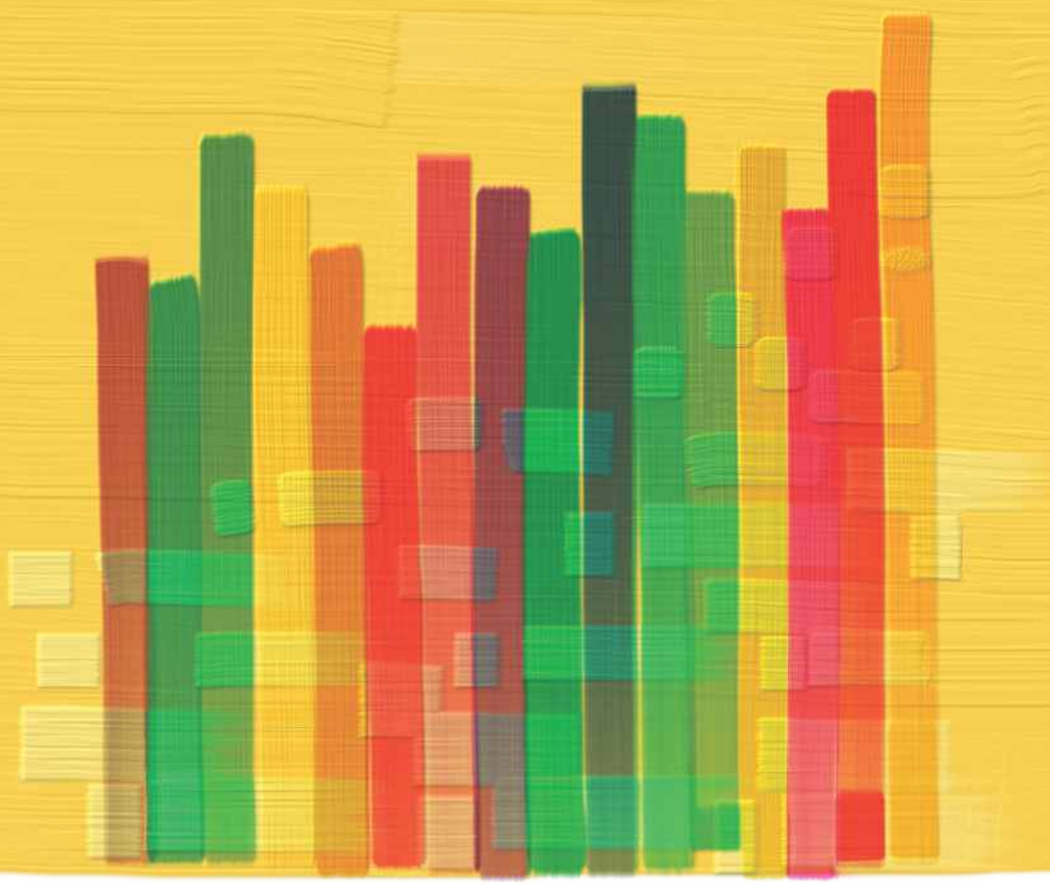
FINANCIAL STATEMENTS



DIRECTORS' REPORT for the year ended 31 March 2014

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 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 33 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	159,929	143,179
Non-controlling interests	6,825	-
	166,754	143,179

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, the Company declared and paid a final single tier dividend of 4.50 sen per ordinary share of RM0.25 each totalling RM37,441,000 in respect of the financial year ended 31 March 2013 on 13 September 2013.

The Directors recommend a final single tier dividend of 3.50 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 March 2014 subject to the approval of the shareholders at the forthcoming general meeting. Based on the issued and paid-up capital of the Company at the end of the reporting period, the final dividend would amount to approximately RM43,681,000.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Tengku Dato' Zainal Rashid Bin Tengku Mahmood
Chia Song Kun
Chia Seong Pow
Chia Seong Fatt
Chia Song Kooi
Chia Song Swa
Chia Mak Hooi
Cheah Juw Teck
Chieng Ing Huong
Tan Bun Poo
Datuk Wira Jalilah Binti Baba

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 spouses 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 of RM0.25 each					
	At 1.4.2013	**Bought**	**Bonus issue**	**Rights issue**	**Sold**	**At 31.3.2014**
Shareholdings in the Company which Directors have direct interests						
Tengku Dato' Zainal Rashid Bin Tengku Mahmood	2,700,000	-	810,000	360,000	-	3,870,000
Chia Song Kun	450,000	-	135,000	90,000	-	675,000
Chia Seong Pow	1,880,000	-	564,000	376,000	-	2,820,000
Chia Seong Fatt	324,000	-	97,200	64,800	-	486,000
Chia Song Kooi	580,000	-	174,000	116,000	-	870,000
Chia Song Swa	378,000	-	113,400	75,600	-	567,000
Chia Mak Hooi	465,000	211,500	139,500	93,000	-	909,000
Cheah Juw Teck	1,342,000	290,450	414,000	276,000	(125,000)	2,197,450
Shareholdings in the Company which Directors have indirect interests						
Chia Song Kun	383,677,998	271,950	115,103,398	76,737,520	(943,800)	574,847,066
Chia Seong Pow	111,132,740	15,000	33,339,822	22,227,608	(943,800)	165,771,370
Chia Seong Fatt	110,121,540	-	33,036,462	22,024,308	(943,800)	164,238,510
Chia Song Kooi	377,753,882	-	113,326,164	75,550,776	(943,800)	565,687,022
Chia Song Swa	376,486,682	-	112,946,004	75,297,336	(943,800)	563,786,222
Chia Mak Hooi	380,331,382	-	114,099,414	76,066,276	(943,800)	569,553,272
Cheah Juw Teck	4,839,800	30,000	1,460,940	973,960	-	7,304,700

By virtue of their interest in the shares of the Company, Chia Song Kun, Chia Seong Pow, Chia Seong Fatt, Chia Song Kooi, Chia Song Swa and Chia Mak Hooi are also deemed interested in the shares of all subsidiaries disclosed in Note 33 to these financial statements to the extent that the Company has an interest. Details of their deemed shareholdings in non-wholly-owned subsidiaries are shown in Note 33.1 to these financial statements.

The other Directors, Chieng Ing Huong, Tan Bun Poo and Datuk Wira Jalilah Binti Baba, holding office at 31 March 2014 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 a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of

DIRECTORS' BENEFITS (CONTINUED)

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 significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

a) 249,605,886 new ordinary shares of RM0.25 each pursuant to the bonus issue on the basis of three (3) ordinary shares for every ten (10) existing ordinary shares of RM0.25 each by way of capitalisation of share premium. The bonus issue exercise was completed on 17 February 2014 following the listing and quotation of the 249,605,886 bonus shares on the Main Market of Bursa Malaysia Securities Berhad; and

b) 166,403,924 new ordinary shares of RM0.25 each at an issue price of RM1.80 per share pursuant to the rights issue on the basis of two (2) ordinary shares for every ten (10) existing ordinary shares of RM0.25 each for a total consideration of RM299,527,000. The acceptance and payment for the rights issue was closed on 5 March 2014.

The new ordinary shares issued rank pari passu in all respect with the existing shares of the Company.

There were no other changes in the authorised, 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 annual general meeting held on 23 August 2013, renewed the Company's plan to buy-back its own shares.

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2014 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.

SIGNIFICANT EVENTS DURING THE YEAR

The significant events during the year are as disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENT

The significant subsequent event is disclosed in Note 35 to the financial statements.

AUDITORS

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

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

....

Chia Song Kun

....

Chia Mak Hooi

Shah Alam,

Date: 9 July 2014

STATEMENTS OF FINANCIAL POSITION as at 31 March 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Assets					
Property, plant and equipment	3	1,043,158	960,702	436	580
Intangible assets	4	6,906	7,229	-	-
Biological assets	5	111,844	111,838	-	-
Investment properties	6	33,641	29,466	-	-
Prepaid lease payments	7	58,694	53,300	-	-
Investment in subsidiaries	8	-	-	655,456	418,517
Investment in associates	9	101,354	74,564	25,223	23,432
Deferred tax assets	10	1,123	539	-	-
Other receivables	11	3,966	2,817	128,970	118,102
Total non-current assets		1,360,686	1,240,455	810,085	560,631
Inventories	12	228,997	219,363	-	-
Biological assets	5	80,562	74,168	-	-
Other investments, including derivatives	13	2,166	138	1,907	19
Current tax assets		6,027	9,007	1,494	684
Trade and other receivables	11	272,434	279,668	175,072	352,466
Prepayments and other assets	14	37,593	37,595	427	305
Assets held for sale	15	-	7,035	-	-
Cash and cash equivalents	16	253,157	141,101	81,804	4,568
Total current assets		880,936	768,075	260,704	358,042
Total assets		2,241,622	2,008,530	1,070,789	918,673

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Equity					
Share capital		312,007	208,005	312,007	208,005
Share premium		308,018	113,599	308,018	113,599
Reserves		665,743	569,177	111,186	5,187
Equity attributable to owners of the Company		1,285,768	890,781	731,211	326,791
Non-controlling interests		59,947	68,857	-	-
Total equity	17	1,345,715	959,638	731,211	326,791
Liabilities					
Loans and borrowings	18	268,213	451,074	243,761	418,934
Employee benefits	19	1,151	769	-	-
Deferred tax liabilities	10	65,695	59,791	-	-
Total non-current liabilities		335,059	511,634	243,761	418,934
Trade and other payables, including derivatives	20	168,009	152,536	11,109	56,565
Loans and borrowings	18	386,063	376,679	84,708	116,383
Current tax liabilities		6,776	8,043	-	-
Total current liabilities		560,848	537,258	95,817	172,948
Total liabilities		895,907	1,048,892	339,578	591,882
Total equity and liabilities		2,241,622	2,008,530	1,070,789	918,673

The notes on pages 66 to 148 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 March 2014

		Group		Company	
	Note	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Revenue					
- sale of goods		2,457,186	2,146,307	-	-
- dividend income		-	-	154,870	30,354
- management fee		-	-	38	3,949
- administrative charges		-	-	723	2,491
		2,457,186	2,146,307	155,631	36,794
Cost of sales		(2,052,930)	(1,795,179)	-	-
Gross profit		404,256	351,128	155,631	36,794
Administration expenses		(137,246)	(117,318)	(1,658)	(11,209)
Distribution costs		(48,310)	(37,130)	-	-
Other expenses		(19,359)	(15,765)	-	-
Other income		22,396	11,220	129	20
Results from operating activities	21	221,737	192,135	154,102	25,605
Finance costs	22	(35,119)	(28,593)	(22,035)	(19,552)
Finance income	23	2,524	1,931	11,349	20,173
Share of profits of equity-accounted associates, net of tax		14,625	7,236	-	-
Profit before tax		203,767	172,709	143,416	26,226
Tax expense	24	(37,013)	(35,157)	(237)	(1,811)
Profit for the year		166,754	137,552	143,179	24,415

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Other comprehensive (expenses)/ income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(32,057)	(15,178)	-	-
Cash flow hedge		387	579	261	422
Total other comprehensive (expenses)/ income for the year, net of tax		(31,670)	(14,599)	261	422
Total comprehensive income for the year		135,084	122,953	143,440	24,837
Profit attributable to:					
Owners of the Company		159,929	131,706	143,179	24,415
Non-controlling interests		6,825	5,846	-	-
Profit for the year		166,754	137,552	143,179	24,415
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		135,152	117,098	143,440	24,837
Non-controlling interests		(68)	5,855	-	-
Total comprehensive income for the year		135,084	122,953	143,440	24,837
Basic/Diluted earnings per ordinary share (sen)	25	14	11		

The notes on pages 66 to 148 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

Group	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company →							
		← Non-distributable →				Distributable			
At 1 April 2012		208,000	113,544	(17,101)	(574)	507,727	811,596	68,438	880,034
Foreign currency translation differences for foreign operations		-	-	(15,178)	-	-	(15,178)	-	(15,178)
Cash flow hedge		-	-	-	570	-	570	9	579
Total other comprehensive (expenses)/income for the year		-	-	(15,178)	570	-	(14,608)	9	(14,599)
Profit for the year		-	-	-	-	131,706	131,706	5,846	137,552
Total comprehensive (expenses)/income for the year		-	-	(15,178)	570	131,706	117,098	5,855	122,953
Contributions by and distributions to owners of the Company									
- Issuance of shares									
- conversion of warrants		5	55	-	-	-	60	-	60
- Dividend to owners of the Company	26	-	-	-	-	(37,440)	(37,440)	-	(37,440)
- Dividends to non-controlling interests		-	-	-	-	-	-	(3,875)	(3,875)
- Change in ownership interests in subsidiaries		-	-	-	-	(533)	(533)	(1,561)	(2,094)
Total transactions with owners of the Company		5	55	-	-	(37,973)	(37,913)	(5,436)	(43,349)
At 31 March 2013		208,005	113,599	(32,279)	(4)	601,460	890,781	68,857	959,638
		Note 17.1	Note 17.2	Note 17.3	Note 17.4				

Group	Note	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company							
		Non-distributable				Distributable			
At 1 April 2013		208,005	113,599	(32,279)	(4)	601,460	890,781	68,857	959,638
Foreign currency translation differences for foreign operations		-	-	(25,163)	-	-	(25,163)	(6,894)	(32,057)
Cash flow hedge		-	-	-	386	-	386	1	387
Total other comprehensive (expenses)/income for the year		-	-	(25,163)	386	-	(24,777)	(6,893)	(31,670)
Profit for the year		-	-	-	-	159,929	159,929	6,825	166,754
Total comprehensive (expenses)/income for the year		-	-	(25,163)	386	159,929	135,152	(68)	135,084
Contributions by and distributions to owners of the Company									
- Issuance of shares									
- Bonus issue	17.1	62,401	(62,401)	-	-	-	-	-	-
- Rights issue	17.1	41,601	257,926	-	-	-	299,527	-	299,527
- Expenses for issuance of equity securities		-	(1,106)	-	-	-	(1,106)	-	(1,106)
- Dividend to owners of the Company	26	-	-	-	-	(37,441)	(37,441)	-	(37,441)
- Dividends to non-controlling interests		-	-	-	-	-	-	(9,211)	(9,211)
- Change in ownership interests in subsidiaries		-	-	-	-	(1,145)	(1,145)	(3,855)	(5,000)
- Contribution from non-controlling interests		-	-	-	-	-	-	4,224	4,224
Total transactions with owners of the Company		104,002	194,419	-	-	(38,586)	259,835	(8,842)	250,993
At 31 March 2014		312,007	308,018	(57,442)	382	722,803	1,285,768	59,947	1,345,715
		Note 17.1	Note 17.2	Note 17.3	Note 17.4				

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

Company	Note	Share capital RM'000	Share premium RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total equity RM'000
		Attributable to owners of the Company				
		Non-distributable			Distributable	
At 1 April 2012		208,000	113,544	(357)	18,147	339,334
Cash flow hedge		-	-	422	-	422
Total other comprehensive income for the year		-	-	422	-	422
Profit for the year		-	-	-	24,415	24,415
Total comprehensive income for the year		-	-	422	24,415	24,837
Contributions by and distributions to owners of the Company						
- Issuance of shares						
- conversion of warrants		5	55	-	-	60
- Dividend to owners of the Company	26	-	-	-	(37,440)	(37,440)
Total transactions with owners of the Company		5	55	-	(37,440)	(37,380)
At 31 March 2013		208,005	113,599	65	5,122	326,791
		Note 17.1	Note 17.2	Note 17.4	Note 17.5	

		Attributable to owners of the Company				
		Non-distributable			Distributable	
Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Hedging reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2013		208,005	113,599	65	5,122	326,791
Cash flow hedge		-	-	261	-	261
Total other comprehensive income for the year		-	-	261	-	261
Profit for the year		-	-	-	143,179	143,179
Total comprehensive income for the year		-	-	261	143,179	143,440
Contributions by and distributions to owners of the Company						
- Issuance of shares						
- Bonus issue	17.1	62,401	(62,401)	-	-	-
- Rights issue	17.1	41,601	257,926	-	-	299,527
- Expenses for issuance of equity securities		-	(1,106)	-	-	(1,106)
- Dividend to owners of the Company	26	-	-	-	(37,441)	(37,441)
Total transactions with owners of the Company		104,002	194,419	-	(37,441)	260,980
At 31 March 2014		312,007	308,018	326	110,860	731,211
		Note 17.1	Note 17.2	Note 17.4	Note 17.5	

The notes on pages 66 to 148 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS for the year ended 31 March 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities					
Profit before tax		203,767	172,709	143,416	26,226
Adjustments for:					
Amortisation of prepaid lease payments		1,166	999	-	-
Amortisation of intangible assets		183	181	-	-
Amortisation of investment properties		613	547	-	-
Assets held for sale written off		-	32	-	-
Depreciation of property, plant and equipment		76,256	64,156	136	147
Derivative (gain)/loss		(359)	551	-	-
Dividends from subsidiaries		-	-	(154,870)	(29,760)
Dividends from liquid investments		(280)	(188)	(112)	(20)
Dividends from associates		-	-	-	(594)
Finance costs		35,119	28,593	22,035	19,552
Finance income		(2,524)	(1,931)	(11,349)	(20,173)
Gain on disposal of assets held for sale		(4,396)	(58)	-	-
Gain on disposal of property, plant and equipment		(72)	(658)	(17)	-
Gain on disposal of investment properties		(8,290)	(218)	-	-
(Gain)/Loss on foreign exchange – unrealised		(68)	246	(2,353)	(99)
Property, plant and equipment written off		1,486	248	-	-
Share of profits of equity-accounted associates, net of tax		(14,625)	(7,236)	-	-
Operating profit/(loss) before changes in working capital		287,976	257,973	(3,114)	(4,721)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Changes in working capital:					
Biological assets		(5,245)	(18,451)	-	-
Inventories		(7,734)	(66,156)	-	-
Trade and other receivables and other financial assets		(11,748)	(95,055)	(1,607)	(144,705)
Employee benefits		382	401	-	-
Trade and other payables, including derivatives		15,375	15,622	(3,835)	(1,514)
Bills payable		33,237	55,000	-	-
Cash generated from/(used in) operations		312,243	149,334	(8,556)	(150,940)
Dividends from liquid investments		280	188	112	20
Income taxes paid		(29,980)	(23,985)	(1,047)	(1,611)
Interest paid		(10,921)	(8,402)	-	-
Interest received		2,524	1,931	11,349	20,173
Net cash generated from/(used in) operating activities		274,146	119,066	1,858	(132,358)
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	36	(9,381)	(2,313)	-	-
Acquisition of investment properties		(689)	(1,568)	-	-
Acquisition of prepaid lease payments		(969)	(2,660)	-	-
Acquisition of property, plant and equipment	(iii)	(188,259)	(188,703)	(377)	(210)
Proceeds from disposal of assets held for sale		11,431	106	-	-
Proceeds from disposal of property, plant and equipment		1,165	3,521	402	-
Proceeds from disposal of investment properties		18,962	1,147	-	-
Dividends received from subsidiaries		-	-	154,870	29,760
Dividends received from associates		2,647	2,669	-	594
Increase in investment in associates		(14,812)	(4,178)	(1,791)	-
Increase in investment in subsidiary		-	-	(1,499)	-
Net cash (used in)/generated from investing activities		(179,905)	(191,979)	151,605	30,144

STATEMENTS OF CASH FLOWS for the year ended 31 March 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from financing activities					
Advances to subsidiaries		-	-	(108,324)	(22,104)
Acquisition of non-controlling interests		(5,000)	(1,561)	-	-
Contribution from non-controlling interests		4,224	-	-	-
Dividends paid to non-controlling interests		(9,211)	(3,875)	-	-
Dividends paid to owners of the Company		(37,441)	(37,440)	(37,441)	(37,440)
Interest paid		(24,198)	(20,191)	(22,035)	(19,552)
Repayment of finance lease liabilities		(209)	(90)	-	-
(Repayment of)/Proceeds from loans and other borrowings		(217,514)	177,731	(206,848)	176,160
Proceeds from conversion of warrants		-	60	-	60
Proceeds from issuance of shares		299,527	-	299,527	-
Share issue expenses		(1,106)	-	(1,106)	-
Net cash generated from/(used in) financing activities		9,072	114,634	(76,227)	97,124
Net increase/(decrease) in cash and cash equivalents		103,313	41,721	77,236	(5,090)
Cash and cash equivalents at beginning of the year		129,363	87,642	4,568	9,658
Cash and cash equivalents at end of the year	(i)	232,676	129,363	81,804	4,568

NOTES TO THE STATEMENTS OF CASH FLOWS

i) Cash and cash equivalents

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

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances		167,781	122,770	21,072	3,777
Deposits placed with licensed banks		25,100	18,331	580	791
Liquid investments		60,276	-	60,152	-
	16	253,157	141,101	81,804	4,568
Bank overdrafts	18	(20,481)	(11,738)	-	-
		232,676	129,363	81,804	4,568

ii) Non-cash transactions

During the financial year, the Company increased its investments in subsidiaries by RM236,939,000 (2013: RM144,584,000), of which RM235,440,000 (2013: RM144,584,000) is via capitalisation of debts.

iii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM189,309,000 (2013: RM189,002,000), of which RM1,050,000 (2013: RM299,000) were acquired by means of finance leases.

The notes on pages 66 to 148 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 follow:

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 2014 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 2014 do not include other entities.

The Company is principally engaged in investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 33 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 9 July 2014.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

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

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to FRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to FRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to FRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

FRSs, Interpretations and Amendments effective for a date yet to be confirmed

- FRS 9, *Financial Instruments (2009)*
- FRS 9, *Financial Instruments (2010)*
- FRS 9, *Financial Instruments – Hedge Accounting and Amendments to FRS 9, FRS 7 and FRS 139*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*

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

- from the annual period beginning on 1 April 2014 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2014, except for IC Interpretation 21 which is not applicable to the Group and the Company.

- from the annual period beginning on 1 April 2015 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 July 2014 except for Amendments to FRS 2 which is not applicable to the Group and the Company.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

FRS 9, *Financial Instruments*

FRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of FRS 9.

FRS 119, *Employee Benefits*

The amendments to FRS 119 introduces a practical expedient for employee or third party contributions set out in the formal terms of the plan that are linked to service and independent of the number of years of service.

The Group plans to apply the amendments to FRS 119 retrospective from the annual period beginning on 1 April 2015, and is currently assessing the financial impact that may arise from the initial application of the amendments.

The Company falls within the definition of Transitioning Entity and therefore, the Company is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS"). Being a Transitioning Entity, the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS by Transitioning Entity is mandated by the MASB.

1. BASIS OF PREPARATION (CONTINUED)

(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 currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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:

- Note 3 - measurement of the residual value and useful lives
- Note 4 - measurement of the recoverable amounts of cash-generating units
- Note 5 - valuation of biological assets
- Note 10 - recognition of unutilised tax losses and capital allowances
- Note 11 - valuation of receivables
- Note 12 - valuation of inventories
- Note 19 - employee benefits

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 adopted FRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

- Control exists when the Group 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. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.

- The Group 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. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The adoption of FRS 10 has no significant impact to the financial statements of the Group.

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.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(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.

Acquisitions on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures the costs 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.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

Acquisitions on or after 1 April 2011 (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between 1 April 2006 and 1 April 2011

For acquisitions between 1 April 2006 and 1 April 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 April 2006

For acquisitions prior to 1 April 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

(iii) Acquisitions of non-controlling interests

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

(iv) 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 an available-for-sale financial asset depending on the level of influence retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) 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 re-measured. 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 investments includes transaction costs.

(vi) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(vii) 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 available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(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 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (“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 profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, 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 or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

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

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a 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 FCTR in equity.

(c) Financial instruments

(i) Initial 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 instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract 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 at 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

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(l)(I)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as 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) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(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.

Fair value arising from financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

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

(v) Hedge accounting

Fair value hedge
A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the end of the reporting period is recognised in profit or loss. The gain or loss on the hedged item, except for hedge item categorised as available-for-sale, attributable to the hedged risk is adjusted to the carrying amount of the hedged item and recognised in profit or loss. For a hedge item categorised as available-for-sale, the fair value gain or loss attributable to the hedge risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

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 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 the ineffective portion is recognised in profit or loss.

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.

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 the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity 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 or cancelled or expired. 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.

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land and capital work-in-progress are measured at cost less any impairment losses. All other items of property, plant and equipment are measured at cost less 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. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

Buildings and improvements	4 - 50 years
Farm buildings	10 - 50 years
Fishing boat and equipment	5 - 20 years
Furniture, fittings and equipment	4 - 12.5 years
Plant and machinery	4 - 15 years
Office improvements and renovation	5 - 10 years
Motor vehicles	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

In respect of a subsidiary in Indonesia, prepaid lease payments include land use rights which represent location permit, plantation license and cultivation rights title over the plantation land. The land use rights are amortised using straight-line method over the legal terms of the related land use rights.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) 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) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (continued)

(iv) 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.

(v) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

Capitalised development costs	10 years
Patents and trademarks	15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives.

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

(ii) Reclassification to/from investment properties

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties (continued)

(iii) Determination of fair value disclosure

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The estimated fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the estimation between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

(h) Biological assets

(i) Plantation development expenditure

New planting expenditure which include land clearing, planting, field upkeep and maintenance of oil palms plantings to maturity are capitalised as plantation development expenditure and it is not amortised. Oil palm plantings are considered mature 30 months after the date of planting. Expenditures incurred after maturing of crops are recognised in profit or loss. Estate overhead expenditure is apportioned to revenue and plantation development expenditure on the basis of the proportion of mature and immature areas.

Net income from scout harvesting prior to maturity is offset against plantation development expenditure.

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

(ii) Livestock

Layer farms

Pullets and layers are measured 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. Thereafter the cost is amortised over its estimated economic life of the layers of approximately 60 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 related expenses expected to be incurred to maintain the layer.

Breeder farms

Breeders and hatching eggs are measured at the lower of amortised cost and net realisable value. Cost of breeders includes cost of parent stock plus all attributable cost including relevant overheads in breeding the parent stock and is amortised over its estimated economic useful lives of approximately 40 weeks. Cost of hatching eggs includes cost of raw materials, direct labour and all other attributable cost including relevant overheads.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Biological assets (continued)

(ii) Livestock (continued)

Breeder farms (continued)

Net realisable value is defined as the aggregate income expected to be generated from the sales of day-old-chicks produced and sales proceeds from the disposal of the ex-layer less related expenses expected to be incurred to maintain the layer.

Broiler farms

Broilers are measured at lower of cost and net realisable value. Cost of broilers includes costs of chicks plus all attributable costs in breeding the chicks to saleable condition.

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.

(I) Inventories

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 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.

(j) Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

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.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Non-current asset held for sale or distribution to owners (continued)

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

(k) 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. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with Note 2(c).

(l) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to 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.

(m) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Equity instruments (continued)

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's and the Company'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 and the Company have 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 obligation for post-employment benefits recognised in the statement of financial position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years, deducted by any plan assets. The calculation is performed by an independent actuary using the Projected-Unit-Credit method.

When the benefits of a plan are changed, the portion of the increased or decreased benefits relating to past services by employees is recognised in profit or loss on the straight-line method over the average remaining service period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(iii) Defined benefit plans (continued)

Actuarial gains or losses are recognised as income or expense when the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting year exceeded 10% of the present value of the defined benefit obligation at that date. These gains or losses are recognised on the straight-line method over the average remaining working lives of the employees. Otherwise, the actuarial gains or losses are not recognised.

(o) 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.

(p) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Management fee and administrative charges

Management fee and administrative charges are recognised on an accrual basis.

(iii) Rental income

Rental income from investment property 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) 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)

(q) 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.

(r) 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.

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 liabilities and assets, 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 the unutilised tax incentive can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) 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.

(t) 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.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(ii) Contingent assets

When it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow 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 assets unless the probability of inflow of economic benefit is remote.

(u) 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 is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Fair value measurements

From 1 April 2013, the Group and the Company adopted FRS 13, *Fair Value Measurement* which prescribed that 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.

In accordance with the transitional provision of FRS 13, the Group and the Company applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's and the Company's assets or liabilities other than the additional disclosures.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold 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	Office improvements and renovation RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost											
At 1 April 2012	65,047	58,864	149,985	141,362	40,717	52,697	424,828	3,241	58,739	165,352	1,160,832
Additions	5,821	4,790	8,476	1,106	79	6,230	40,865	319	10,526	111,083	189,295
Disposals	-	-	-	-	-	(1,596)	(1,163)	(2,391)	(2,820)	(26)	(7,996)
Written off	-	-	(102)	-	-	(7)	(271)	-	(121)	-	(501)
Transfer in/(out)	42	1,890	15,048	34,872	-	313	102,926	69	248	(155,408)	-
Transfer to investment properties	(694)	(1,644)	(3,416)	-	-	-	-	-	-	(20,051)	(25,805)
Transfer to assets held for sale	(6,637)	(229)	-	-	-	-	-	-	-	-	(6,866)
Acquisition of subsidiaries	-	2,552	-	-	-	-	-	-	-	-	2,552
Effect of movements in exchange rates	116	28	(293)	(598)	-	(12)	(1,518)	-	5	(2,300)	(4,572)
At 31 March/1 April 2013	63,695	66,251	169,698	176,742	40,796	57,625	565,667	1,238	66,577	98,650	1,306,939
Additions	10,914	691	15,629	15,320	934	5,732	47,018	127	10,028	82,916	189,309
Disposals	-	(90)	-	-	-	(876)	(483)	-	(1,200)	-	(2,649)
Written off	-	-	-	(716)	-	(121)	(3,990)	-	(150)	(91)	(5,068)
Transfer in/(out)	4,958	(784)	5,098	27,393	5,547	2,405	19,265	-	1,076	(64,958)	-
Transfer to investment properties	(14,771)	-	-	-	-	-	-	-	-	-	(14,771)
Transfer to prepaid lease payments	-	(3,192)	-	-	-	-	-	-	-	-	(3,192)
Acquisition of subsidiary	-	-	3,340	-	-	490	2,713	-	406	-	6,949
Effect of movements in exchange rates	(756)	-	(2,013)	(1,494)	-	(402)	(9,593)	(12)	(533)	(2,018)	(16,821)
At 31 March 2014	64,040	62,876	191,752	217,245	47,277	64,853	620,597	1,353	76,204	114,499	1,460,696

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Long term leasehold 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	Office improvements and renovation RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Depreciation											
At 1 April 2012											
Accumulated depreciation	-	5,878	22,407	38,686	9,271	19,867	154,549	2,001	30,913	-	283,572
Depreciation for the year	-	668	5,184	8,886	2,221	4,878	37,875	115	6,833	-	66,660
Disposals	-	-	-	-	-	(659)	(679)	(1,615)	(2,180)	-	(5,133)
Written off	-	-	(43)	-	-	(3)	(183)	-	(24)	-	(253)
Transfer to investment properties	-	(160)	(131)	-	-	-	-	-	-	-	(291)
Transfer to assets held for sale	-	(102)	-	-	-	-	-	-	-	-	(102)
Acquisition of subsidiaries	-	52	-	-	-	-	-	-	-	-	52
Effect of movements in exchange rates	-	7	467	564	-	39	672	3	(20)	-	1,732
At 31 March/1 April 2013	-	6,343	27,884	48,136	11,492	24,122	192,234	504	35,522	-	346,237
Depreciation for the year	-	688	5,825	10,556	2,502	5,246	44,035	121	8,438	-	77,411
Disposals	-	(39)	-	-	-	(395)	(252)	-	(870)	-	(1,556)
Written off	-	-	-	(667)	-	(44)	(2,770)	-	(101)	-	(3,582)
Transfer from prepaid lease payments	-	59	-	-	-	-	-	-	-	-	59
Acquisition of subsidiary	-	-	415	-	-	241	1,140	-	198	-	1,994
Effect of movements in exchange rates	-	-	(261)	(547)	-	(78)	(2,020)	(4)	(115)	-	(3,025)
At 31 March 2014	-	7,051	33,863	57,478	13,994	29,092	232,367	621	43,072	-	417,538

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Long term leasehold 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	Office improvements and renovation RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Carrying amounts											
At 1 April 2012	65,047	52,986	127,578	102,676	31,446	32,830	270,279	1,240	27,826	165,352	877,260
At 31 March/1 April 2013	63,695	59,908	141,814	128,606	29,304	33,503	373,433	734	31,055	98,650	960,702
At 31 March 2014	64,040	55,825	157,889	159,767	33,283	35,761	388,230	732	33,132	114,499	1,043,158

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 April 2012	219	616	835
Additions	207	3	210
At 31 March/1 April 2013	426	619	1,045
Additions	120	257	377
Disposal	(546)	(125)	(671)
At 31 March 2014	-	751	751
Accumulated depreciation			
At 1 April 2012	104	214	318
Depreciation for the year	56	91	147
At 31 March/1 April 2013	160	305	465
Depreciation for the year	24	112	136
Disposal	(184)	(102)	(286)
At 31 March 2014	-	315	315
Carrying amounts			
At 1 April 2012	115	402	517
At 31 March/1 April 2013	266	314	580
At 31 March 2014	-	436	436

3.1 Depreciation charge for the year is allocated as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income statement (Note 21)	76,256	64,156	136	147
Biological assets (Note 5)	1,155	2,211	-	-
Property, plant and equipment under construction	-	293	-	-
	77,411	66,660	136	147

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.2 Assets under finance lease

Included in property, plant and equipment of the Group are assets acquired under finance lease agreements with the following net book value:

	Group	
	2014 RM'000	2013 RM'000
Motor vehicles	1,449	611

3.3 Capital work-in-progress

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

4. INTANGIBLE ASSETS

Group	Goodwill RM'000	Development costs RM'000	Patents and trademarks RM'000	Total RM'000
Cost				
At 1 April 2012	6,593	1,136	554	8,283
Effect of movements in exchange rates	(176)	-	-	(176)
At 31 March/1 April 2013	6,417	1,136	554	8,107
Effect of movements in exchange rates	(140)	-	-	(140)
At 31 March 2014	6,277	1,136	554	7,967
Amortisation and impairment loss				
At 1 April 2012				
- Accumulated amortisation	-	301	110	411
- Accumulated impairment loss	197	-	89	286
	197	301	199	697
Amortisation for the year	-	152	29	181
At 31 March/1 April 2013				
- Accumulated amortisation	-	453	139	592
- Accumulated impairment loss	197	-	89	286
	197	453	228	878
Amortisation for the year	-	152	31	183
At 31 March 2014				
- Accumulated amortisation	-	605	170	775
- Accumulated impairment loss	197	-	89	286
	197	605	259	1,061
Carrying amounts				
At 1 April 2012	6,396	835	355	7,586
At 31 March/1 April 2013	6,220	683	326	7,229
At 31 March 2014	6,080	531	295	6,906

4. INTANGIBLE ASSETS (CONTINUED)

The goodwill recognised on acquisition is attributable mainly to the synergies expected to be achieved from integrating the acquired companies into the Group's existing operations.

For the purpose of the impairment testing, goodwill is allocated to the lowest level within the Group of which the goodwill is monitored for internal management purposes.

The recoverable amounts of the cash-generating units were based on value in use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management.

5. BIOLOGICAL ASSETS

	Group	
	2014	**2013**
	RM'000	**RM'000**
Non-current		
At cost:		
Plantation development expenditure	111,844	111,838
Current		
At cost:		
Livestock	80,562	74,168
	192,406	186,006

Included in non-current biological assets is depreciation charge of RM1,155,000 (2013: RM2,211,000) (Note 3.1).

6. INVESTMENT PROPERTIES

	Group
	RM'000
Cost	
At 1 April 2012	7,133
Additions	1,568
Transfer from property, plant and equipment	25,805
Transfer to assets held for sale	(392)
Disposal	(1,165)
At 31 March/1 April 2013	32,949
Additions	689
Transfer from property, plant and equipment	14,771
Disposal	(10,860)
At 31 March 2014	37,549
Amortisation and impairment loss	
At 1 April 2012	
- Accumulated amortisation	1,835
- Accumulated impairment loss	1,221
	3,056

6. INVESTMENT PROPERTIES (CONTINUED)

	Group RM'000
Amortisation for the year	547
Transfer from property, plant and equipment	291
Transfer to assets held for sale	(175)
Disposal	(236)
At 31 March/1 April 2013	
- Accumulated amortisation	2,262
- Accumulated impairment loss	1,221
	3,483
Amortisation for the year	613
Disposal	(188)
At 31 March 2014	
- Accumulated amortisation	2,687
- Accumulated impairment loss	1,221
	3,908
Carrying amount	
At 1 April 2012	4,077
At 31 March/1 April 2013	29,466
At 31 March 2014	33,641
Fair value	
At 1 April 2012	20,792
At 31 March/1 April 2013	58,570
At 31 March 2014	79,788

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2014 RM'000	2013 RM'000
Rental income	866	602
Direct operating expenses:		
- income generating investment properties	(545)	(506)
- non-income generating investment properties	(64)	(48)

Fair value information

Fair value of investment properties are categorised as follows:

	2014			
Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Land	-	-	79,788	79,788

* *Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS13.*

6. INVESTMENT PROPERTIES (CONTINUED)

Policy on transfer between levels
The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value
Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value
Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Transfer between Level 1 and 2 fair values
There is no transfer between Level 1 and 2 fair values during the financial year.

Level 3 fair value
Level 3 fair value is estimated using unobservable inputs for the investment property.

Level 3 fair values of land is estimated by Directors using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The significant unobservable input into the Directors' valuation is adjustment to the price per square foot of comparable properties.

7. PREPAID LEASE PAYMENTS

Group	Short-term leasehold land* RM'000
Cost	
At 1 April 2012	56,645
Additions	2,660
Effect of movements in exchange rates	(31)
At 31 March/1 April 2013	59,274
Additions	969
Acquisition of subsidiary	2,432
Transfer from property, plant and equipment	3,192
Effect of movements in exchange rates	(56)
At 31 March 2014	65,811
Amortisation	
At 1 April 2012	4,945
Amortisation for the year	999
Effect of movements in exchange rates	30
At 31 March/1 April 2013	5,974
Amortisation for the year	1,166
Acquisition of subsidiary	54
Transfer to property, plant and equipment	(59)
Effect of movements in exchange rates	(18)
At 31 March 2014	7,117

7. PREPAID LEASE PAYMENT (CONTINUED)

Group	Short-term leasehold land* RM'000
Carrying amounts	
At 1 April 2012	51,700
At 31 March/1 April 2013	53,300
At 31 March 2014	58,694

** Unexpired period less than 50 years.*

Included in prepaid lease payments is an amount of RM19,740,000 (equivalent to USD6,000,000) which represent the valuation of the land use rights in respect of a subsidiary in Indonesia, as agreed in master joint venture agreement dated 16 August 2006. The land use rights represent the location permit, plantation license and the cultivation right title over the plantation land of approximately 20,000 hectares.

The approval for the land utilisation rights measuring in area of 14,177 hectares was granted in 2010 for a period of 35 years, out of which title to 10,159 hectares was issued. The cultivation right title is extendable under Indonesian Land Ordinance. QL's Indonesian partners have taken active steps to obtain additional land for the remaining cultivation right. In 2013, 1,300 hectares of additional land have been identified for the remaining cultivation right. No additional land was identified during the financial year.

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 11.2).

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	655,456	418,517

During the financial year, the Company increased its investments in subsidiaries by RM236,939,000 (2013: RM144,584,000), of which RM235,440,000 (2013: RM144,584,000) is via capitalisation of debts.

Details of the Company's subsidiaries are shown in Note 33.

Non-controlling interests in subsidiaries

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

	2014				
	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	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	29.41%	15.00%	25.50%		
Carrying amount of NCI	37,099	5,724	6,165	10,959	59,947
Total comprehensive income/(expense) allocated to NCI	7,222	1,468	(7,161)	(1,597)	(68)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

	2014		
	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**
	29.41%	15.00%	25.50%
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	102,501	51,988	180,587
Current assets	64,649	29,734	14,702
Non-current liabilities	(25,523)	(8,147)	(1,671)
Current liabilities	(15,484)	(35,418)	(169,443)
Net assets	126,143	38,157	24,175
Year ended 31 March			
Revenue	139,414	98,272	21,566
Total comprehensive income/(expense)	24,557	9,784	(28,083)
Cash flows from operating activities	14,972	11,364	4,507
Cash flows used in investing activities	(12,906)	(4,170)	(12,542)
Cash flows (used in)/from financing activities	(11,274)	(6,313)	10,110
Net (decrease)/increase in cash and cash equivalents	(9,208)	881	2,075
Dividends paid to NCI	(6,549)	(732)	-

	2013				
	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**	**Other individually immaterial subsidiaries RM'000**	**Total RM'000**
NCI percentage of ownership interest and voting interest	29.41%	15.00%	25.50%		
Carrying amount of NCI	32,223	4,989	13,326	18,319	68,857
Total comprehensive income/(expense) allocated to NCI	6,089	126	(3,011)	2,651	5,855

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

	2013		
	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**
	29.41%	15.00%	25.50%
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	97,501	52,618	188,209
Current assets	58,797	32,203	14,299
Non-current liabilities	(26,110)	(10,202)	(1,585)
Current liabilities	(20,622)	(41,362)	(148,665)
Net assets	109,566	33,257	52,258
Year ended 31 March			
Revenue	115,149	82,525	9,188
Total comprehensive income/(expense)	20,704	839	(11,807)
Cash flows from/(used in) operating activities	42,247	10,103	(4,321)
Cash flows used in investing activities	(27,470)	(11,708)	(17,616)
Cash flows (used in)/from financing activities	(8,513)	1,822	20,542
Net increase/(decrease) in cash and cash equivalents	6,264	217	(1,395)
Dividends paid to NCI	(2,246)	(568)	-

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
At cost:				
Unquoted shares	2,496	2,496	-	-
Quoted shares in Malaysia	73,195	58,383	25,223	23,432
Share of post-acquisition reserve	25,663	13,685	-	-
	101,354	74,564	25,223	23,432
Market value:				
Quoted shares in Malaysia	332,687	111,192	23,920	13,659

9. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of the associates are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Principal activities	Effective Ownership Interest and Voting Interest 2014 %	2013 %
Indahgrains Logistics Sdn. Bhd.*	Malaysia	Operating of warehouse and warehouse management	29.87	29.87
Boilermech Holdings Berhad*	Malaysia	Manufacturing, repairing and servicing of boilers	40.71	37.99
Lay Hong Berhad*	Malaysia	Integrated livestock farming	26.40	23.86

* *Equity accounted based on management accounts.*

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

Group	2014 Boilermech Holdings Berhad RM'000	Other individually immaterial associates RM'000	Total RM'000
Summarised financial information			
As at 31 March			
Non-current assets	42,755		
Current assets	171,400		
Current liabilities	(108,846)		
Net assets	105,309		
Year ended 31 March			
Total comprehensive income	31,757		
Included in the total comprehensive income is:			
Revenue	242,020		
Reconciliation of net assets to carrying amount			
As at 31 March			
Group's share of net assets	42,871	26,471	69,342
Goodwill	31,964	48	32,012
Carrying amount in the statements of financial position	74,835	26,519	101,354
Group's share of results			
Year ended 31 March			
Group's share of results	12,529	2,096	14,625
Other information			
Dividends received	2,020	627	

9. INVESTMENT IN ASSOCIATES (CONTINUED)

Group	Boilermech Holdings Berhad RM'000	2013 Other individually immaterial associates RM'000	Total RM'000
Summarised financial information			
As at 31 March			
Non-current assets	40,726		
Current assets	136,271		
Non-current liabilities	(1,496)		
Current liabilities	(96,789)		
Net assets	78,712		
Year ended 31 March			
Total comprehensive income	22,880		
Included in the total comprehensive income is:			
Revenue	165,834		
Reconciliation of net assets to carrying amount			
As at 31 March			
Group's share of net assets	29,903	23,211	53,114
Goodwill	21,402	48	21,450
Carrying amount in the statements of financial position	51,305	23,259	74,564
Group's share of results			
Year ended 31 March			
Group's share of results	10,580	(3,344)	7,236
Other information			
Dividends received	1,448	1,221	

10. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Property, plant and equipment	-	-	(63,877)	(58,156)	(63,877)	(58,156)
Biological assets	-	-	(2,063)	(2,001)	(2,063)	(2,001)
Provision	856	181	-	-	856	181
Revaluation	-	-	(769)	(933)	(769)	(933)
Tax loss carry-forwards	107	548	-	-	107	548
Unabsorbed capital allowances	1,206	1,014	-	-	1,206	1,014
Other temporary differences	106	111	(138)	(16)	(32)	95
Tax assets/(liabilities)	2,275	1,854	(66,847)	(61,106)	(64,572)	(59,252)
Set-off of tax	(1,152)	(1,315)	1,152	1,315	-	-
Net tax assets/(liabilities)	1,123	539	(65,695)	(59,791)	(64,572)	(59,252)

Movement in temporary differences during the year

Group	**At 1.4.2012 RM'000**	**Recognised in profit or loss (Note 24) RM'000**	**At 31.3.2013/ 1.4.2013 RM'000**	**Recognised in profit or loss (Note 24) RM'000**	**At 31.3.2014 RM'000**
Property, plant and equipment	(51,611)	(6,545)	(58,156)	(5,721)	(63,877)
Biological assets	(2,063)	62	(2,001)	(62)	(2,063)
Provision	556	(375)	181	675	856
Revaluation	(1,097)	164	(933)	164	(769)
Tax loss carry-forwards	399	149	548	(441)	107
Unabsorbed capital allowances	365	649	1,014	192	1,206
Other temporary differences	26	69	95	(127)	(32)
	(53,425)	(5,827)	(59,252)	(5,320)	(64,572)

Unrecognised deferred tax

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

	Group	
	2014 RM'000	**2013 RM'000**
Property, plant and equipment	5,834	6,098
Tax loss carry-forwards	(7,330)	(6,796)
Unabsorbed capital allowances	(6,138)	(6,193)
	(7,634)	(6,891)

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

Unrecognised deferred tax (continued)

Certain subsidiaries have tax incentives with tax exemption of 100% on its statutory income in accordance with Section 127 of the Income Tax Act 1967 for a period of 10 years commencing from the year the subsidiaries achieve statutory income. Deferred tax has not been recognised for temporary differences expected to be crystalised within the tax incentive period.

The tax loss carry-forwards do not expire under current tax legislation, except for RM2,445,000 (2013: RM2,303,000) which expires in 2016 and RM3,136,000 (2013: nil) which expires in 2019 under the tax legislation in Vietnam. Deferred tax assets have not been recognised in respect of the tax loss carry-forwards and unabsorbed capital allowances because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits there from.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Subsidiaries	11.1	-	-	128,970	118,102
Other receivables	11.2	3,966	2,817	-	-
		3,966	2,817	128,970	118,102
Current					
Trade					
Trade receivables	11.3	224,831	236,025	-	-
Less: Allowance for impairment loss	11.4	(8,029)	(6,394)	-	-
		216,802	229,631	-	-
Non-trade					
Subsidiaries	11.1	-	-	174,981	352,233
Associates	11.1	-	24	-	24
Other receivables	11.2	55,632	50,013	91	209
		55,632	50,037	175,072	352,466
		272,434	279,668	175,072	352,466
		276,400	282,485	304,042	470,568

11.1 Amounts due from subsidiaries and associates

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) RM166,277,000 (2013: RM158,645,000) which is subject to the Company's weighted cost of funds ("COF") plus 0.50% (2013: COF plus 0.50%) per annum with fixed terms of repayment over a period of 1 to 5 years (2013: 1 to 5 years); and

ii) RM132,808,000 (2013: RM308,552,000) which is subject to Company's COF plus 0.50% (2013: COF plus 0.50%) per annum and is repayable on demand.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

11.1 Amounts due from subsidiaries and associates (continued)

Associates

In prior year, the amounts due from associates were unsecured, interest free and repayable on demand. The balances were recovered during the financial year.

11.2 Other receivables

i) Included in non-current other receivables of the Group are advances for plasma plantation projects in Indonesia amounting to RM3,966,000 (2013: RM2,817,000).

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 current other receivables of the Group are advances made to suppliers of certain subsidiaries amounting to RM39,899,000 (2013: RM38,481,000) to secure the constant source of raw material supplies for the manufacturing activities. The amount is net of impairment loss on advances to suppliers debts, unsecured, interest free and repayment is substantially made through the supply of raw materials.

11.3 Trade receivables

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

	Group	
	2014 RM'000	2013 RM'000
A person connected with a Director of a subsidiary	252	234
Companies in which certain Directors of the subsidiaries have interests	5,689	9,455
	5,941	9,689

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

11.4 Allowance for impairment loss

During the year, impairment loss on receivables written off against the receivable previously provided for by the Group amounted to RM230,000 (2013: RM1,688,000).

12. INVENTORIES

	Group	
	2014	2013
	RM'000	RM'000
At cost:		
Raw materials	60,841	56,860
Manufactured and trading inventories	166,281	161,570
At net realisable value:		
Manufactured and trading inventories	1,875	933
	228,997	219,363

13. OTHER INVESTMENTS, INCLUDING DERIVATIVES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss:				
- Held for trading, including derivatives	259	-	-	-
Derivatives designated as hedging instruments	1,907	138	1,907	19
	2,166	138	1,907	19
Representing items:				
At fair value	2,166	138	1,907	19

14. PREPAYMENTS AND OTHER ASSETS

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Deposits	14.1	29,533	30,219	250	186
Prepayments		8,060	7,376	177	119
		37,593	37,595	427	305

14.1 Deposits

Included in deposits of the Group are:

i) deposits paid for purchase of property, plant and equipment amounting to RM20,238,000 (2013: RM21,849,000); and

ii) deposits paid for the purpose of entering into futures contracts and options amounting to RM187,000 (2013: RM92,000).

15. ASSETS HELD FOR SALE

Assets classified as held for sale comprise the following:

	Group	
	2014	2013
	RM'000	RM'000
At net book value:		
Freehold land	-	6,637
Long term leasehold land	-	344
Plant and machinery	-	54
	-	7,035

Assets are classified as held for sale when efforts to sell the assets have been commenced prior to the reporting date and the sales are expected to be completed within the next twelve months. The assets classified as held for sale in prior year were disposed during the year.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	167,781	122,770	21,072	3,777
Deposits with licensed banks	25,100	18,331	580	791
Liquid investments	60,276	-	60,152	-
	253,157	141,101	81,804	4,568

17. CAPITAL AND RESERVES

17.1 Share capital

	Group and Company			
	Amount 2014 RM'000	Number of shares 2014 '000	Amount 2013 RM'000	Number of shares 2013 '000
Authorised:				
Ordinary shares of RM0.25	500,000	2,000,000	500,000	2,000,000
Issued and fully paid up:				
Ordinary shares of RM0.25				
At 1 April 2013/2012	208,005	832,020	208,000	832,002
Issued during the year				
- Exercise of warrants	-	-	5	18
- Bonus issue	62,401	249,606	-	-
- Rights issue	41,601	166,404	-	-
At 31 March	312,007	1,248,030	208,005	832,020

17. CAPITAL AND RESERVES (CONTINUED)

17.1 Share capital (continued)

i) Bonus issue

The Company issued 249,605,886 new ordinary shares of RM0.25 each pursuant to the bonus issue on the basis of three (3) ordinary shares for every ten (10) ordinary shares of RM0.25 each by way of capitalisation of share premium. The bonus issue exercise was completed on 17 February 2014 following the listing and quotation of the 249,605,886 bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

ii) Rights issue

The Company issued 166,403,924 new ordinary shares of RM0.25 each at an issue price of RM1.80 per share pursuant to the rights issue on the basis of two (2) ordinary shares for every ten (10) existing ordinary shares of RM0.25 each for a total consideration of RM299,527,000. The acceptance and payment for the rights issue was closed on 5 March 2014.

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.

17.2 Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

17.3 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.

17.4 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.

17.5 Retained earnings

The Company may distribute single tier dividends to its shareholders out of its entire retained earnings.

17.6 Warrants

The Company had issued 41,600,000 free warrants on the basis of one (1) free Warrant for every twenty (20) existing ordinary shares of RM0.25 each in 2011. The Warrants are constituted by a Deed Poll dated 8 February 2011 and were listed on Bursa Malaysia Securities Berhad.

There were 17,822 warrants exercised in the previous financial year. The warrants expired on 13 February 2013 and thus, any unsold/unexercised warrants have lapsed.

18. LOANS AND BORROWINGS

		Group		Company	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Non-current:					
Term loans					
- Conventional	- unsecured	145,652	282,203	121,857	251,427
- Islamic	- unsecured	115,490	149,789	115,490	148,593
Islamic Commercial Papers	- unsecured	6,414	18,914	6,414	18,914
Finance lease liabilities		657	168	-	-
		268,213	451,074	243,761	418,934
Current:					
Term loans					
- Conventional	- unsecured	38,428	58,380	22,932	44,197
- Islamic	- unsecured	30,000	31,982	30,000	30,396
Bank overdrafts	- unsecured	20,481	11,738	-	-
Islamic Commercial Papers	- unsecured	8,750	8,750	8,750	8,750
Bills payable					
- Conventional	- unsecured	247,082	193,856	-	-
- Islamic	- unsecured	17,805	37,794	-	-
Revolving credit	- unsecured	23,026	34,040	23,026	33,040
Finance lease liabilities		491	139	-	-
		386,063	376,679	84,708	116,383
		654,276	827,753	328,469	535,317

18.1 Interest/Profit rate

Group

Term loans

The term loans for the Group are subject to the following:

i) At an interest ranging from 3.91% to 6.90% (2013: 3.21% to 5.86%) per annum;

ii) 3 months Kuala Lumpur Interbank Offered Rate ("KLIBOR") plus 0.70% - 1.35% (2013: 3 months KLIBOR plus 0.48% - 1.35%) per annum;

iii) 1 month Cost of Fund ("COF") plus 1.20% (2013: 1 month COF plus 1.20%) per annum;

iv) 3 months COF plus 1.50% (2013: 3 months COF plus 1.50%) per annum; and

v) Kuala Lumpur Islamic Reference Rate ("KLIRR") plus 1.25% (2013: KLIRR plus 1.25%) per annum.

The term loans for the Group are repayable in equal monthly, quarterly and half yearly instalments over periods ranging from 1 to 5 years (2013: 1 to 5 years).

18. LOANS AND BORROWINGS (CONTINUED)

18.1 Interest/Profit rate (continued)

Group (continued)

Bank overdrafts

The bank overdrafts are subject to interest ranging from 0.50% to 1.75% above Base Lending Rate ("BLR") (2013: 0.50% to 1.75% above BLR) per annum.

Bills payable

The unsecured bills payable are subject to interest ranging from 0.20% to 1.50% above COF (2013: 0.25% to 1.50% above COF) per annum.

Revolving credit

The revolving credit is subject to interest of monthly COF plus 0.85% to 1.25% (2013: monthly COF plus 0.85%) per annum.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000	Future minimum lease payments 2013 RM'000	Interest 2013 RM'000	Present value of minimum lease payments 2013 RM'000
Less than one year	511	(20)	491	155	(16)	139
Between one and five years	713	(56)	657	179	(11)	168
	1,224	(76)	1,148	334	(27)	307

Finance lease liabilities bear interest rates at 2.50% to 5.80% (2013: 3.20% to 4.25%) per annum.

Group and Company

Islamic Commercial Papers

In 2012, the Company issued RM45 million 3.5 years Islamic Commercial Papers ("ICP") under the Sukuk Program ("Programme") at par with profit rates ranging from 4.33% to 4.57% per annum.

Salient features of the Programme are as follows:

i) Total outstanding nominal value of the ICP at any point in time shall not exceed RM45 million.

ii) The aggregate tenure of the Progamme is up to 3.5 years from the date of the first issuance of the ICP under the Programme.

iii) The ICP will be issued at a discount to the nominal value and repayable in 6 monthly installment over period of 3.5 years. There will not be profit payable on the ICP issued under the Programme in view that they are issued at a discount.

18. LOANS AND BORROWINGS (CONTINUED)

18.1 Interest/Profit rate (continued)

Company

Term loans
The term loans for the Company are subject to the following:

i) At an interest of 4.50% (2013: 3.21% to 4.50%) per annum;

ii) 3 months KLIBOR plus 0.70% to 1.35% (2013: 3 months KLIBOR plus 0.48% to 1.35%) per annum;

iii) 1 month COF plus 1.20% (2013: 1 month COF plus 1.20%) per annum; and

iv) KLIRR plus 1.25% (2013: KLIRR plus 1.25%) per annum.

The term loans for the Company are repayable in equal monthly instalments over periods ranging from 1 to 5 years (2013: 1 to 5 years).

Revolving credit
The revolving credit is subject to interest of monthly COF plus 0.85% to 1.25% (2013: monthly COF plus 0.85%) per annum.

18.2 Security

Group

Term loans
Unsecured
The term loans are supported by way of:

i) corporate guarantees by the Company; and

ii) a negative pledge on all assets of the Company.

Bank overdrafts
Unsecured
The bank overdrafts are supported by way of corporate guarantee of the Company.

Bills payable
Unsecured
Bills payable are supported by way of corporate guarantee by the Company.

Significant covenants for certain term loans, bank overdrafts and bills payable granted to the Group and the Company:

i) dividend payment shall not exceed current year net profit after tax of the Company;

ii) maximum gearing of 2.0 times of the Group at all times; and

iii) minimum debt service cover ratio of 1.25 times of the Group.

18. LOANS AND BORROWINGS (CONTINUED)

18.2 Security (continued)

Group (continued)

Revolving credit

Unsecured

Revolving credit is supported by way of a negative pledge on all assets of the Company.

Company

Term loans

Unsecured

The term loans are supported by way of a negative pledge over the assets of the Company.

Islamic Commercial Papers

The ICP are supported by way of a negative pledge on all assets of the Company.

Significant covenants for ICP granted to the Group and the Company:

i) total annual dividends payout by subsidiary companies to the Issuer shall not be less than 20% of net profit after tax;

ii) maximum gearing of 1.5 times of the Group at all times;

iii) minimum debt service cover ratio of 1.8 times of the Group; and

iv) minimum finance service cover ratio of 3 times of the Group.

19. EMPLOYEE BENEFITS

The Group's net obligation in respect of defined benefit retirement plans arises from its subsidiaries in Indonesia. The following tables summarise the components of net employee benefit expense recognised in the statements of profit or loss and other comprehensive income and in the statements of financial position as employee benefits.

		Group	
		2014	2013
		RM'000	RM'000
a.	**Expense recognised in profit or loss**		
	Current service cost	370	416
	Interest on obligation	86	12
	Net benefit expense	456	428
b.	**Present value of defined benefit obligations**		
	Present value of defined benefit obligations	1,056	833
	Unrealised actuarial gain/(loss)	95	(64)
	Net benefit expense	1,151	769

19. EMPLOYEE BENEFITS (CONTINUED)

	Group 2014 RM'000	Group 2013 RM'000
c. Present value of defined benefit obligations		
Defined benefit obligations at 1 April 2013/2012	769	368
Current service cost and interest	456	428
Payment during the year	(74)	(27)
Defined benefit obligations at 31 March	1,151	769

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 years
Annual salary increment (estimated)	:	7% - 10% (2013: 7% - 10%)
Annual discount rate	:	8.7% (2013: 6.5%)
Mortality level	:	Indonesian Mortality Table ("TMI") 3
Disability level	:	10% from mortality level (2013: 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 31 March 2014 is sufficient to meet the requirements of the law in Indonesia.

20. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Current					
Subsidiaries	20.1	-	-	10,779	52,400
Trade payables	20.2	86,463	70,125	-	-
Other payables	20.3	61,346	60,623	256	9
Accrued expenses		20,200	17,649	74	362
Derivatives designated as hedging instrument		-	4,139	-	3,794
		168,009	152,536	11,109	56,565

20.1 Amounts due to subsidiaries

The amounts due to subsidiaries are non-trade in nature, subject to an interest of Company's weighted cost of funds ("COF") plus 0.50% (2013: COF plus 0.50%) per annum, unsecured and repayable on demand.

20. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES (CONTINUED)

20.2 Trade payables

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Companies in which certain Directors of subsidiaries have interest	1,652	671

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

20.3 Other payables

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Companies in which certain Directors have interests	24	27
Amount due to non-controlling interests and its related parties	45,733	35,523
	45,757	35,550

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

21. RESULTS FROM OPERATING ACTIVITIES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Results from operating activities is arrived at after crediting:				
Bad debts recovered	323	85	-	-
Dividends from subsidiaries				
- gross	-	-	-	1,960
- tax exempt	-	-	-	27,800
- single tier	-	-	154,870	-
Dividends from liquid investments	280	188	112	20
Dividends from associates	-	-	-	594
Derivative gain	359	-	-	-
Gain on foreign exchange				
- realised	-	1,485	186	49
- unrealised	68	-	2,353	99
Gain on disposal of assets held for sale	4,396	58	-	-
Gain on disposal of property, plant and equipment	72	658	17	-
Gain on disposal of investment properties	8,290	218	-	-
Rental of equipment	47	-	-	-
Rental of premises	888	1,000	-	-
Reversal of impairment loss on receivables	310	1,573	-	-
Reversal of impairment loss of assets held for sale	-	193	-	-

21. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
and after charging:				
Auditors' remuneration				
- Audit fees				
KPMG Malaysia				
- current year	810	735	63	63
- prior years	43	85	-	-
Overseas affiliates of KPMG Malaysia				
- current	88	88	-	-
Other auditors	194	172	-	-
- Non-audit fees				
- KPMG Malaysia	138	117	138	117
Allowance for slow moving inventories	288	16	-	-
Amortisation of investment properties	613	547	-	-
Amortisation of intangible assets	183	181	-	-
Amortisation of prepaid lease payments	1,166	999	-	-
Assets held for sale written off	-	32	-	-
Bad debts written off	976	127	-	-
Derivative loss	-	551	-	-
Depreciation of property, plant and equipment	76,256	64,156	136	147
Hire of plant and machinery	115	64	-	-
Impairment loss on receivables	2,175	1,620	-	-
Loss on foreign exchange				
- realised	1,458	-	-	-
- unrealised	-	246	-	-
Personnel expenses (including key management personnel):				
- wages, salaries and others	115,478	101,861	1,569	6,420
- contribution to state plans	7,768	7,207	106	542
- expenses related to defined benefit plans	456	428	-	-
Property, plant and equipment written off	1,486	248	-	-
Rental of land and buildings and office premises	2,849	2,012	113	451
Rental of plant, machinery, equipment and motor vehicle	89	7	17	68

22. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans and ICP	20,074	18,663	17,151	17,259
- bank overdrafts	1,195	928	-	-
- bills payable	9,726	7,474	-	-
- finance lease liabilities	54	15	-	-
- revolving credit	3,271	619	3,191	608
- subsidiaries	-	-	1,693	1,685
	34,320	27,699	22,035	19,552
Other finance costs	799	894	-	-
	35,119	28,593	22,035	19,552

23. FINANCE INCOME

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest income of financial assets				
that are not at fair value through profit or loss:				
- Deposits placed with licensed banks	1,874	1,392	183	230
- Subsidiaries	-	-	11,166	19,426
- Others	650	539	-	517
	2,524	1,931	11,349	20,173

24. TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax expense on operations	37,013	35,157	237	1,811
Share of tax of equity-accounted associates	3,889	2,085	-	-
Total tax expense	40,902	37,242	237	1,811
Current tax expense				
- current year	34,003	28,938	237	1,818
- (over)/under provision in prior years	(2,310)	392	-	(7)
	31,693	29,330	237	1,811
Deferred tax expense				
- origination and reversal of temporary differences	5,121	6,392	-	-
- under/(over) provision in prior years	199	(565)	-	-
	5,320	5,827	-	-
Share of tax of equity-accounted associates	3,889	2,085	-	-
Total tax expense	40,902	37,242	237	1,811
Reconciliation of tax expense				
Profit for the year	166,754	137,552	143,179	24,415
Total income tax expense	40,902	37,242	237	1,811
Profit excluding tax	207,656	174,794	143,416	26,226
Income tax calculated using Malaysian tax rate of 25% (2013: 25%)*	51,914	43,699	35,854	6,557
Effect of tax rates in foreign jurisdictions	63	213	-	-
Non-deductible expenses	10,652	9,150	3,733	2,211
Tax exempt income	(3,293)	(4,254)	(39,350)	(6,950)
Tax incentives	(16,446)	(13,785)	-	-
Effect of temporary differences not recognised	186	2,456	-	-
Crystalisation of deferred tax liabilities arising from revaluation reserve	(164)	(164)	-	-

24. TAX EXPENSE (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Others	101	100	-	-
	43,013	37,415	237	1,818
Over provision in prior years	(2,111)	(173)	-	(7)
Tax expense	40,902	37,242	237	1,811

** In the Malaysian Budget 2014, it was announced that corporate income tax rate will be reduced to 24% for the year assessment 2016 ("YA2016") onwards. Consequently, any temporary differences are expected to be reversed in YA2016 onwards are measured using this rate.*

25. 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 RM159,929,000 (2013: RM131,706,000) and the weighted average number of ordinary shares in issue during the year.

	Note	2014 '000	2013 '000 restated
Issued ordinary shares at beginning of the year		832,020	832,002
Effect of Bonus issue	(a)	249,606	249,606
Effect of Rights issue	(a)	77,921	64,523
Effect of warrant conversion		-	2
Weighted average number of ordinary shares		1,159,547	1,146,133
		sen	sen
Basic earnings per ordinary share		14	11

(a) The comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustments arising from Bonus issue and Rights issue during the year.

Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share at 31 March 2014.

In prior year, the Group has no dilution in its earnings per ordinary share as the warrants have expired on 13 February 2013 and thus, any unsold/unexercised warrants have lapsed.

26. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2014			
Final 2013	4.50	37,441	13 September 2013
2013			
Final 2012	4.50	37,440	14 September 2012

At the forthcoming general meeting, a final single tier dividend of 3.50 sen per share amounting to approximately RM43,681,000 (based on the issued and paid-up capital at the end of the reporting period) in respect of the year ended 31 March 2014 will be proposed for approval by the shareholders of the Company. The proposed final dividend is payable in respect of all ordinary shares in issue at the date of entitlement. The said dividend will be recognised in subsequent financial reports upon approval by the shareholders.

27. 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 Maker ("CODM") whom is also the 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 expenses are allocated to the respective business segments based on a pre-agreed percentage allocation, while the Company's assets and liabilities are absorbed into integrated livestock farming segment.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, investment properties, prepaid lease payments and intangible assets other than goodwill.

Business segments

The Group comprises the following main business segments:

Marine-products manufacturing	Deep-sea fishing, manufacture and sale of fishmeal, surimi and surimi based products.
Palm oil and biomass energy activities	Plantation, crude palm oil milling and downstream palm biomass technology.
Integrated livestock farming	Distribution of animal feed raw materials, food related products and livestock farming.

The inter-segment transactions have been entered into in the normal course of business and are based on normal trade terms.

Geographical segments

The Group's business operates in five principal geographical areas, Malaysia, Indonesia, Singapore, Vietnam and China.

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

27. OPERATING SEGMENTS (CONTINUED)

	Marine-products manufacturing		Palm oil and biomass energy activities		Integrated livestock farming		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Business segments								
Revenue from external customers	618,524	546,415	334,743	299,991	1,503,919	1,299,901	2,457,186	2,146,307
Segment profit before taxation	109,198	85,772	9,542	15,175	85,027	71,762	203,767	172,709
Included in the measurement of segment profit before taxation are:								
Inter-segment revenue	91,707	94,076	2,669	2,873	3,719	9,678	98,095	106,627
Finance costs	(7,619)	(6,884)	(6,334)	(4,830)	(21,166)	(16,879)	(35,119)	(28,593)
Finance income	540	182	126	76	1,858	1,673	2,524	1,931
Depreciation and amortisation	(29,822)	(25,131)	(13,503)	(12,093)	(34,893)	(31,163)	(78,218)	(68,387)
Share of profit of associates, net of tax	-	-	12,529	10,580	2,096	(3,344)	14,625	7,236
Not included in the measurement of segment profit before taxation but provided to Managing Director:								
Tax expense	(14,977)	(11,943)	(1,993)	(2,954)	(20,043)	(20,260)	(37,013)	(35,157)

27. OPERATING SEGMENTS (CONTINUED)

	Marine-products manufacturing		Palm oil and biomass energy activities		Integrated livestock farming		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Segment assets	630,083	579,912	418,338	415,331	1,193,201	1,013,287	2,241,622	2,008,530
Segment liabilities	80,593	84,003	128,704	108,022	686,610	856,867	895,907	1,048,892
Included in the measurement of segment assets are:								
Investment in associates	-	-	74,835	51,305	26,519	23,259	101,354	74,564
Additions to non-current assets other than financial instruments and deferred tax assets	82,163	80,592	3,801	20,386	105,009	100,404	190,973	201,382

	Malaysia		Indonesia		Vietnam		Other countries		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Geographical segments										
Revenue from external customers	2,231,159	1,952,121	181,460	154,653	41,086	39,533	3,481	-	2,457,186	2,146,307
Non-current assets other than deferred tax asset	973,523	907,289	328,338	293,094	53,477	39,533	4,225	-	1,359,563	1,239,916

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");
(b) Fair value through profit or loss ("FVTPL");
- Held for trading ("HFT"); and
(c) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL -HFT RM'000	Derivatives used for hedging RM'000
2014				
Financial assets				
Group				
Other investments, including derivatives	2,166	-	259	1,907
Trade and other receivables	236,501	236,501	-	-
Cash and cash equivalents	253,157	253,157	-	-
	491,824	489,658	259	1,907
Company				
Other investments, including derivatives	1,907	-	-	1,907
Trade and other receivables	304,042	304,042	-	-
Cash and cash equivalents	81,804	81,804	-	-
	387,753	385,846	-	1,907
Financial liabilities				
Group				
Loans and borrowings	(654,276)	(654,276)	-	-
Trade and other payables, including derivatives	(168,009)	(168,009)	-	-
	(822,285)	(822,285)	-	-
Company				
Loans and borrowings	(328,469)	(328,469)	-	-
Trade and other payables, including derivatives	(11,109)	(11,109)	-	-
	(339,578)	(339,578)	-	-

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 Categories of financial instruments (continued)

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL -HFT RM'000	Derivatives used for hedging RM'000
2013				
Financial assets				
Group				
Other investments, including derivatives	138	-	-	138
Trade and other receivables	244,004	244,004	-	-
Cash and cash equivalents	141,101	141,101	-	-
	385,243	385,105	-	138
Company				
Other investments, including derivatives	19	-	-	19
Trade and other receivables	470,568	470,568	-	-
Cash and cash equivalents	4,568	4,568	-	-
	475,155	475,136	-	19
Financial liabilities				
Group				
Loans and borrowings	(827,753)	(827,753)	-	-
Trade and other payables, including derivatives	(152,536)	(148,397)	-	(4,139)
	(980,289)	(976,150)	-	(4,139)
Company				
Loans and borrowings	(535,317)	(535,317)	-	-
Trade and other payables, including derivatives	(56,565)	(52,771)	-	(3,794)
	(591,882)	(588,088)	-	(3,794)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.2 Net (losses) and gains arising from financial instruments

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Net (losses)/gains arising on:				
Fair value through profit or loss:				
- Held for trading	374	-	-	-
Derivatives designated as hedging instrument:				
- recognised in other comprehensive income	387	579	261	422
- recognised in profit or loss	(15)	(551)	-	-
	372	28	261	422
Loans and receivables	286	3,053	11,461	20,341
Financial liabilities measured at amortised cost	(36,509)	(28,377)	(19,496)	(19,552)
	(35,477)	(25,296)	(7,774)	1,211

28.3 Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the Group's business development. The Group has clear defined guidelines and written risk management policies on credit risk, foreign currency risk, liquidity and cash flow risk. The Group operates within clearly defined guidelines and do not engage in speculative transactions.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Receivables

Credit risk is the risk of a financial loss to the Group 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 its receivables from customers. 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.

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 and the Company do not have any significant exposure to any individual counterparty. The Group and the Company have credit policy in place to ensure that transactions are conducted with creditworthy counterparty.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Impairment losses

The ageing of receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2014			
Not past due	169,305	-	169,305
Past due 1-120 days	64,690	(739)	63,951
Past due more than 120 days	10,535	(7,290)	3,245
	244,530	(8,029)	236,501
2013			
Not past due	181,439	(1)	181,438
Past due 1-120 days	59,474	(160)	59,314
Past due more than 120 days	9,485	(6,233)	3,252
	250,398	(6,394)	244,004

The movements in the allowance for impairment losses of receivables during the financial year were:

	Group	
	2014 RM'000	2013 RM'000
At 1 April 2013/2012	6,394	8,035
Impairment loss recognised	2,175	1,620
Impairment loss reversed	(310)	(1,573)
Impairment loss written off	(230)	(1,688)
At 31 March	8,029	6,394

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

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 statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to subsidiaries. Nevertheless, non-current advances to subsidiaries are not overdue and the remaining advances are repayable on demand.

28.5 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 and the Company maintains 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.

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

28.5 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:

Group 2014	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Non-derivative financial liabilities						
Revolving credit	23,026	4.23 - 4.58	24,042	24,042	-	-
Bank overdrafts	20,481	7.10 - 8.35	22,063	22,063	-	-
Bills payable	264,887	3.23 - 5.28	264,887	264,887	-	-
Term loans	329,570	3.91 - 6.90	359,460	71,196	89,007	199,257
Islamic Commercial Papers	15,164	4.33 - 4.57	16,137	9,139	6,998	-
Finance lease liabilities	1,148	2.50 - 5.80	1,224	511	713	-
Trade and other payables, excluding derivatives	168,009	-	168,009	168,009	-	-
	822,285		855,822	559,847	96,718	199,257
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	-	-	95,343	95,343	-	-
Inflow	(259)	-	(95,602)	(95,602)	-	-
Cross currency swap	(1,860)	-	(1,860)	(1,860)	-	-
Interest rate swap	(47)	-	(47)	(47)	-	-
	820,119		853,656	557,681	96,718	199,257

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

Group 2013	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Non-derivative financial liabilities						
Revolving credit	34,040	4.23 - 4.47	34,364	34,364	-	-
Bank overdrafts	11,738	7.10 - 8.35	11,750	11,750	-	-
Bills payable	231,650	1.60 - 4.98	231,650	231,650	-	-
Term loans	522,354	3.21 - 5.86	543,936	111,958	108,334	323,644
Islamic Commercial Papers	27,664	4.33 - 4.57	28,862	9,129	11,737	7,996
Finance lease liabilities	307	3.20 - 4.25	334	155	179	-
Trade and other payables, excluding derivatives	148,397	-	148,397	148,397	-	-
	976,150		999,293	547,403	120,250	331,640
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	302	-	70,368	70,368	-	-
Inflow	-	-	(70,066)	(70,066)	-	-
Commodity option	(76)	-	(76)	(76)	-	-
Cross currency swap	3,630	-	3,630	3,630	-	-
Interest rate swap	145	-	145	145	-	-
	980,151		1,003,294	551,404	120,250	331,640

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

Company 2014	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Non-derivative financial liabilities						
Revolving credit	23,026	4.23 - 4.58	24,042	24,042	-	-
Term loans	290,279	3.91 - 4.56	318,804	55,044	78,852	184,908
Islamic Commercial Papers	15,164	4.33 - 4.57	16,137	9,139	6,998	-
Trade and other payables, excluding derivatives	11,109	3.55	11,492	11,492	-	-
	339,578		370,475	99,717	85,850	184,908
Derivative financial liabilities						
Cross currency swap	(1,860)	-	(1,860)	(1,860)	-	-
Interest rate swap	(47)	-	(47)	(47)	-	-
	337,671		368,568	97,810	85,850	184,908

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

Company 2013	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Non-derivative financial liabilities						
Revolving credit	33,040	4.23	33,288	33,288	-	-
Term loans	474,613	3.48 - 4.50	494,475	77,553	94,370	322,552
Islamic Commercial Papers	27,664	4.33 - 4.57	28,862	9,129	11,737	7,996
Trade and other payables, excluding derivatives	52,771	4.83	55,134	55,134	-	-
	588,088		611,759	175,104	106,107	330,548
Derivative financial liabilities						
Cross currency swap	3,630	-	3,630	3,630	-	-
Interest rate swap	145	-	145	145	-	-
	591,863		615,534	178,879	106,107	330,548

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk

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

28.6.1 Currency risk

The Group is exposed to foreign currency risk arising from transactions that are denominated in a currency other than the respective functional currencies of 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 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 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 was:

	Denominated in USD	
	2014	2013
Group	RM'000	RM'000
Trade receivables	43,933	23,249
Unsecured bank loans	(16,233)	(15,203)
Trade payables	(3,764)	(3,624)
Forward exchange contracts	(21,014)	35,280
Cash and cash equivalents	3,537	3,651
Net exposure	6,459	43,353

Currency risk sensitivity analysis

A 1.50% (2013: 1.50%) strengthening of RM against USD at the end of the reporting period would have increased (decreased) 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.

	2014		2013	
	Equity	Profit or (loss)	Equity	Profit or (loss)
	RM'000	RM'000	RM'000	RM'000
Group				
USD	-	(73)	(108)	(380)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.1 Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 1.50% (2013: 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.

28.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and 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 maintains a balanced portfolio of fixed and floating rate instruments. All interest rate exposures are monitored and managed by the Group on a regular basis.

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed rate instruments				
Financial assets	25,100	18,331	580	791
Financial liabilities	(389,369)	(369,678)	(123,334)	(133,336)
	(364,269)	(351,347)	(122,754)	(132,545)
Floating rate instruments				
Financial assets	167,781	122,770	320,157	470,974
Financial liabilities	(264,907)	(458,075)	(215,914)	(454,381)
	(97,126)	(335,305)	104,243	16,593

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company does 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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.6 Market risk (continued)

28.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(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) 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 2014 RM'000	50 bp decrease 2014 RM'000	50 bp increase 2013 RM'000	50 bp decrease 2013 RM'000
Group				
Floating rate instruments	(364)	364	(1,257)	1,257
Company				
Floating rate instruments	391	(391)	62	(62)

28.6.3 Other price risk

Equity price risk arises from the Group's and the Company's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Investments are managed on an individual basis and all buy and sell decisions are approved by the Executive Committee of the Group.

Equity price risk sensitivity analysis

The exposure to equity price risk of the Group and the Company are not material and hence, sensitivity analysis is not presented.

28.7 Hedging activities

28.7.1 Cash flow hedge

The Group has entered into forward exchange contract to hedge the cash flow risk in relation to the potential change in foreign exchange rates totalling RM95,602,000 (2013: RM70,066,000). The forward exchange contract has the same nominal value of RM95,602,000 (2013: RM70,066,000) and is to be settled in full upon maturity. The Group has also entered into cross currency swap, interest rate swap and commodity options to hedge against cash flow risk in relation to loans in foreign currency, changes in interest rates and commodity prices respectively.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.7 Hedging activities (continued)

28.7.1 Cash flow hedge (continued)

The following table indicates the periods in which the cash flows associated with the derivatives that are expected to occur and affect profit or loss:

	Carrying amount RM'000	Expected cash flows RM'000	Under 1 year RM'000
Group			
2014			
Financial liabilities			
Forward exchange contracts			
Outflow	-	95,343	95,343
Inflow	(259)	(95,602)	(95,602)
Cross currency swap	(1,860)	(1,860)	(1,860)
Interest rate swap	(47)	(47)	(47)
2013			
Financial liabilities			
Forward exchange contracts			
Outflow	302	70,368	70,368
Inflow	-	(70,066)	(70,066)
Cross currency swap	3,630	3,630	3,630
Interest rate swap	145	145	145
Commodity options	(76)	(76)	(76)
Company			
2014			
Financial liabilities			
Cross currency swap	(1,860)	(1,860)	(1,860)
Interest rate swap	(47)	(47)	(47)
2013			
Financial liabilities			
Cross currency swap	3,630	3,630	3,630
Interest rate swap	145	145	145

During the year, the Group and the Company had recognised net gain of RM386,000 (2013: net gain of RM570,000) and RM261,000 (2013: net gain of RM422,000) respectively in other comprehensive income.

Ineffectiveness loss amounting to RM15,000 (2013: ineffectiveness loss of RM187,000) was recognised by the Group in profit or loss in respect of the hedge. There was no ineffectiveness gain or loss being recognised by the Company.

28.8 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.

28.8 Fair value information (continued)

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	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2014	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group										
Financial assets										
Cross currency swap	-	-	1,860	1,860	-	-	-	-	1,860	1,860
Interest rate swap	-	-	47	47	-	-	-	-	47	47
Forward exchange contracts	-	259	-	259	-	-	-	-	259	259
	-	259	1,907	2,166	-	-	-	-	2,166	2,166
Financial liabilities										
Unsecured fixed rate term loans	-	-	-	-	-	-	(99,376)	(99,376)	(99,376)	(100,308)
Finance lease liabilities	-	-	-	-	-	-	(1,165)	(1,165)	(1,165)	(1,148)
	-	-	-	-	-	-	(100,541)	(100,541)	(100,541)	(101,456)
Company										
Financial assets										
Cross currency swap	-	-	1,860	1,860	-	-	-	-	1,860	1,860
Interest rate swap	-	-	47	47	-	-	-	-	47	47
	-	-	1,907	1,907	-	-	-	-	1,907	1,907
Financial liabilities										
Unsecured fixed rate term loans	-	-	-	-	-	-	(99,376)	(99,376)	(99,376)	(100,308)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.8 Fair value information (continued)

2013	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value of financial instruments not carried at fair value* Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group							
Financial assets							
Commodity options - Put options	-	92	-	92	-	92	92
Interest rate swap	-	-	19	19	-	19	19
Forward exchange contracts	-	27	-	27	-	27	27
	-	119	19	138	-	138	138
Financial liabilities							
Unsecured fixed rate term loans	-	-	-	-	(103,311)	(103,311)	(103,681)
Finance lease liabilities	-	-	-	-	(317)	(317)	(307)
Commodity options - Put options	-	(16)	-	(16)	-	(16)	(16)
Forward exchange contracts	-	(329)	-	(329)	-	(329)	(329)
Cross currency swap	-	-	(3,630)	(3,630)	-	(3,630)	(3,630)
Interest rate swap	-	-	(164)	(164)	-	(164)	(164)
	-	(345)	(3,794)	(4,139)	(103,628)	(107,767)	(108,127)
Company							
Financial assets							
Interest rate swap	-	-	19	19	-	19	19
Financial liabilities							
Unsecured fixed rate term loan	-	-	-	-	(100,006)	(100,006)	(100,296)
Cross currency swap	-	-	(3,630)	(3,630)	-	(3,630)	(3,630)
Interest rate swap	-	-	(164)	(164)	-	(164)	(164)
	-	-	(3,794)	(3,794)	(100,006)	(103,800)	(104,090)

** Comparative figures have not been analysed by levels, by virtue of transitional provision given in Appendix C2 of FRS13.*

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.8 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts and commodity option are based on the market price obtained from licensed financial institutions.

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 (2013: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows a reconciliation of Level 3 fair values:

	2014 RM'000	2013 RM'000
Group/Company		
Balance at 1 April 2013/2012	(3,775)	(5,582)
Gains recognised in profit or loss		
Other income - realised	5,421	1,385
Gains recognised in other comprehensive income		
Cash flow hedge	261	422
Balance at 31 March	1,907	(3,775)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.8 Fair value information (continued)

Level 3 fair value (continued)

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.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
(a) Financial instruments carried at fair value			
Derivative used for hedging	The fair value of cross currency swap and interest rate swap are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using spot rate and market interest rates respectively for a similar instrument at the measurement date.	• Exchange rate at maturity • Interest rate (2014:3-5%)	The estimated fair value would increase (decrease) if the foreign currency rate were strengthen (weaken). The estimated fair value would increase (decrease) if the interest rate were higher (lower).
(b) Financial instruments not carried at fair value			
Term loans and finance lease liabilities	Discounted cash flows	Not applicable	Not applicable

29. CAPITAL AND OTHER COMMITMENTS

	Group 2014 RM'000	Group 2013 RM'000
Capital commitments:		
Property, plant and equipment		
Authorised but not contracted for	206,667	73,632
Contracted but not provided for in the financial statements	88,295	91,021
Investment properties		
Authorised but not contracted for	-	10,294
Other commitments:		
Commodity future sales contract on crude palm oil	-	1,041
Investment in unquoted equity instrument	-	9,100

30. CAPITAL MANAGEMENT

The Group defines capital as the total equity and debt. The objective of the Group's capital management is to maintain an optimal capital structure and ensuring funds availability to support business operations and maximises shareholders value. The Group monitors debts to equity ratio to ensure compliance with management policies as well as maintaining shareholders' confidence in the management.

31. OPERATING LEASES

Non-cancellable operating leases are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
Less than one year	547	267
Between one and five years	869	663
More than five years	386	352
	1,802	1,282

The subsidiaries lease land, retail outlets and equipment under operating lease. For the land under operating leases, the lease typically run for a period ranging from 15 to 25 years, with an option to renew the lease after that date. None of the operating leases for land includes contingent rentals. For the retail outlets and equipment, the leases typically run for an initial period of three years with an option to renew the leases after the expiry date for another three years.

32. 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, and certain members of senior management of the Group.

The Group and the Company have related party relationship with its subsidiaries, associates, Directors and key management personnel.

32. RELATED PARTIES (CONTINUED)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are as follows:

	Group	
	2014	**2013**
	RM'000	**RM'000**
With companies in which Dr Ng Siew Thiam, Chia Song Kun, Chia Song Phuan, Chia Teow Guan, Cheah Yaw Song, Cheah Juw Teck, Chia Song Pou, Chia Seong Fatt, Chia Song Swa, Chia Song Kooi, Heng Hup Peng and Sim Chin Swee, Directors of certain subsidiaries have interests		
Success Portfolio Sdn. Bhd.:		
Sales	(3,786)	(4,888)
Fusipim Sdn. Bhd.:		
Sales	(611)	(1,052)
MB Agriculture (Sandakan) Sdn. Bhd.:		
Sales	(4,806)	(5,033)
Purchases	389	241
MB Agriculture (Sabah) Sdn. Bhd.:		
Sales	(12,177)	(14,344)
Arena Dijaya Sdn. Bhd.:		
Sales	(3,448)	(3,799)
Keang Huat Trading Sdn. Bhd.:		
Purchases	3,311	1,856
Perikanan Sri Tanjung Sdn. Bhd.:		
Purchases	1,086	1,111
Visible Triumph Sdn. Bhd.:		
Sales	(2,240)	(1,851)
RubyTech Resources Sdn. Bhd.:		
Sale of land	(10,000)	-
Green Breeder Sdn. Bhd.:		
Sales	(10,909)	(9,730)
Timurikan Trengganu Marine Products Sdn. Bhd.:		
Sales	(439)	(688)
Purchases	885	816
C Care Enterprise Sdn. Bhd.:		
Sales	(4,038)	(1,138)
Sin Teow Fatt Trading Co.:		
Purchases	508	617
Leisure Junction Sdn. Bhd.:		
Sale of land	(18,482)	-
With a person connected to Cheah Yaw Song and Cheah Juw Teck, Directors of certain subsidiaries have interests		
Cheah Joo Kiang:		
Sales	(3,048)	(2,583)
Associates		
Gross dividends received	(2,647)	(2,669)
Warehousing services	6,385	5,192

32. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Company	
	2014	**2013**
	RM'000	**RM'000**
Subsidiaries		
Administrative charges	(723)	(2,491)
Finance income	(11,166)	(19,426)
Finance costs	1,693	1,685
Management fee income	(38)	(3,949)
Net dividend received	(154,870)	(29,270)
Rental expenses	130	519
Associate		
Gross dividend received	-	(594)

As of 31 March, amounts owing by/(to) related parties are as follows:

	Gross balance outstanding at 31 March RM'000	**Net balance outstanding at 31 March RM'000**
Group		
2014		
Included in:		
- Trade and other receivables		
Related parties	5,941	5,941
- Trade and other payables, including derivatives		
Related parties	(47,409)	(47,409)
2013		
Included in:		
- Trade and other receivables		
Related parties	9,689	9,689
Associates	24	24
- Trade and other payables, including derivatives		
Related parties	(36,221)	(36,221)
Company		
2014		
Included in:		
- Trade and other receivables		
Subsidiaries	303,951	303,951
- Trade and other payables, including derivatives		
Subsidiaries	(10,779)	(10,779)
2013		
Included in:		
- Trade and other receivables		
Subsidiaries	470,335	470,335
Associate	24	24
- Trade and other payables, including derivatives		
Subsidiaries	(52,400)	(52,400)

All the amounts outstanding are unsecured and expected to be settled with cash.

32. RELATED PARTIES (CONTINUED)

The key management personnel compensation are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of the Company				
- Fees	1,134	945	714	528
- Remuneration	8,680	8,104	321	3,774
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	127	125	28	73
	9,941	9,174	1,063	4,375
Directors of subsidiaries				
- Fees	350	326	24	12
- Remuneration	8,537	7,872	141	739
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	46	67	-	-
	8,933	8,265	165	751
Other key management personnel				
- Remuneration	1,738	1,150	311	1,150
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	7	8	2	8
	1,745	1,158	313	1,158
	20,619	18,597	1,541	6,284

Other key management personnel comprises persons other than the Directors of Group entities having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

33. 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 (%) 2014	Effective ownership interest (%) 2013
QL Feedingstuffs Sdn. Bhd. and its subsidiaries	Investment holding, provision of management services, and distribution of animal feed, raw materials and food grain	100.00	100.00
QL Agrofood Sdn. Bhd.	Processing and sale of animal feed, trading of raw materials for animal feeds, lubricants and foodstuffs	100.00	100.00
QL Agroventures Sdn. Bhd.	Layer and broiler farming	100.00	100.00
QL Agrobio Sdn. Bhd.	Commercial production and supply of biologically digested feeding raw materials	51.00	51.00
QL KK Properties Sdn. Bhd.	Property holding	100.00	100.00
QL Poultry Farms Sdn. Bhd.	Layer farming	100.00	100.00
QL Realty Sdn. Bhd. and its subsidiaries	Investment holding	100.00	100.00
PT QL Trimitra**	Distribution of animal feed raw material, food grain and poultry breeding	80.00	80.00
PT QL Agrofood**	Layer farming	100.00	100.00
Pacific Vet Group (M) Sdn. Bhd. and its subsidiary	Investment holding	90.00	90.00
QL Pacific Vet Group Sdn. Bhd.	Trading of feed supplement, animal health food and agricultural products	90.00	90.00
Maxincome Resources Sdn. Bhd.	Dormant	100.00	100.00
Chingsan Development Sdn. Bhd.	Property holding	100.00	100.00
QL AgroResources Sdn. Bhd. and its subsidiaries	Investment holding, feed milling, selling and distribution of animal feeds, raw materials and other related products	95.00	85.00
QL Livestock Farming Sdn. Bhd.	Poultry farming, feed milling as well as selling and distribution of animal feeds, poultry and related products	95.00	85.00
Gelombang Elit (M) Sdn. Bhd.	Property holding	95.00	85.00

33. SUBSIDIARIES (CONTINUED)

Name of Company	Principal activities	Effective ownership interest (%) 2014	2013
QL TP Fertilizer Sdn. Bhd. # @	Producing and selling organic fertilizer	48.45	-
QL Feed Sdn. Bhd.	Marketing and distribution of animal feed raw materials and food grain	100.00	100.00
QL Deep Sea Fishing Sdn. Bhd. #	Deep sea fishing and sale of subsidised diesel to fishermen	-	100.00
QL Farms Sdn. Bhd. and its subsidiaries	Investment holding, layer and broiler farming, wholesale of frozen chicken parts, manufacturing and sales of organic fertilizer	100.00	100.00
Adequate Triumph Sdn. Bhd.	Property holding	100.00	100.00
QL Inter-Food Sdn. Bhd.	Trading of goods	100.00	100.00
QL Breeder Farm Sdn. Bhd.	Poultry breeding and farming	100.00	100.00
Merkaya Sdn. Bhd.	Dormant	100.00	100.00
QL Tawau Feedmill Sdn. Bhd.	Manufacture and sale of animal feed and providing chicken parts processing services	100.00	100.00
QL Ansan Poultry Farm Sdn. Bhd. and its subsidiaries	Investment holding and poultry farming	85.00	85.00
QL Rawang Poultry Farm Sdn. Bhd.	Property holding	85.00	85.00
Hybrid Figures Sdn. Bhd.	Dormant	85.00	85.00
QL Vietnam AgroResources Liability Limited Company***	Poultry farming	100.00	100.00
QL International Pte. Ltd.****	Dormant	100.00	-
PT QL Feed Indonesia**	Dormant	100.00	-
QL Oil Sdn. Bhd. and its subsidiaries	Investment holding	100.00	100.00
QL Plantation Sdn. Bhd. and its subsidiary	Investment holding, oil palm cultivation, processing and marketing of oil palm products	100.00	100.00
QL Tawau Biogas Sdn. Bhd.	Operating a biogas power plant	100.00	100.00
QL BioEnergy Sdn. Bhd.	Dormant	100.00	100.00
QL Mutiara (S) Pte. Ltd.* and its subsidiary	Investment holding	78.42	78.42
PT Pipit Mutiara Indah **	Oil palm plantation and crude palm oil milling	74.50	74.50

33. SUBSIDIARIES (CONTINUED)

Name of Company	Principal activities	Effective ownership interest (%) 2014	2013
QL Fishery Sdn. Bhd. and its subsidiaries	Investment holding	100.00	100.00
QL Marine Products Sdn. Bhd. and its subsidiaries	Investment holding, manufacturing of surimi, surimi-based products and fishmeal as well as processing and sale of frozen seafood	100.00	100.00
Icon Blitz Sdn. Bhd.	Dormant	100.00	100.00
QL Deep Sea Fishing Sdn. Bhd. #	Deep sea fishing and sale of subsidised diesel to fishermen	100.00	-
QL Foods Sdn. Bhd. and its subsidiaries	Investment holding, manufacturing of surimi and surimi-based products	100.00	100.00
QL Aquaculture Sdn. Bhd.	Dormant	100.00	100.00
QL Aquamarine Sdn. Bhd.	Aqua-farming	100.00	100.00
QL Fishmeal Sdn. Bhd. and its subsidiary	Investment holding, manufacturing and trading of fishmeal	100.00	100.00
PT QL Hasil Laut**	Manufacturing of surimi and fishmeal	99.97	99.97
QL Corporate Services Sdn. Bhd. #	Dormant	-	100.00
QL Endau Marine Products Sdn. Bhd. and its subsidiaries	Investment holding and manufacturing of surimi	70.59	70.59
QL Endau Deep Sea Fishing Sdn. Bhd.	Deep sea fishing	70.59	70.59
QL Endau Fishmeal Sdn. Bhd.	Manufacturing and trading of fishmeal	70.59	70.59
Pilihan Mahir Sdn. Bhd.	Dormant	70.59	70.59
QL TP Fertilizer Sdn. Bhd. #	Dormant	-	70.59
Rikawawasan Sdn. Bhd.	Deep sea fishing	70.59	70.59
QL Figo Foods Sdn. Bhd. and its subsidiary	Investment holding, manufacturing and sale of “halal” food products	100.00	100.00
QL Fujiya Pastry Sdn. Bhd.	Manufacturing and sale of “halal” food products	60.00	60.00
QL Fresh Choice Seafood Sdn. Bhd.	Coastal fish trawling and wholesale of marine products	100.00	100.00
QL Lian Hoe Sdn. Bhd.	Manufacturing and sale of surimi-based products	82.00	82.00
QL Lian Hoe (S) Pte. Ltd.* and its subsidiary	Investment holding	100.00	100.00
Zhongshan True Taste Food Industrial Co. Ltd.*****	Manufacturing and sale of food products	100.00	-

33. SUBSIDIARIES (CONTINUED)

Name of Company	Principal activities	Effective ownership interest (%) 2014	2013
QL Green Resources Sdn. Bhd. and its subsidiaries	Investment holding	100.00	100.00
QL Green Energy Sdn. Bhd. and its subsidiary	Investment holding	97.75	97.75
QL Tawau Palm Pellet Sdn. Bhd.	Operating a palm pellet plant	98.85	98.85
QL NatureCo Sdn. Bhd. and its subsidiary	Investment holding	84.99	84.99
QL Palm Pellet Sdn. Bhd.	Development and marketing of "Palm Pelletising System" to produce pellet sized fuel cells called palm pellets	84.99	84.99
QL ESCO Sdn. Bhd.	Supply of biomass	100.00	100.00
QL Carbon Sdn. Bhd.	Dormant	100.00	100.00
Leisure Pyramid Sdn. Bhd.	Manufacturing of wood pellet	66.67	66.67
QL IPC Sdn. Bhd.	Dormant	100.00	100.00
QL Corporate Services Sdn. Bhd. #	Provision of management services	100.00	-

* Subsidiaries incorporated in Singapore and audited by another firm of accountants.

** Subsidiaries incorporated in Indonesia and audited by another firm of accountants.

*** Subsidiary incorporated in Vietnam and audited by a member firm of KPMG.

**** Subsidiary incorporated in Labuan and consolidated based on management accounts.

***** Subsidiary incorporated in China, audited by another firm of accountants and consolidated based on management accounts.

During the year, these subsidiaries were restructured within the Group.

@ Although the Group has an effective ownership interest of less than 50% of QL TP Fertilizer Sdn. Bhd. ("QLTP"), it is able to govern the financial and operating policies of QLTP by virtue of its 95% interest in QL AgroResources Sdn. Bhd., the immediate holding company of QLTP. Consequently, the Group consolidates its investment in QLTP.

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

33. SUBSIDIARIES (CONTINUED)

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

	Number of ordinary shares of RM1 each			
	At 1.4.2013	Bought	Sold	At 31.3.2014
Interest in non-wholly owned subsidiaries via QL Feedingstuffs Sdn. Bhd.				
Pacific Vet Group (M) Sdn. Bhd.	2,736,000	-	-	2,736,000
and its subsidiary				
QL Pacific Vet Group Sdn. Bhd.	2,000,000	-	-	2,000,000
QL AgroResources Sdn. Bhd.	9,010,000	1,060,000	-	10,070,000
and its subsidiaries				
QL Livestock Farming Sdn. Bhd.	20,000,000	-	-	20,000,000
Gelombang Elit (M) Sdn. Bhd.	352,600	-	-	352,600
QL TP Fertilizer Sdn. Bhd.	-	255,000	-	255,000
QL Ansan Poultry Farm Sdn. Bhd.	17,000,000	-	-	17,000,000
and its subsidiaries				
QL Rawang Poultry Farm Sdn. Bhd.	4,400,000	-	-	4,400,000
Hybrid Figures Sdn. Bhd.	2	-	-	2
QL Agrobio Sdn. Bhd.	510,000	-	-	510,000
PT QL Trimitra ##	1,200,000	-	-	1,200,000
Interest in non-wholly owned subsidiaries via QL Oil Sdn. Bhd.				
QL Mutiara (S) Pte. Ltd. ##	11,919,998	-	-	11,919,998
and its subsidiary				
PT Pipit Mutiara Indah^	2,983,000	-	-	2,983,000
Interest in non-wholly owned subsidiaries via QL Fishery Sdn. Bhd.				
PT QL Hasil Laut ##	2,999,000	-	-	2,999,000
QL Endau Marine Products Sdn. Bhd.	3,361,980	3,361,980	-	6,723,960
and its subsidiaries				
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
QL TP Fertilizer Sdn. Bhd.	2	-	(2)	-
Rikawawasan Sdn. Bhd.	10,000,000	-	-	10,000,000
QL Fujiya Pastry Sdn. Bhd.	2,999,999	-	-	2,999,999
QL Lian Hoe Sdn. Bhd.	8,200,000	-	-	8,200,000
Interest in non-wholly owned subsidiaries via QL Green Resources Sdn. Bhd.				
QL NatureCo Sdn. Bhd.	2,932,499	-	-	2,932,499
and its subsidiary				
QL Palm Pellet Sdn. Bhd.	3,210,000	-	-	3,210,000
QL Green Energy Sdn. Bhd.	500,000	-	-	500,000
and its subsidiary				
QL Tawau Palm Pellet Sdn. Bhd.	2,000,000	-	-	2,000,000
Leisure Pyramid Sdn. Bhd.	800,000	-	-	800,000

Ordinary shares of USD1.00 each
^ Ordinary shares of RP50,000 each

34. SIGNIFICANT EVENTS DURING THE YEAR

34.1 In March 2013, the Group, via its wholly-owned subsidiary, QL Lian Hoe (S) Pte. Ltd. had acquired the entire issued and paid-up capital of Zhongshan True Taste Food Industrial Co. Ltd. of USD1,200,000 for a total consideration of RMB18,800,000 (equivalent to RM9,941,000). The acquisition was completed during the financial year.

34.2 In March 2013, the Group, via its wholly-owned subsidiary, QL Figo Foods Sdn. Bhd. had entered into a Sale and Purchase Agreement with a related party, namely, RubyTech Resources Sdn. Bhd. to dispose a vacant industrial land held under Geran Mukim 1082, Lot 3410, Mukim Kajang, Tempat Sungai Keladi, District of Hulu Langat, Negeri Selangor for a total consideration of RM10,000,000. The disposal was completed during the financial year.

34.3 In May 2013, the Group, via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd. ("QLFS") had acquired two (2) ordinary shares of RM1.00 each of Saga Inovatif Sdn. Bhd. ("SI"), representing 100% equity interest in SI for a consideration of RM2. In September 2013, QLFS had disposed its entire stake in SI for a total consideration of RM2.

34.4 In May 2013, the Group, via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd. had acquired one (1) ordinary shares of USD1.00 each of QL International Pte. Ltd. ("QLI"), representing the entire issued and paid-up capital of QLI for a consideration of USD1.

34.5 In July 2013, the Group, via its wholly-owned subsidiary, QL Feedingstuffs Sdn. Bhd. and QL Realty Sdn. Bhd. received approval from the relevant authorities in Indonesia for the incorporation of a wholly-owned subsidiary known as PT QL Feed Indonesia ("PQFI"). The intended principal activities of PQFI are trading of animal feed raw materials and related products.

34.6 In December 2013, the Group, via its wholly-owned subsidiary, QL KK Properties Sdn. Bhd. had entered into a Sale and Purchase Agreement with a related party, namely, Leisure Junction Sdn. Bhd. to dispose 16 units of vacant leasehold industrial lots in two pieces of leasehold land held under CL015485864 measuring approximately 2.727 hectares and PL016143114 measuring approximately 2.901 hectares, both located in the District of Kota Kinabalu, locality of Inanam Menggatal, Negeri Sabah for a total consideration of RM18,482,000. The disposal was completed during the financial year.

34.7 In December 2013, the Group, via its wholly-owned subsidiary, QL Fishery Sdn. Bhd. had entered into Share Acquisition Agreement to acquire 100% equity interest in Kuala Kedah Fish Meal Sendirian Berhad ("KKFM"), comprising of two (2) ordinary shares of RM1.00 each for a total consideration of RM2,700,000. The acquisition is completed subsequent to year end.

35. SUBSEQUENT EVENT

In June 2014, the Group, via its wholly-owned subsidiary, QL Figo Foods Sdn. Bhd. had entered into a Sale and Purchase Agreement to purchase a parcel of land held under GRN238020, Lot 3627, Mukim of Kulai, District of Kulai Jaya, Johor together with two-storey detached office building, eight blocks of single-storey detached factory buildings and other supporting structures erected thereon and measuring approximately 5.5948 hectares for a total consideration of RM24,650,000.

36. ACQUISITION OF SUBSIDIARIES

During the financial year, the Group acquired the following subsidiaries:

- 100% equity interest in Zhongshan True Taste Food Industrial Co. Ltd. ("Zhongshan") for a cash consideration of RM9,941,000;

- 100% equity interest in Saga Inovatif Sdn. Bhd. for a cash consideration of RM2; and

- 100% equity interest in QL International Pte. Ltd. for a cash consideration of USD1.

Zhongshan is principally involved in manufacturing and sale of food products, whilst the other subsidiaries are dormant. The contribution to the Group's revenue and profit is insignificant.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Recognised values on acquisition RM'000
Property, plant and equipment	4,955
Prepaid lease payments	2,378
Inventories	1,900
Trade and other receivables	1,462
Cash and cash equivalents	560
Loans and borrowings	(1,216)
Trade and other payables	(98)
Fair value of net assets acquired	9,941

The value of assets and liabilities recognised on acquisition are their estimated fair values.

Net cash outflow arising from acquisition of subsidiaries

	RM'000
Purchase consideration settled in cash and cash equivalents	(9,941)
Cash and cash equivalents acquired	560
	(9,381)

37. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 March, into realised and unrealised profits, pursuant to the Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries:				
- realised	851,217	743,224	108,507	5,023
- unrealised	(64,145)	(60,049)	2,353	99
	787,072	683,175	110,860	5,122
Total share of retained earnings of associates				
- realised	25,663	13,685	-	-
	812,735	696,860	110,860	5,122
Less: Consolidation adjustments	(89,932)	(95,400)	-	-
Total retained earnings	722,803	601,460	110,860	5,122

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 54 to 147 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 37 in page 148 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

....

Chia Song Kun

....

Chia Mak Hooi

Shah Alam,

Date: 9 July 2014

STATUTORY DECLARATION pursuant to Section 169(16) of the Companies Act, 1965

I, Chia Mak Hooi, the Director primarily responsible for the financial management of QL Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 54 to 148 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 above named in Klang on 9 July 2014.

....
Chia Mak Hooi

Before me:
Goh Cheng Teak
Commissioner for Oaths
Klang, Selangor

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of QL Resources Berhad, which comprise the statements of financial position as at 31 March 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 147.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 33 to the financial statements.

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

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 37 on page 148 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Approval Number: 1745/12/15(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 9 July 2014

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LIST OF PROPERTIES as at 31 March 2014

Owner Company	Particulars of property	Date of revaluation or (date of acquisition)	Tenure
PT. Pipit Mutiara Indah	Desa Sekatak Buji, Kecamatan Sekatak, Kabupaten Bulungan, Provinsi Kalimantan Timur	Dec 2009 (date obtained Hak Guna Usaha)	Leasehold to: 30.12.2044
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
PT. QL Hasil Laut	Lot 6 - 21, Sedayulawas Brondong	(31 March 2011)	Leasehold 30 Years
QL Foods Sdn. Bhd.	Lot 3300 & 3301 held under GM514A & GM1517 Mukim of Hutan Melintang District of Hilir Perak, Perak	(05.03.2008)	Freehold
QL Feedingstuffs Sdn. Bhd.	PT76108, GRN 104808 Lot 76108 (Fasa D9) ,Persiaran Balairong, Bukit Jelutong (TK-Pejabat Korporat) Shah Alam, 40150 Shah Alam	(June 2011)	Freehold
QL Endau Fishmeal Sdn. Bhd.	H.S.(M) 1763, PTD 4159 Jalan Tg. Merit, Mukim Padang Endau, District of Mersing, Johor	(02.01.2009)	Leasehold expiring 25.11.2061
QL Foods Sdn. Bhd.	GM 1033, Lot 3315 GM1149A, Lot 3316 GM1128, Lot 3317 GM750, Lot 3318 GM717, Lot 3319 Mukim of Hutan Melintang District of Hilir Perak, Perak	(08.02.2012)	Freehold
QL Fishmeal Sdn. Bhd.	Lot 164, 2647 & 3314 GM1653, GM1416 & GM2415 Mukim of Hutan Melintang, District of Hilir Perak, Perak Lot 2647, Jalan Tepi Sungai 36400 Hutan Melintang, Perak	(Nov 2003)	Freehold
QL BioEnergy Sdn. Bhd.	Lot 13 & 13A POIC Phase 1 Lahad Datu	(28.08.2006)	Leasehold to: 31.12.2104
QL Plantation Sdn. Bhd.	Lot 13B, POIC Phase 1, Lahad Datu	(18.09.2007)	Leasehold to: 31.12.2104

Existing use	Land & Build-up area	Net Book Value (RM'000)	Age of building (years)
Oil Palm Estate together with palm oil mill & building thereon	14,157 ha Build-up area 20.0 ha	143,572	5
Surimi & Fishmeal Factory	26 acres	3,040	10
	3 acres Build-up area 21,448 sq. m.	215 16,864 20,119	
Surimi Factory, Fishmeal Factory, Waste Water Treatment Plant, Store & Hostel	Land Area 74,617m^2 Gross build-up area 24,350m^2	19,963	3
Boiler House, Warehouse & Surimi based products factory building	Gross build-up area of 12,335 sq. m. 2.2611 ha	17,311	6
Industrial land	2.72 acres	16,496	N/A
Fishmeal factory Warehouse Office	1.3152 ha Build-up area 6,131 sq. m.	10,058	5 5 4
Vacant (One unit of Snack Foods Factory WIP)	4.4895 ha	9,969	3
Fishmeal factory, warehouse cum office	Gross build-up area of 7,544 sq. m. 4.365 ha	9,749	10
Industrial Land	871,200 sq. ft.	9,643	N/A
Industrial Land	871,200 sq. ft.	9,590	N/A

SHAREHOLDERS' ANALYSIS REPORT as at 30 June 2014

Authorised share capital	:	**RM500,000,000.00**
Issued and paid-up capital	:	**RM312,007,357.50**
Type of shares	:	**Ordinary shares of RM0.25 each**
Voting rights	:	**One vote per ordinary share**

Shareholders by Size of Holdings, Directors' Shareholdings and Substantial Shareholders

No. of Holders	Holdings	Total Holdings	%
107	less than 100	2,639	0.00
744	100 to 1,000	373,169	0.03
3,436	1,001 to 10,000	15,690,139	1.26
2,505	10,001 to 100,000	76,564,162	6.13
616	100,001 to less than 5% of issued shares	476,555,419	38.19
3	5% and above of issued shares	678,843,902	54.39
7,411		1,248,029,430	100.00

Note: Based on the issued and paid-up share capital of the Company comprising 1,248,029,430 ordinary shares of RM0.25 each.

Directors' Shareholding

The direct and deemed interests of the Company's Directors are stated in page 43 of this Annual Report.

Substantial Shareholders

	Name of Shareholders	Shareholdings	%
1	CBG Holdings Sdn. Bhd.	560,770,022	44.93
2	Farsathy Holdings Sdn. Bhd.	161,006,310	12.90

List of 30 Largest Shareholders

	Name of Shareholders	Shareholdings	%
1	CBG HOLDINGS SDN BHD	453,930,022	36.37
2	FARSATHY HOLDINGS SDN BHD	134,913,880	10.81
3	AMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT – AMISLAMIC BANK BERHAD FOR CBG HOLDINGS SDN BHD	90,000,000	7.21
4	AMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT - AMISLAMIC BANK BERHAD FOR FARSATHY HOLDINGS SDN BHD	26,000,000	2.08
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : EXEMPT AN FOR EASTSPRING INVESTMENTS BERHAD	22,787,899	1.83
6	AMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CBG HOLDINGS SDN BHD	16,750,000	1.34
7	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY : TNTC FOR MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.	13,804,500	1.11

8	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY : AMANAH SAHAM WAWASAN 2020	8,039,402	0.64
9	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	7,408,900	0.59
10	HSBC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : HSBC (M) TRUSTEE BHD FOR HWANG SELECT OPPORTUNITY FUND (3969)	7,283,120	0.58
11	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD BENEFICIARY : AS BENEFICIAL OWNER (PF)	6,115,850	0.49
12	LIU SIN	6,012,240	0.48
13	CHIA TEOW GUAN	5,860,050	0.47
14	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	5,270,500	0.42
15	HLIB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NG SAI BEE @ NG SAU BEE (CCTS)	5,001,100	0.40
16	CHIA SIANG ENG	4,764,465	0.38
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : ETIQA TAKAFUL BERHAD (FAMILY PRF EQ)	4,663,770	0.37
18	ATTRACTIVE FEATURES SDN BHD	4,545,000	0.36
19	CIMB COMMERCE TRUSTEE BERHAD BENEFICIARY : PUBLIC FOCUS SELECT FUND	4,109,100	0.33
20	CITIGROUP NOMINEES (ASING) SDN BHD BENEFICIARY : CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	3,954,330	0.32
21	KHOO NG HIONG	3,932,250	0.32
22	CITIGROUP NOMINEES (ASING) SDN BHD BENEFICIARY : CBNY FOR OLD WESTBURY SMALL & MID CAP FUND	3,838,500	0.31
23	CHEAH YAW SONG	3,750,000	0.30
24	CHEAH SUI SIN	3,710,100	0.30
25	HLB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	3,465,600	0.28
26	CHIA BAK LANG	3,381,000	0.27
27	TAN THEAN HOCK	3,283,230	0.26
28	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	3,200,489	0.26
29	AMANAHRAYA TRUSTEES BERHAD BENEFICIARY : PB ISLAMIC EQUITY FUND	2,726,450	0.22
30	LIU FUI MOY	2,703,300	0.22

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting has been scheduled on Friday, 22 August 2014 at 10.00 a.m. to be held at Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, 40250 Shah Alam, Selangor Darul Ehsan.

AGENDA

As Ordinary Business:

(1) To receive the Audited Financial Statements for the financial year ended 31 March 2014 together with the Directors' and Auditors' Report thereon. **Refer to Explanatory Notes 1**

(2) To approve the payment of a final single tier dividend of 3.5 sen per ordinary share of RM0.25 each in respect of the financial year ended 31 March 2014. **Ordinary Resolution 1**

(3) To re-elect the following Directors who retire in accordance with Article No. 97 of the Company's Articles of Association and being eligible, offers themselves for re-election:

Chieng Ing Huong **Ordinary Resolution 2**

Cheah Juw Teck **Ordinary Resolution 3**

Tan Bun Poo **Ordinary Resolution 4**

(4) To approve the Directors' fees for the financial year ended 31 March 2014. **Ordinary Resolution 5**

(5) To re-appoint Messrs. KPMG as the auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business:

To consider and if thought fit, pass the following resolutions:-

(6) "THAT YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company and to hold office until the next annual general meeting." **Ordinary Resolution 7**

(7) **Retention of Independent Non-Executive Directors**

"THAT approval be and is hereby given to YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than fourteen (14) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Ordinary Resolution 8**

"THAT approval be and is hereby given to Chieng Ing Huong, Eddy who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Ordinary Resolution 9**

(8) **Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965** **Ordinary Resolution 10**

"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approval of all relevant authorities being obtained, the Directors be and are hereby empowered to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital 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 and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

(9) **Proposed Renewal of Share Buy Back Authority** **Ordinary Resolution 11**

"THAT approval be and is hereby given to the Company to, from time to time, purchase through Bursa Securities such number of ordinary shares of RM0.25 each in the Company ("Shares") and/or retain such Shares so purchased as treasury shares ("Treasury Shares") 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 the aggregate number of Shares purchased and/or retained as Treasury Shares shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at the time of purchase ("Proposed Share Buy Back");

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy Back shall not exceed the Company's aggregate retained profits and share premium account;

THAT upon 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; and/or

(b) retain all or part of the Shares so purchased as Treasury Shares; and/or

(c) distribute the Treasury Shares as share dividends to the Company's shareholders for the time being and/or to resell the Treasury Shares on Bursa Securities;

THAT 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; or
(ii) the expiration of the period within which the next AGM 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 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 Share Buy Back 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."

(10) **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 12**

"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 Section 2.2.4 of the Circular to Shareholders dated 31 July 2014 with the related parties described therein which are necessary for the Group's day to day operations, carried out in the normal course of business, at arm's length, on normal commercial terms, not more favourable to the related parties than those generally available to the public and are not detriment of the minority shareholders;

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

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which the mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(ii) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the CA); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of and New RRPT Mandate."

(11) To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN that the final dividend, if approved, will be paid on 12 September 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 2 September 2014.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 2 September 2014 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
(MAICSA 7013090)
Company Secretary

Shah Alam, Selangor Darul Ehsan
31 July 2014

NOTES:-

PROXY:

1. A member of the Company entitled to attend and vote at the Meeting may appoint up to two proxies to attend and vote in his place. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy can be any person and there shall be no restriction as to the qualification of the proxy and paragraphs (a), (b) and (d) of Section 149(1) of the Companies Act, 1965 shall not apply.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Only members whose name appears on the Register of Depositors as at 13 August 2014 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his behalf.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, at least 48 hours before the appointed time of holding the Meeting.
5. 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.

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 169(1) of the Companies Act, 1965 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 7**

   The re-appointment of YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood, a person over the age of seventy (70) years as Director of the Company to hold office until the conclusion of the next AGM of the Company shall take effect if the proposed Ordinary Resolution 7 has been passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at the 17th AGM.

3. **Ordinary Resolution 8**

   YM Tengku Dato' Zainal Rashid Bin Tengku Mahmood was appointed as an Independent Non-Executive Director of the Company on 3 January 2000, and has, therefore served the Company for more than fourteen (14) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.

4. **Ordinary Resolution 9**

   Mr Chieng Ing Huong, Eddy was appointed as an Independent Non-Executive Director of the Company on 24 December 2001, and has, therefore served the Company for more than twelve (12) years. He met the criteria of an Independent Director as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has performed his duty diligently and in the best interest of the Company and has provided independent judgement and broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board, therefore recommends that he should be retained as an Independent Non-Executive Director.

5. **Ordinary Resolution 10**

   The proposed resolution is a renewal of the general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965. If passed will empower the Directors from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

   The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was approved at the 16th AGM of the Company held on 23 August 2013 and which will lapse at the conclusion of the 17th AGM. A renewal of this authority is being sought at the 17th 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.

6. **Ordinary Resolution 11**

   The proposed resolutions, if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting of the Company. For further information, please refer to the Circular dated 31 July 2014.

7. **Ordinary Resolution 12**

   The proposed resolutions are shareholders' mandate required under Part E, Chapter 10.09 and Chapter 10.02 of the 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 as specified in Section 2.2.2 of the Circular dated 31 July 2014. 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 interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, 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.

RECURRENT RELATED PARTY TRANSACTIONS
of Revenue or Trading Nature of QL Resources Berhad Group

EXISTING RRPT

Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM * (RM'000)	Mandate obtained from last year's AGM (RM'000)	Actual transacted value for the period from 24 August 2013 to 30 June 2014 (RM'000)
Sale of animal feed by QL Livestock Farming Sdn. Bhd. ("QLLF")	Green Breeder Sdn. Bhd.	15,000	12,000	10,539
Sale of animal feed by QLLF	Success Portfolio Sdn. Bhd.	6,000	6,000	3,734
Purchase of fish by QL Foods Sdn. Bhd. ("QL Foods")	Sin Teow Fatt Trading Co.	800	800	509
Sale of surimi by QL Foods	Fusipim Sdn. Bhd. ("Fusipim")	800	2,000	470
Sale of surimi-based product by QL Foods	Mr Cheah Joo Kiang	3,650	2,600	2,562
Purchase of spare part by Endau Group	Keang Huat Trading Sdn. Bhd.	3,500	3,300	3,306
Purchase of fish by Endau Group	Perikanan Sri Tanjung Sdn. Bhd.	1,500	1,850	817
Trading of fish by Endau Group	Timurikan Trengganu Marine Products Sdn. Bhd.	2,000	2,900	1,004
Sale of animal feed by QL Agrofood Sdn. Bhd.	M.B. Agriculture (Sabah) Sdn. Bhd.	15,000	15,000	10,522
Sale of egg, broiler and surimi-based product by QL Agroventures Sdn. Bhd.	C Care Enterprise Sdn. Bhd. ("C Care")	3,000	3,000	774
Sale of animal feed by QL Tawau Feedmill Sdn. Bhd. ("QLTF")	Arena Dijaya Sdn. Bhd. ("Arena Dijaya")	4,500	4,500	2,607
Sales of animal feed by QLTF	M.B. Agriculture (Sandakan) Sdn. Bhd. ("MBAS")	5,500	5,500	4,030
Purchase of fresh fruit bunch by QL Plantation Sdn. Bhd.	MBAS	2,000	400	621[@]

NEW RRPT

Nature of Transaction	Related Parties	Estimated Value from the date of the forthcoming AGM to the next AGM * (RM'000)
Sale of surimi-based product by QL Foods	C Care	1,000
Purchase of packing material by QL Foods	E Koon Plastics Trading ("E Koon")	1,000
Purchase of packing material by Endau Group	E Koon	250
Sale of surimi by Endau Group	Fusipim	1,000
Trading of chicken part, sale of egg and purchase of meat by QL Farms Group	C Care	2,165
Purchase of raw material and packing material as well as sale of chicken part and egg by QL Farms Group	MBAS	252
Purchase of packing material and sale of organic fertilizer by QL Farms Group	Arena Dijaya	21

Notes:

* 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 2014 as well as the changing economic and competitive environment. Announcement will be made accordingly if the actual value exceeds the estimated value by 10% or more.

@ This transaction had exceeded the estimated value by 10% or more because the related party acquired additional estate thus able to produce more fresh fruit bunch. Therefore, the company had increased its purchase volume. Announcement was made to Bursa Securities on 17 June 2014.

Classes of Related Parties

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

(i) Green Breeder Sdn. Bhd. is a company involved in livestock breeding. The directors are Dr Ng Siew Thiam and his spouse, Chew Ching Kwang. The major shareholder (77.5%) is May Hoo Trading Sdn. Bhd., a company owned by Dr Ng Siew Thiam and his spouse. Dr Ng Siew Thiam is a Director of QL Livestock Farming Sdn. Bhd. ("QLLF") and also a director and shareholder (4.98%) of QL AgroResources Sdn. Bhd., which is 95% owned subsidiary of QL and the holding company of QLLF.

(ii) C Care Enterprise Sdn. Bhd. ("C Care") is a retail shop. Mr Chia Soon Hooi and his spouse are directors and shareholders of C Care.

(iii) Fusipim Sdn. Bhd. ("Fusipim") is a company involved in food processing and distribution. The directors and shareholders of Fusipim are Madam Chia Kah Chuan and her spouse Mr Eng Seng Poo.

(iv) Mr Cheah Joo Kiang is the son of Mr Cheah Yaw Song and the brother of Mr Cheah Juw Teck who are directors of QL Foods.

RECURRENT RELATED PARTY TRANSACTIONS

of Revenue or Trading Nature of QL Resources Berhad Group

(v) Sin Teow Fatt Trading Co. is a partnership involved in fish wholesale and it is owned by Mr Chia Teow Guan, Mr Chia Song Pou, Mr Cheah Yaw Song and Mr Chia Song Phuan, who are also directors of QL Foods and members of Chia Family.

(vi) Keang Huat Trading Sdn. Bhd. ("KH") is a trading company of all kinds of hardware, marine engines and fishing equipment. Mr Lim Kwan Cheang, Mr Sim Chin Swee and Mr Chua Lee Guan are directors and substantial shareholders of KH. KH is also a major shareholder (10.88%) of QL Endau Marine Products Sdn. Bhd. ("QLEMP"). QLEMP is 70.59% owned by QL.

(vii) Perikanan Sri Tanjung Sdn. Bhd. ("PST") is into deep sea fishing, diesel and transportation services. Mr Lim Kwan Cheang, Mr Sim Chin Swee, Mr Heng Hup Peng, Mr Heng Chai Khoon, Mr Chua Lee Guan, Mr Loh Yoo Ming and Mr Heng Seng See are major shareholders of PST. They are also shareholders of QLEMP holding 13.35% in total. Mr Sim Chin Swee and Mr Heng Hup Peng are directors of QLEMP and its wholly owned subsidiary QL Endau Fishmeal Sdn. Bhd. ("QLEF")

(viii) Timurikan Trengganu Marine Products Sdn. Bhd. ("TTMP") is a company engage in the business as marine products manufacturing, trading of edible fishes, frozen fishes and other aquatic animals. Mr Lim Kwan Cheang, Mr Sim Chin Swee, Mr Heng Hup Peng, Mr Heng Chai Khoon, Mr Chua Lee Guan, Mr Loh Yoo Ming and Mr Heng Seng See are major shareholders of TTMP. They are also shareholders of QLEMP holding 13.35% in total. Mr Sim Chin Swee and Mr Heng Hup Peng are directors of QLEMP and QLEF.

(ix) Success Portfolio Sdn. Bhd. ("SP") is a company engaged in livestock farming which Dr Ng Siew Thiam has interest. Dr Ng Siew Thiam is a director and shareholder in QL AgroResources Sdn. Bhd., a 95% owned subsidiary of QL and the holding company of QL Livestock Farming Sdn. Bhd.. SP is 75% owned by Ruby Technique Sdn. Bhd. ("RT") which in turn is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. ("CBG") and Farsathy Holdings Sdn. Bhd. ("Farsathy") respectively. CBG and Farsathy are the major shareholders of QL.

(x) M.B. Agriculture (Sabah) Sdn. Bhd. ("MB (Sabah)") is engaged in livestock farming and is wholly-owned by RT which in turn is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. ("CBG") and Farsathy Holdings Sdn. Bhd. ("Farsathy") respectively. CBG and Farsathy are the major shareholders of QL.

(xi) M.B. Agriculture (Sandakan) Sdn. Bhd. ("MB (Sandakan)") is engaged in livestock farming and is 90% owned by RT which in turn is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. ("CBG") and Farsathy Holdings Sdn. Bhd. ("Farsathy") respectively. CBG and Farsathy are the major shareholders of QL. Mr Liu Sin is a director and shareholder of MB (Sandakan) as well as a shareholder of QL.

(xii) Arena Dijaya Sdn. Bhd. ("Arena") is engaged in livestock farming and is 90% owned by RT which in turn is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. ("CBG") and Farsathy Holdings Sdn. Bhd. ("Farsathy") respectively. CBG and Farsathy are the major shareholders of QL. Mr Liu Sin is a director and shareholder of Arena as well as a shareholder of QL.

(xiii) E Koon Plastics Trading is a sole proprietor company engaged in wholesale of household utensils and cutlery, crockery, glassware, chinaware and pottery, wholesale of other construction materials, hardware, plumbing and heating equipment and supplies N.E.C., retail sale of construction materials, hardware, paints and glass, wholesale of plastic materials in primary forms. The owner is Ms Eng Siew Yong.

(xiv) Visible Triumph Sdn. Bhd. ("VT") is a company engaged in the operation of a cold storage, retail and wholesale of sundry provisions and is wholly owned by MB (Sandakan), which in turn is 90% owned by RT. RT is 77.67% and 22.33% owned by CBG Holdings Sdn. Bhd. ("CBG") and Farsathy Holdings Sdn. Bhd. ("Farsathy") respectively. CBG and Farsathy are the major shareholders of QL. Ms Chia Chew Geik and Ms Chia Siang Eng are directors of VT.

Ms Chia Chew Geik is the sister of Mr Chia Chw Pew who is the director of QL Farms Sdn. Bhd. and its wholly owned subsidiary, QL Inter-Food Sdn. Bhd.

全利資源有限公司
QL Resources Berhad
(Company No. 428915-x)
(Incorporated in Malaysia)

FORM OF PROXY

No. of ordinary shares held	
CDS Account No.	
Tel/Handphone No.	

I/We ....
(FULL NAME IN BLOCK LETTERS)

of ....
(FULL ADDRESS)

being a member of **QL RESOURCES BERHAD**, hereby appoint.. (Proxy 1)
(FULL NAME)

of ....,
(FULL ADDRESS)

or failing him, ... (Proxy 2)

of ....

as my/our proxy/proxies to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company, to be held at Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, 40250 Shah Alam, Selangor Darul Ehsan on Friday, 22 August 2014 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		

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 17th Annual General Meeting. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this............... day of........................ 2014

....
Signature of Shareholder

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

Notes:-

1. A member of the Company entitled to attend and vote at the Meeting may appoint up to two proxies to attend and vote in his place. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy can be any person and there shall be no restriction as to the qualification of the proxy and paragraphs (a), (b) and (d) of Section 149(1) of the Companies Act, 1965 shall not apply.
2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. Only members whose name appears on the Register of Depositors as at 13 August 2014 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on his behalf.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan, at least 48 hours before the appointed time of holding the Meeting.
5. 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.

Fold this flap for sealing

2nd Fold Here

Affix
Stamp

The Company Secretary

QL RESOURCES BERHAD (428915-X)

No. 16A, Jalan Astaka U8/83
Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

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全 利 資 源 有 限 公 司
QL RESOURCES BERHAD (428915-X)
No. 16A, Jalan Astaka U8/83, Bukit Jelutong,
40150 Shah Alam, Selangor Darul Ehsan.
Tel : 03-7801 2288
Fax : 03-7801 2228
www.ql.com.my