil palm cultivation	161.889 ha	3,200	N/A
CL 105244406 CL 105244317 CL 105244380 and CL 105244335 KM8 ½, Apas Road, Tawau Sabah	Leasehold/ 24.10.2916	Vacant residential land rezoned for light industrial warehouse purpose	2.527 ha	1,840	N/A
CL 105164618 KM5, Jalan Air Panas Tawau/Sabah	Leasehold/ 11.8.2915	Residential land rezoned for light industrial purpose	1.736 ha	1,330	N/A



LIST OF PROPERTIES AS AT 31 MARCH 2000

Particulars of property	Tenure	Description/ existing use	Land area/ built-up area	Net book value (RM'000)	Approximate age (years)
CL 105242028, CL 105241996, CL 105241950, CL 105451572. KM21, Apas Parit locality, Tawau, Sabah	Leasehold/ <u>CL 105242028</u> 12.7.2933 <u>CL 105241996</u> 29.7.2933 <u>CL 105241950</u> 21.5.2925 <u>CL 105451572</u> 31.12.2057	A layer farm is situated on all the parcels of land	13.668 ha	6,400	N/A
CL 105345346, CL 105345355, CL 105345337, CL 105345328, CL 105345300, CL 105345319, Kawa Hill locality, Tawau, Sabah	Leasehold/ <u>CL 105345346</u> <u>CL 105345355</u> <u>CL 105345337</u> 31.12.2073 <u>CL 105345328</u> <u>CL 105345300</u> <u>CL 105345319</u> 31.12.2072	Agricultural lands planted with cocoa	36.20 ha	758	N/A
Serian Lease of Crown Land No. 2298, No. 4387, No. 6203, No. 6261, No. 8710, No 9864, No 9920, Sarawak, Kuching Occupation Ticket No 11002, & Lot 9858 Block 14, Sentah Segu Land District. Sarawak	Leasehold/ <u>No. 2298</u> 17.4.2011 <u>No. 4387</u> 21.2.2012 <u>No. 6203</u> 9.9.2012 <u>No. 6261</u> 31.12.2008 <u>No. 8710</u> 31.12.2040 <u>No. 9864</u> 31.12.2031 <u>No. 9920</u> 13.11.2015 <u>No. 11002</u> 31.12.2034 <u>Lot 9858</u> 31.12.2031	Layer farm Mixed Zone Land, <u>No. 2298</u> Country land <u>No. 4387</u> Country land <u>No. 6203</u> Country land <u>No. 6261</u> Country land <u>No. 8710</u> Country land <u>No. 9864</u> Country land <u>No. 9920</u> Suburban land <u>No. 9920</u> Country land <u>No. 11002</u> Country land <u>Lot 9858</u> Suburban land <u>Lot 9858</u> Country land	<u>18.6578 ha</u> <u>No. 2298</u> 2.4810 ha <u>No. 4387</u> 2.2740 ha <u>No. 6203</u> 0.9308 ha <u>No. 6261</u> 1.1760 ha <u>No. 8710</u> 2.4320 ha <u>No. 9864</u> 2.4280 ha <u>No. 9920</u> 2.9870 ha <u>No. 11002</u> 1.4370 ha <u>Lot 9858</u> 1.9720 ha	1,503	N/A
CL 025311835 and PL 026184663 situated at Kg Kelatuan, Jalan Bukit Manggis, District of Papar, Sabah	<u>CL 025311835</u> 31.12.2051 <u>PL 026184663</u> 31.12.2057	Agricultural land planted with oil palm	<u>CL 025311835</u> 7.91 ha <u>PL 026184663</u> 9.49 ha	817	N/A



LIST OF PROPERTIES AS AT 31 MARCH 2000

b) Properties held for investment and for future development

Particulars of property	Tenure	Description/ existing use	Land area/ built-up area	Net book value (RM'000)	Approximate age (years)
Lot 1646 GM 351, Mukim Padang Endau, Mersing, Johor	<u>Lot: 1646;</u> Freehold	Vacant agricultural land	0.3099 ha	80	N/A
Lot 5189 held under Geran 9406, Mukim of Kuala Kuantan, Kuantan, Pahang	Freehold	Vacant agricultural land	5.491 ha	180	N/A
PT 11542 held under HS(D) 13016, Mukim of Kapar Klang, Selangor (No 27, Jalan 5, Kawasan 16, Taman Intan, Selangor)	Freehold	Corner unit 3 storey shophouse	178.18 square metres Gross Built up area: 518.21 square metres	535	15
Developer's Lot No. 59, Section 12, Phase 1B, Pulau Indah Industrial Park, Pulau Indah. Mukim of Klang, Klang, Selangor	Leasehold (No individual title yet)	Vacant industrial land	1.1 acres	668	N/A
Developer's Lot No. 58, Section 12, Phase 1B, Pulau Indah Industrial Park, Pulau Indah, Mukim Klang, District of Klang, Selangor	Leasehold (No individual title yet)	Vacant industrial land	1.48 acres	897	N/A
Lot 24, 25 and 26, West Coast Furniture Association Site, Off Jalan Sepangar Bay, District of Kota Kinabalu	Leasehold Date of expiry of lease not available as individual titles not issued yet	Vacant industrial land	8,607.79 square metres	620	N/A



*LIST OF PROPERTIES
AS AT 31 MARCH 2000*

Particulars of property	Tenure	Description/ existing use	Land area/ built-up area	Net book value (RM'000)	Approximate age (years)
CL 105336034, CL 105336025, CL 105339633, CL 105452033, Kalumpang District of Tawau, Sabah	Leasehold/ <u>CL 105336034</u> 31.12.2071 <u>CL 105336025</u> 31.12.2072 <u>CL 105339633</u> 31.12.2078 <u>CL 105452033</u> 31.12.2071	Agricultural land planted with oil palm	799.11 acres	5,993	N/A





SHAREHOLDERS' ANALYSIS REPORT AS AT 28 JULY 2000

SHAREHOLDERS BY SIZE OF HOLDINGS

Sizes of Holdings	No. of Holders	%	No. of Shares	%
1 - 499	0	0	0	0
500 - 5,000	2,059	91.23	2,687,000	6.72
5,001 - 10,000	94	4.16	801,000	2.00
10,001 - 100,000	68	3.01	1,928,000	4.82
100,001 - 1,000,000	32	1.42	13,050,431	32.63
OVER 1,000,000	4	0.18	21,533,569	53.83
GRAND TOTAL	2,257	100.00	40,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Shareholdings	%
CBG Holdings Sdn. Bhd.	17,513,569	43.78
Farsathy Holdings Sdn. Bhd.	6,304,090	15.76
Chew Kim Seng	1,082,133	2.71
Lee Sing Hin	1,674,000	4.19
	26,573,792	66.44

LIST OF TOP 20 SHAREHOLDERS

CBG Holdings Sdn. Bhd.	13,980,000	34.95
Farsathy Holdings Sdn. Bhd.	5,020,000	12.55
HDM Nominees (Tempatan) Sdn. Bhd.	2,083,569	5.21
<i>CBG Holdings Sdn. Bhd.</i>		
HDM Nominees (Tempatan) Sdn. Bhd.	1,450,000	3.63
<i>Pledged Securities Account for CBG Holdings Sdn. Bhd.</i>		
Chew Kim Seng	852,317	2.13
HDM Nominees (Tempatan) Sdn. Bhd.	817,000	2.04
<i>Pledged Securities Account for Lee Sing Hin</i>		
HDM Nominees (Tempatan) Sdn. Bhd.	790,090	1.98
<i>Pledged Securities Account for Farsathy Holdings Sdn. Bhd.</i>		
Chen Fun Chow	771,000	1.93
Tan Le Le	741,000	1.85
Saodah Bt. Haji Malek	689,812	1.73
Ngeam Chong Kwai	620,000	1.55
HDM Nominees (Tempatan) Sdn. Bhd.	596,000	1.49
<i>Pledged Securities Account for Chew Kim Seng</i>		
Citicorp Nominees (Asing) Sdn. Bhd.	578,000	1.45
<i>TNTC for Government of Singapore Investment Corporation Pte. Ltd.</i>		
Pacific Nominees (Tempatan) Sdn. Bhd.	540,000	1.35
<i>Malaysian Trustees Berhad for Multi-Purpose Vision Fund (NAC)</i>		
Lee Sing Hin	527,000	1.32
Universal Trustee (Malaysia) Berhad	500,000	1.25
<i>Multi-Purpose First Fund</i>		
HDM Nominees (Tempatan) Sdn. Bhd.	494,000	1.24
<i>Farsathy Holdings Sdn. Bhd.</i>		
HSBC Nominees (Asing) Sdn. Bhd.	470,000	1.18
<i>HSBC Trustee (S) Ltd for Pheim Apec Growth Fund Limited</i>		
Mayfin Nominees (Tempatan) Sdn. Bhd.	454,609	1.14
<i>Pledged Securities Account for Mohd Rizal bin Ramlee (Shas)</i>		
Mayfin Nominees (Tempatan) Sdn. Bhd.	406,609	1.02
<i>Pledged Securities Account for Mohamad Kamal Bin Idris</i>		
	32,381,006	80.99

————— This page has been intentionally left blank —————



FORM OF PROXY

No. of ordinary shares held

I/We
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

being a member/members of QL Resources Berhad, hereby appoint
(FULL NAME)

of
(FULL ADDRESS)

or failing him, of, as my/our proxy/
proxies to vote for me/us and on my/our behalf, at the 3rd Annual General Meeting of the Company, to be held
at Concorde III, Level 2, Concorde Hotel Shah Alam, No. 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah
Alam, Selangor Darul Ehsan on Wednesday, 30th August, 2000 at 10.30 a.m., or at any adjournment thereof. My/
our proxy is to vote as indicated below:-

	FOR	AGAINST
Ordinary resolution 1		
Ordinary resolution 2		
Ordinary resolution 3		
Ordinary resolution 4		
Ordinary resolution 5		
Ordinary resolution 6		
Ordinary resolution 7		
Ordinary resolution 8		
Ordinary resolution 9		
Ordinary resolution 10		
Ordinary resolution 11		

(Please indicate with an "X" in the space provided how you wish your vote to be cast on the resolution specified
in the Notice of 3rd Annual General Meeting. If you do not do so, the proxy will vote or abstain from voting at his
discretion).

Dated this day of 2000
Signature/Seal

Notes:-

1. A member of the Company entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote in his place. Where a member appoints two proxies or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No.5, Lorong Bukit Kuda, Off Jalan Batu Tiga Lama, 41300 Klang, Selangor Darul Ehsan, at least 48 hours before the appointed time of holding the Meeting.
3. In the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.



Stamp

The Secretary,

QL RESOURCES BERHAD (428915-X)

No. 5, Lorong Bukit Kuda,
Off Jalan Batu Tiga Lama, 41300 Klang,
Selangor Darul Ehsan, Malaysia.