

THE APPROVAL OF THE SECURITIES COMMISSION OF QL RESOURCES BHD'S PUBLIC ISSUE OF 6,160,000 NEW ORDINARY SHARES OF RM1.00 EACH AT AN ISSUE PRICE OF RM2.50 PER ORDINARY SHARE ("PUBLIC ISSUE") AND THE OFFER FOR SALE OF 1,433,000 ORDINARY SHARES OF RM1.00 EACH AT AN OFFER PRICE OF RM2.50 PER ORDINARY SHARE ("OFFER") SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE AFOREMENTIONED PUBLIC ISSUE AND OFFER FOR SALE . INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE PUBLIC ISSUE AND OFFER FOR SALE.

THE ISSUE/OFFER PRICE HAS BEEN DETERMINED BY QL RESOURCES BHD/THE OFFERORS AND THE ADVISER AND MANAGING UNDERWRITER. INVESTORS SHOULD FORM THEIR OWN VIEWS ON THE VALUATION OF THE SECURITIES AND THE REASONABLENESS OF THE BASES USED.

THE VALUATION OF THE PROPERTIES APPROVED BY THE SC SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE RESTRUCTURING AND LISTING SCHEME SUBMITTED TO AND APPROVED BY THE SC AND SHALL NOT BE TAKEN AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSE.

A COPY OF THIS PROSPECTUS HAS BEEN LODGED WITH AND REGISTERED BY THE REGISTRAR OF COMPANIES, MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE KUALA LUMPUR STOCK EXCHANGE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF THE KUALA LUMPUR STOCK EXCHANGE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE GROUP OR ITS ORDINARY SHARES.

THE REPORTING ACCOUNTANTS' RESPONSIBILITY WITH REGARD TO THIS PROSPECTUS DOES NOT EXTEND BEYOND THE ACCOUNTANTS' REPORT, CONSOLIDATED PROFIT ESTIMATE AND FORECAST AND PROFORMA CONSOLIDATED BALANCE SHEETS. APART FROM THE ABOVEMENTIONED, THE REPORTING ACCOUNTANTS HAVE HAD NO INVOLVEMENT IN THE PREPARATION OF THIS PROSPECTUS.

DEFINITION

In this Prospectus, abbreviations applied shall have the following meanings:-

ADA	— Authorised Depository Agent
ADA Code	— ADA (Broker) Code
Application	— Application for the Public Issue/Offer Shares by way of Application Forms or by way of Electronic Share Application
Application Forms	— Printed Application Forms for the application for the Public Issue/Offer Shares
Arab-Malaysian	— Arab-Malaysian Merchant Bank Berhad (Company No. 23742-V)
AT	— Adequate Triumph Sdn Bhd (Company No. 340987-A)
Acquisition of QL Feed	— Acquisition on 31 December 1999 by QL from CBG, Farsathy, Tan Gek Len, Liu Sin, Liao Su Fah, Lim Bok Huat, Nora Faritha Bt. Mohd Noor, Mohd Kamal bin Abdullah, Maulizan bin Bujang, Norlida Bt. Alias, Adam Warren Bakhtiar, Saodah bt Hj Malek, Mohd Rizal bin Ramlee and Mohamed Kamal bin Idris of the entire issued and paid-up share capital of QL Feed comprising 4,100,000 ordinary shares of RM1.00 each for a purchase consideration of RM43,607,569 which was satisfied by an issuance of 29,665,013 new ordinary shares in QL credited as fully paid-up at an issue price of approximately RM1.47 per ordinary share of RM1.00 each
BD	— Bergakau Development Sdn Bhd (Company No. 53881-H)
BM	— Banjaran Mentari Sdn Bhd (Company No. 324173-D)
BW	— Bukit Wang Sdn Bhd (Company No. 45564-D)
CBG	— CBG Holdings Sdn Bhd (Company No. 116910-V) (<i>formerly known as C.B. Fishmeal Sdn Bhd</i>)
CD	— Chingsan Development Sdn Bhd (Company No.377799-T)
CDS	— Central Depository System
CPO	— Crude Palm Oil
EPS	— Earnings Per Share
Farsathy	— Farsathy Holdings Sdn Bhd (Company No. 61787-X)
FIC	— Foreign Investment Committee
Incorporation of Revaluation Surplus	— Incorporation of revaluation surplus by the QL Group amounting to RM11,689,980 arising from the revaluation the Group's landed properties based on the respective net book values as at 31 March 1999 compared to their respective open market values as approved by SC

DEFINITION.... cont'd

IPO	— Public Issue and Offer for Sale collectively								
KLSE	— Kuala Lumpur Stock Exchange (Company No. 30632-P)								
Listing	The admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of QL of RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE								
MR	— Maxincome Resources Sdn Bhd (Company No. 383322-D)								
MCD or Central Depository	— Malaysian Central Depository Sdn Bhd (Company No. 165570-W), a subsidiary company of KLSE								
MIH	— Malaysian Issuing House Sdn Bhd (Company No. 258345-X)								
MITI	— Ministry of International Trade and Industry								
N Oscar	— Natural Oscar Sdn Bhd (Company No.370984-W)								
NTA	— Net Tangible Assets								
Offer for Sale or Offer	— Offer for Sale by the Offerors of 1,433,000 ordinary shares of RM1.00 each in QL at an offer price of RM2.50 per ordinary share to eligible Bumiputera investors approved by MITI and the Malaysian public								
Offer Shares	— All or any of 1,433,000 ordinary shares of RM1.00 each in QL which are the subject of the Offer by the Offerors								
Offerors	— Offerors of the Offer for Sale, as follows:- <table><tr><td></td><td>No. of shares offered</td></tr><tr><td>CBG</td><td>1,113,000</td></tr><tr><td>Farsathy</td><td>320,000</td></tr><tr><td>TOTAL</td><td>1,433,000</td></tr></table>		No. of shares offered	CBG	1,113,000	Farsathy	320,000	TOTAL	1,433,000
	No. of shares offered								
CBG	1,113,000								
Farsathy	320,000								
TOTAL	1,433,000								
Participating Financial Institution(s)	— Refers to the Participating Financial Institutions for Electronic Share Application as listed in Sections 14.9 of this Prospectus								
PAT	— Profit After Taxation								
PBT	— Profit Before Taxation								
PE Multiple	— Price Earnings Multiple								
Public Issue	— Public Issue of 6,160,000 new ordinary shares of RM1.00 each in QL representing 15.40% of the enlarged issued and paid-up share capital of QL at an issue price of RM2.50 per ordinary share to the Malaysian public								
Public Issue Shares	— The 6,160,000 new ordinary shares of RM1.00 each to be issued by QL pursuant to the Public Issue								

DEFINITION.... cont'd

PVG	Pacific Vet Group (M) Sdn Bhd (Company No. 446550-D)
PW	— Pets Wonderland Sdn Bhd (Company No. 498932-T) <i>(formerly known as as Corporate-Pacific Region (M) Sdn Bhd)</i>
QL or the Company	— QL Resources Berhad (Company No. 428915-X)
QL Group or Group	— QL Resources Berhad and its subsidiaries
QL Feed Group	— QL Feedingstuffs Sdn Bhd and its subsidiaries
QL Feedmills	— QL Feedmills Sdn Bhd (Company No. 331773-P)
QL Foods	— QL Foods Sdn Bhd (Company No. 313104-W)
QLKI	— QL Karasaki Ika Sdn Bhd (Company No. 378679-K) <i>(formerly known as Winning Venture Sdn Bhd)</i>
QLL	— QL Layer Farm Sdn Bhd (Company No. 209914-D)
QLP	— QL Properties Sdn Bhd (Company No. 334006-V)
QLR	— QL Realty Sdn Bhd (Company No. 333760-K)
Rights Issue	— Rights Issue of 4,174,985 new ordinary shares of RM1.00 each in QL at an issue price of RM1.20 per ordinary share on the basis of pproximately fourteen(14) new ordinary shares for every one hundred (100) existing ordinary shares held
Restructuring and Listing Scheme	— The Incorporation of Revaluation Surplus, Acquisition of QL Feed, the Rights Issue, Public Issue, Offer for Sale and Listing collectively
RM and sen	— Ringgit Malaysia and sen respectively
SC	— Securities Commission
SCH	— Sin Chip Huat Fishmeal Sdn Bhd (Company No. 120615-K)
SHH	— Sin Hong Heng Fishmeal Sdn Bhd (Company No. 16212-D)
TC	— Tophill Corporation Sdn Bhd (Company No. 45457-T)
THM	— Tong Her Marine Products Sdn Bhd (Company No. 69489-D)
TLP	— Tong Len Plantation Sdn Bhd (Company No. 50414-M)
TLT	— Tong Len Trading Sdn Bhd (Company No. 133226-P)
Tri-F	— Tri-F Corporation Sdn Bhd (Company No. 415617-K)
WSB	— Wijora Sdn Bhd (Company No. 380343-P)

TABLE OF CONTENTS

	<i>Page</i>
1. HIGHLIGHTS OF PROSPECTUS	1
1.1 <i>Business</i>	<i>1</i>
1.2 <i>Financial Records</i>	<i>2</i>
1.3 <i>Principal Statistics relating to the Public Issue and Offer</i>	<i>3</i>
2. CORPORATE INFORMATION	5
3. INVESTMENT CONSIDERATIONS	8
4. INTRODUCTION	11
5. PARTICULARS OF THE PUBLIC ISSUE AND OFFER	12
5.1 <i>Share Capital</i>	<i>12</i>
5.2 <i>Particulars of the Public Issue and Offer</i>	<i>12</i>
5.3 <i>Basis of arriving at the Issue/Offer Price</i>	<i>13</i>
5.4 <i>Purposes of the Public Issue and Offer</i>	<i>14</i>
5.5 <i>Proceeds of the Public Issue and Offer for Sale</i>	<i>14</i>
5.6 <i>Underwriting Commission and Brokerage</i>	<i>14</i>
5.7 <i>Moratorium on Shares</i>	<i>14</i>
6. INFORMATION ON QL	16
6.1 <i>Incorporation</i>	<i>16</i>
6.2 <i>Changes In Share Capital</i>	<i>16</i>
6.3 <i>Restructuring and Listing Scheme</i>	<i>17</i>
6.4 <i>Business Overview</i>	<i>20</i>
6.5 <i>Information on Subsidiary Companies</i>	<i>26</i>
6.6 <i>Properties</i>	<i>53</i>
6.7 <i>Future Plans of the Group</i>	<i>57</i>
7. DIRECTORS, SENIOR MANAGEMENT, EMPLOYEES AND AUDIT COMMITTEE	59
8. INDUSTRY OVERVIEW	65
9. FINANCIAL INFORMATION	68
9.1 <i>Profit Record</i>	<i>68</i>
9.2 <i>Working Capital, Borrowings and Contingent Liabilities</i>	<i>69</i>
9.3 <i>Consolidated Profit Estimate and Forecast</i>	<i>69</i>
9.4 <i>Reporting Accountant's Letter on the Consolidated Profit Estimate and Forecast</i>	<i>72</i>
9.5 <i>Dividend Forecast</i>	<i>73</i>
9.6 <i>Proforma Consolidated Balance Sheets of the QL Group</i>	<i>74</i>
9.7 <i>Reporting Accountant's Letter on the Proforma Consolidated Balance Sheets</i>	<i>77</i>
10. ACCOUNTANTS' REPORT	78

TABLE OF CONTENTS.... cont'd

	<i>Page</i>
11. DIRECTORS' REPORT	156
12. VALUERS' LETTER	157
13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION	164
14. PROCEDURE FOR APPLICATION AND ACCEPTANCE	181
14.1 Opening and Closing of Application Lists	181
14.2 General Conditions for Application	181
14.3 Applications and Acceptances	182
14.4 CDS Accounts	183
14.5 Notice of Allotment	184
14.6 Formalising of CDS Accounts	184
14.7 List of ADA	184
14.8 Terms and Conditions for Applications using Application Forms	191
14.9 Terms and Conditions for Electronic Share Applications	193
14.10 Steps for Electronic Share Applications through a Participating Financial Institution's ATM	198

QL RESOURCES BERHAD

(Company No. 428915-X)
(Incorporated in Malaysia under the Companies Act, 1965)

1. HIGHLIGHTS OF PROSPECTUS

The following information is an extract of, and should be read in conjunction with, the full text of this Prospectus.

1.1 Business

The QL Group is a diversified agricultural based group of companies. The Group is principally involved in marine-based manufacturing, integrated livestock and oil palm related activities.

The marine-based manufacturing activities consists of the following divisions:-

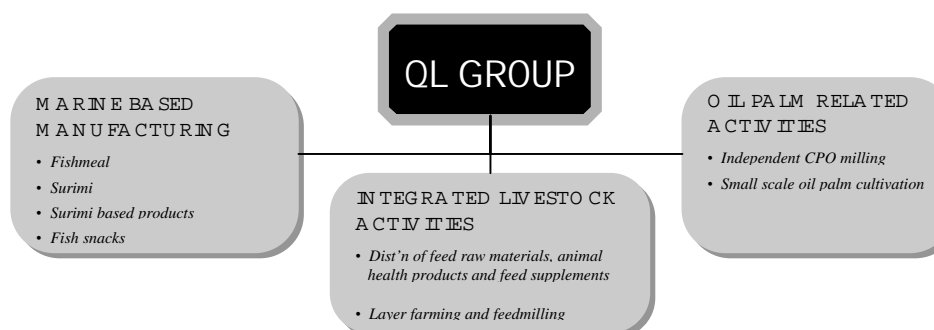
- ❶ manufacturing of fishmeal (fishmeal is a high protein feedstuff valued for its ideal balance of amino-acids, “unidentified growth factor” and its range of B-content vitamins and is primarily used in poultry and livestock feed); and
- ❷ surimi and surimi-based products (surimi is fishmeat processed into paste form, which is used as raw material for further down-stream processing of fabricated seafood such as “fishball” and “fishcakes”).

The Group is the largest fishmeal manufacturer in Malaysia. (Source : Survey Research Malaysia: July 1997 and directors’ market estimate based on internal survey by management in September 1999). Its surimi and surimi-based products marine division is also a leading producer in Malaysia. The Group is also currently venturing into fish snack manufacturing.

The integrated livestock activities division consists of distribution of feed meal raw materials and animal health and feed supplements as well as layer farming (production of poultry eggs) and feedmilling activities. QL Group is a major distributor of animal feed raw material in Malaysia. (Source : Survey Research Malaysia : 1997 and directors’ market estimate based on internal survey by management in September 1999). The layer farming and feedmilling activities are situated in Kota Kinabalu and Tawau (Sabah) as well as in Kuching (Sarawak).

The oil palm related activities comprise CPO milling and small scale oil palm cultivation. The CPO mill is situated in Kunak (near Tawau), Sabah. The mill is an independent mill, which services the oil palm estates in the surrounding region of Tawau.

An overview of the Group’s activities is shown below:-



1. HIGHLIGHTS OF PROSPECTUS.... cont'd

The activities of the QL Group are carried out by the following companies:-

Divisions by Activities	Company/ies Involved
<u>Marine-based manufacturing</u>	
▪ Fishmeal production	SCH and SHH
▪ Surimi and surimi-based products manufacturing	QL Foods
▪ Manufacturing of fish snacks	QLKI
<u>Integrated livestock activities</u>	
▪ Distribution of feed-meal raw materials	QL Feed
▪ Integrated feedmilling and layer farming activities in East Malaysia	QLL, BM, QL Feedmills and TLT (Layer and Feedmilling Divisions)
▪ Distribution of feed supplements, animal health products	PVG
<u>Oil palm related activities</u>	
▪ Independent CPO milling and small scale oil palm cultivation	TLP,TC and BW

1.2 Financial Records

The following, which has been extracted from the Accountant's Report in Section 10, is a summary of the audited proforma consolidated results of the QL Group for the five(5) financial years ended 31 March 1999 and the six(6) months ended 30 September 1999 prepared on the assumption that the Acquisition of QL Feed has been in effect throughout the period under review:-

Year ended	31.3.1995 RM'000	31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	128,039	216,997	256,613	279,024	402,746	199,015
Profit before taxation	4,844	8,434	12,375	12,660	14,101	9,445
Taxation	(1,272)	(2,277)	(2,794)	(2,950)	(1,007)	(2,176)
Profit after taxation	3,572	6,157	9,581	9,710	13,094	7,269
Minority interest	(561)	(723)	(1,256)	(1,249)	(3,037)	(1,651)
Profit after taxation and minority interest	3,011	5,434	8,325	8,461	10,057	5,618
Extraordinary item	\$(599)	-	-	-	-	-
Profit after taxation and extraordinary items	2,412	5,434	8,325	8,461	10,057	5,618
No. of ordinary shares assumed in issue ('000)*	29,665	29,665	29,665	29,665	29,665	29,665
Gross EPS (sen) ^	13.70	25.17	35.95	37.20	36.83	48.80**
Net EPS (sen)	10.15	18.32	28.06	28.52	33.90	37.88**

Notes:-

The proforma consolidated results are presented for illustration purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 10 of this prospectus.

* Assumed issued and paid-up pursuant to the Acquisition of QL Feed

** Annualised

Extraordinary item arising from loss on disposal of long leasehold estate.

^ Based on profit before tax after minority interests

- The substantial increase in turnover and operating profit before tax from 1995 onwards was mainly attributable to the increase in volume of business and the increase in prices of the feed-meal products during this period. Additional contributions were received from new operations such as layer farming, surimi and surimi based products manufacturing.
- The increase in turnover in 1998 is largely due to increase in selling prices of raw feed-meal products and the commencement of operations from a new subsidiary. In 1999, turnover increased substantially primarily because of the commencement of operations of the Group's CPO mill in Tawau and the commencement of operations by its new layer farm under BM.

1. HIGHLIGHTS OF PROSPECTUS.... cont'd

1.3. Principal Statistics Relating to the Public Issue and Offer

The following statistics relating to the Public Issue/Offer are derived from the full text of this draft Prospectus and should be read in conjunction with that text.

ISSUED AND PAID-UP SHARE CAPITAL	RM
<i>Issued and fully paid-up</i>	
— 33,840,000 ordinary shares of RM1.00 each	33,840,000
<i>Public Issue pursuant to this Prospectus</i>	6,160,000
— 6,160,000 new ordinary shares of RM1.00 each	
	<u>40,000,000</u>
<i>Offered for sale pursuant to this Prospectus</i>	
— 1,433,000 ordinary shares of RM1.00 each	<u>1,433,000</u>

ISSUE AND OFFER PRICE PER ORDINARY SHARE OF RM1.00 EACH	RM2.50
---	--------

PROFORMA GROUP NTA

Proforma Group NTA based on the audited accounts as at 30 September 1999 (after adjusting for the Restructuring and Listing Scheme and deducting estimated listing expenses of RM1,500,000) RM67,971,000

Proforma Group NTA per share based on the enlarged issued and paid-up share capital comprising 40,000,000 ordinary shares of RM1.00 each RM1.70

CONSOLIDATED PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDING 31 MARCH 2000 AND 2001

	ESTIMATE		ESTIMATE	FORECAST
	Pre-acquisition period from 1.4.1999 to 31.12.1999 (RM'000)	Post acquisition period from 1.1.2000 to 31.3.2000 (RM'000)	Year ending 31.3.2000* (RM'000)	Year ending 31.3.2001 (RM'000)
Consolidated profit before taxation and extraordinary items but after minority interest	10,972	3,657	14,629	20,145
Taxation	(2,054)	(685)	(2,739)	(4,344)
Consolidated profit after taxation and minority interests but before extraordinary items	8,918	2,972	11,890	15,801
No. of ordinary shares in issue ('000)	40,000	40,000	40,000	40,000
Gross EPS (sen)	**36.57	**36.57	36.57	50.36
Net EPS (sen)	**29.73	**29.73	29.73	39.50
Gross PE multiple based on the price of RM2.50 per share (times)	6.84	6.84	6.84	4.96
Net PE multiple based on the price of RM2.50 per share (times)	8.41	8.41	8.41	6.33

* Estimate for the full financial year ending 31 March 2000 inclusive of pre-acquisition profit, shown for illustrative purposes only

** Annualised

1. HIGHLIGHTS OF PROSPECTUS.... cont'd

DIVIDEND ESTIMATE AND FORECAST

	31.3.2000 (RM'000)	31.3.2001 (RM'000)
Gross dividend per ordinary share (sen)	-	10.00
Gross dividend yield based on the issue/offer price of RM2.50 per share (%)	-	4.00
Net dividend cover based on entire issued paid-up share capital of 40,000,000 (times)	-	5.49

Note : As the Directors expect the listing of QL to be completed towards the end of the financial year ending 31 March 2000, there will be no dividends declared by QL for the financial year ending 31 March 2000. The Directors forecast that a dividend will be declared for the financial year ending 31 March 2001 being the first full financial year subsequent to listing.

2. CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Tengku Zainal Rashid bin Tengku Mahmood	104, Jalan Burhanuddin Helmi 2 Taman Tun Dr Ismail 60000 Kuala Lumpur	Chairman	Malaysian
Chia Song Kun	No. 25, Jalan Kelab Golf 13/2 Seksyen 13 40000 Shah Alam Selangor Darul Ehsan	Managing Director	Malaysian
Chia Seong Pow	3, Jalan Sentosa 53 Kawasan 19, Batu Belah 41400 Klang Selangor Darul Ehsan	Executive Director	Malaysian
Chia Song Kooi	8, Lorong Palas 8 Taman Jindo 88300 Kota Kinabalu Sabah	Executive Director	Malaysian
Chia Seong Fatt	3245, Taman Greenery Mile 3, Jalan Kuhara 91000 Tawau Sabah	Executive Director	Malaysian
Mohd Rizal bin Ramlee	No. 64, Taman Seri Langat Off Jalan Reko 43000 Kajang Selangor Darul Ehsan	Director	Malaysian
Chia Mak Hooi	50 Jalan U8/51, Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Director	Malaysian
Chia Song Swa	4, Solok Batai Laut 3 Kawasan 16 Taman Bukit Cemerlang 41300 Klang Selangor Darul Ehsan	Executive Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Tengku Zainal Rashid bin Tengku Mahmood	Chairman	Independent Non-Executive Director
Chia Song Kun	Member	Managing Director
Mohd Rizal bin Ramlee	Member	Independent Non-Executive Director

COMPANY SECRETARY

: Ng Geok Ping (MAICSA : 7013090)
29 Jalan Merbok 3
Bandar Puchong Jaya
47100 Selangor Darul Ehsan

2. CORPORATE INFORMATION.... cont'd

REGISTERED OFFICE	:	5, Lorong Bukit Kuda Off Jalan Batu Tiga Lama 41300 Klang Selangor Darul Ehsan
REGISTRARS AND TRANSFER OFFICE	:	Bina Management (M) Sdn Bhd Lot 10 The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
PRINCIPAL BANKERS	:	Malayan Banking Berhad No. 10, Persiaran Perbandaran Seksyen 14 40000 Shah Alam Selangor Darul Ehsan Bumiputera -Commerce Bank Bhd Lot No. P5.5, Persiaran Perbandaran Bangunan UMNO, Seksyen 14 40000 Shah Alam Selangor Darul Ehsan Hong Leong Bank Berhad No. 3, Jalan Takal 15/21 Seksyen 15 40000 Shah Alam Selangor Darul Ehsan RHB Bank Berhad 33, Persiaran Sultan Ibrahim 41300 Klang Selangor Darul Ehsan
AUDITORS AND REPORTING ACCOUNTANTS	:	KPMG Public Accountants Wisma KPMG, Jalan Dungun Damansara Heights 50490 Kuala Lumpur
SOLICITORS	:	Sim Hazlina & Co. Suite 8-12-6, Plaza Raja Chulan # 8, Jalan Raja Chulan 50200 Kuala Lumpur
VALUERS	:	CH Williams Talhar & Wong Sdn Bhd No. 3228, Menara Tun Razak Jalan Raja Laut 50350 Kuala Lumpur

2. CORPORATE INFORMATION.... *cont'd*

ADVISER AND MANAGING UNDERWRITER	:	Arab-Malaysian Merchant Bank Berhad 22nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur
UNDERWRITERS	:	Arab-Malaysian Merchant Bank Berhad 22nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Hwang-DBS Securities Bhd 18 th - 20 th Floor, Plaza Masalam 2, Jalan Tengku Ampuan Zebedah E9/E Seksyen 9 41000 Shah Alam Selangor Darul Ehsan
LISTING SOUGHT	:	Second Board of the Kuala Lumpur Stock Exchange

3. INVESTMENT CONSIDERATIONS

The following information and contents of this Prospectus should be carefully considered before applying for the Public Issue/Offer Shares.

i) No Prior Market for QL Shares

Prior to this Issue/Offer, there has been no public market for QL shares. There can be no assurance that an active market for QL shares will develop upon its listing on the Second Board of the KLSE or, if developed, that such market will be sustained. The issue/offer price of RM2.50 per ordinary share for the Public Issue Shares and Offer Shares has been determined after taking into consideration a number of factors, including but not limited to, the Company's financial and operating history and condition, its prospects and the prospects for the industry in which the Company operates, the management of the Company, the market prices for shares of companies engaged in businesses similar to that of the Company and the prevailing market conditions. No assurance is given that the price at which QL shares will trade on the Second Board of the KLSE upon or subsequent to its listing will appreciate beyond the issue/offer price or that an active market for QL shares will develop and continue upon or subsequent to its listing.

ii) Dependence on Key Personnel

The Group believes that its continued success will depend to a significant extent upon the abilities, dedication and continued efforts of its existing Directors and Senior Management. The loss of any of the key members of the Group may adversely affect the Group's continued ability to compete. However, every effort is made to strategically build-up a containing cohesive management team. The Group's future success will also depend upon its ability to attract and retain skilled personnel.

iii) Political, Economic and Regulatory Considerations

Adverse developments in political, economic and regulatory conditions in Malaysia and other countries where the Group may undertake projects, source its suppliers or market its products could materially and adversely affect the financial prospects of the Group. Political and economic uncertainties include (but are not limited to) risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts, changes in interest rates and methods of taxation and currency exchange controls.

iv) Competition

The QL Group faces competition from various competitors which include private and public listed companies. No assurance is given that the Group will be able to maintain its existing market share in the future. However, the Directors of the Group believe that the QL Group will remain highly competitive due to:-

- (a) its close links with its customers and suppliers; and
- (b) the high level of integration and synergies which exist within the Group's complementary business activities.

3. INVESTMENT CONSIDERATIONS.... *cont'd*

v) Foreign Exchange Fluctuations

Certain divisions of the QL Group's is subject to foreign exchange fluctuations. The QL Group limits its foreign exchange risk by hedging and by closely monitoring foreign exchange movements. The Group's exposure to foreign exchange fluctuations has been limited by the selective capital controls imposed by the Malaysian Government in September 1998. However, no assurance can be given on the continuance of these capital controls or the effects on the Group's performance if and when the selective capital controls are removed.

vi) Reliability of Supplies

The continued growth of any manufacturing company will depend, to a certain extent, on the consistency and reliability of its supplies. The QL Group believes that supplies of raw materials such as fish, maize, soya bean, oil palm fresh fruit bunches will continue to be sufficient to support the continued growth of the Group owing to its close relationship with its suppliers and its continuing, ongoing efforts to look for new sources of supplies. In the supply of fish, for example, QL Group believes that a good relationship with the fishermen will ensure a constant supply of fish, which it achieves through the adoption of several policies. These policies include assisting the fishermen in the Endau and the Hutan Melintang areas with the purchase of their fishing boats. In addition, the QL Group has a pool of suppliers from the West and East Coast of Peninsular Malaysia.

vii) Fluctuation in Raw Material Prices

The Group is exposed to the risk of fluctuation in prices of feed-meal raw materials. However, the management of the Group has had extensive experience in purchasing raw materials and is very well versed with the market trends of the raw materials.

viii) Demand for Food Products and Fluctuation in Product Prices

A major part of the QL Group's activities is related to the food industry, in particular in the manufacture of fishmeal, distribution of feed raw materials, production of surimi and surimi based products and layer farming. As such, the Group will be affected by changes in demand in the respective segments of the food industry to which the Group supplies, including the poultry and livestock industry. Demand in these sectors may in turn be affected by various factors, including changes in consumption patterns amongst Malaysians.

However, the segments of the food industry to which the Group supplies are essentially producing staple food products such as eggs, meat as well as affordable foodstuffs such as surimi and surimi based products. In addition, the Group is well-diversified in the target markets, supplying to various types of customers. Hence, demand for the Group's food related products is expected to remain stable. With the continued recovery projected for the Malaysian economy, the rising affluence of Malaysians and the increase in the Malaysian population, the growth demand for food products is expected to remain sustainable.

3. INVESTMENT CONSIDERATIONS.... *cont'd*

ix) Millennium Bug

The QL Group and the Registrars are Year 2000 compliant and as at January 2000, the operations of QL Group have not been affected by the Year 2000 problem.

x) Estimates and Forecasts

The Prospectus contains certain estimates and forecasts for the Group that are based on assumptions that are subject to uncertainties and contingencies. The Directors have considered the assumptions used in the preparation of the estimates and forecasts to be reasonable. Because of the subjective judgments and inherent uncertainties of forecasts and projections and because events and circumstances frequently do not occur as expected, there can be no assurance that the forecasts and projections contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the description of the assumptions and uncertainties underlying the forecasts and projections that is contained herein. Save as disclosed in the preceding paragraphs, to the best knowledge of the Directors, the Group is not vulnerable to any other major specific risk factors or events.

4. INTRODUCTION

This Prospectus is dated 11 February 2000.

A copy of this Prospectus has been lodged with and registered by the Registrar of Companies, Malaysia, who takes no responsibility for its contents.

The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale, and that investors should rely on their own evaluation to assess the merits and risks of the Public Issue and Offer.

Approval-in-principle has been obtained from KLSE for admission to the Official List of the Second Board of the KLSE and for permission to deal in and for quotation of the entire issued and paid-up ordinary shares of QL including the Public Issue Shares and the Offer Shares which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the Second Board of the KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depository) Act, 1991 and Section 39(1)(j) of the Companies Act, 1965, KLSE has prescribed QL as a prescribed security. In consequence thereof, the shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of the MCD.

An applicant who presently has a CDS Account should state his CDS Account number in the space provided in the Application Form. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code. In the case of electronic applications at ATMs, only an applicant with a CDS account is eligible to utilise such a facility.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of the Company or of its shares.

The issue/offer price of RM2.50 per ordinary share was entirely determined and agreed upon by QL, the Offerors and Arab-Malaysian as the adviser and managing underwriter based on various factors. Investors should form their own views on the valuation of the securities and the reasonableness of the bases used.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and Offer and if given or made, such information or representation must not be relied upon as having been authorised by QL. Neither the delivery of this Prospectus nor Public Issue nor Offer For Sale made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of QL since the date hereof.

The distribution of this Prospectus and the making of the Public Issue and Offer for Sale in certain other jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of invitation to buy any Public Issue Shares and Offer Shares in any jurisdiction in which such issue/offer is not authorised or lawful or to any person to whom it is unlawful to make such issue/offer or invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant, or other professional adviser.

5. PARTICULARS OF THE PUBLIC ISSUE AND OFFER

5.1 Share Capital

	RM
Authorised:-	
200,000,000 ordinary shares of RM1.00 each	200,000,000
Issued and fully paid-up:-	
33,840,000 ordinary shares of RM1.00 each	33,840,000
Public Issue pursuant to this Prospectus	
6,160,000 ordinary shares of RM1.00 each	6,160,000
	<u>40,000,000</u>
Offered for Sale pursuant to this Prospectus:	
1,433,000 ordinary shares of RM1.00 each	1,433,000

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another. The Public Issue Shares and Offer Shares will rank pari passu in all respects with the existing ordinary shares of the Company, including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and in respect of the whole of any surplus in the event of the liquidation of the Company.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on show of hands, every person present who is a shareholder or representatives or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representatives shall have one vote for each share held.

5.2 Particulars of the Public Issue and Offer

The Public Issue and Offer for Sale of 6,160,000 and 1,433,000 ordinary shares of RM1.00 each respectively at an issue/offer price of RM2.50 per ordinary share is payable in full on application upon such terms and conditions as set out in this Prospectus.

The Public Issue and Offer Shares represent 15.40% and 3.58% of the enlarge issued and paid-up share capital of QL comprising 40,000,000 ordinary shares of RM1.00 each respectively.

The number of ordinary shares in QL offered by the Offerors in this Offer are as follows:-

	No. of shares offered
CBG	1,113,000
Farsathy	320,000
TOTAL	<u>1,433,000</u>

5. PARTICULARS OF THE PUBLIC ISSUE AND OFFER.... *cont'd*

The 7,593,000 ordinary shares of RM1.00 each arising from the Public Issue and Offer For Sale at an issue/offer price of RM2.50 per ordinary share of RM1.00 each shall be subject to the terms and conditions of this Prospectus and upon acceptance will be allocated in the following manner:-

- a) 2,000,000 Public Issue Shares have been reserved for the eligible Directors and employees of QL Group ("Pink Form Allocation Scheme");
- b) 4,269,000 ordinary shares of RM1.00 each comprising 4,160,000 Public Issue Shares and 109,000 Offer Shares will be made available for applications by the Malaysian public, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions; and
- c) 1,324,000 Offer Shares have been reserved for Bumiputera investors approved by MITI.

All the Public Issue Shares and Offer Shares under paragraphs (a) and (b) have been fully underwritten. The ordinary shares of RM1.00 each under paragraph (c) are not underwritten. Any shares as stipulated in paragraph (a) not subscribed for by the eligible employees and Directors of QL Group will be offered to the Malaysian public.

5.3 *Basis of Arriving at the Issue/Offer Price*

The issue/offer price of RM2.50 per ordinary share was determined and agreed upon by the Company, Offerors and Arab-Malaysian and has been arrived at after taking into account inter-alia, the following factors:-

- i) The proforma consolidated NTA per share of QL as at 30 September 1999 ("Proforma NTA per share") of RM1.70 per QL share as well as the Proforma NTA per share, after taking into account a dividend of RM5 million declared by QL Feed to its previous shareholders on 6 January 2000, of RM1.57. The dividend has been approved by the SC on 6 January 2000;
- ii) The forecast net PE Multiple of approximately 6.33 times based on the forecast consolidated net earnings per share of QL of approximately 39.50 sen for the financial year ending 31 March 2001 and the issue/offer price of RM2.50; and
- iii) The future plans and prospects of QL as detailed in Section 8 of this Prospectus.

5. PARTICULARS OF THE PUBLIC ISSUE AND OFFER.... cont'd

5.4 Purposes of the Public Issue and Offer

The purposes of the Public Issue and Offer are as follows:-

- a) to provide an opportunity for Malaysian investors and institutions and eligible employees and Directors of QL Group to participate in the equity and continuing growth of QL Group;
- b) to enable QL Group to have access to the capital market for funds for its future expansion and growth; and
- c) to obtain a listing of and quotation for QL's entire issued and paid-up share capital of 40,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE.

5.5 Proceeds of the Public Issue and Offer for Sale

The proceeds of RM15.4 million to be raised from the Public Issue will accrue to the Company. The expenses and fees incidental to the listing of and quotation for the entire issued and paid-up capital of QL on the Second Board of the KLSE including underwriting commission and brokerage, estimated at RM1,500,000 will be borne by QL.

No part of the proceeds of the Offer for Sale is receivable by QL. The Offerors will bear all expenses such as underwriting fees, brokerage, stamp duty (if any), registration and transfer fee if any, relating to the Offer. The cash proceeds of RM3.583 million is attributable to the Offerors.

5.6 Underwriting Commission and Brokerage

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 6,160,000 Public Issue Shares and the 109,000 Offer Shares to be issued/offered to the Malaysian public. Underwriting commission is payable by the Company at the rate of 2.0% of the issue/offer price of RM2.50 per ordinary share for the 6,160,000 Public Issue Shares and by the Offerors for the 109,000 Offer Shares which are being underwritten.

Brokerage is payable by the Company at the rate of 1.00% of the issue/offer price of RM2.50 per ordinary share in respect of successful applications which bear the stamp of Arab-Malaysian, member companies of KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

5.7 Moratorium on Shares

The SC, in approving the flotation of the Company has imposed a moratorium on the disposal of shares held by the major shareholders/promoters of QL.

Accordingly, the major shareholders/promoters of QL as listed in the table below will not be allowed to sell, transfer or assign their respective portions of shares in QL representing 45% of the enlarged share capital of 40,000,000 ordinary shares within one(1) year from the date of admission of the Company to the Official List of the Second Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign their shares in QL subject to a maximum of one third (1/3) per annum (on a straight line basis) of their respective shareholdings in the Company which are under the moratorium.

5. PARTICULARS OF THE PUBLIC ISSUE AND OFFER.... cont'd

The shareholdings of the major shareholders after the Public Issue and Offer for Sale which are under moratorium as imposed by the KLSE are set out below:-

	Shareholding after Public Issue and Offer for Sale	% of the enlarged issued and paid- up share capital	No. of ordinary shares under moratorium	% of the enlarged issued and paid- up share capital
CBG	16,742,569	41.86	13,980,000	34.95
Farsathy	4,813,090	12.03	4,020,000	10.05
TOTAL	21,555,659	53.89	18,000,000	45.00

The restriction, which is fully accepted by CBG and Farsathy, is specifically endorsed on the share certificates representing the respective shareholdings of CBG and Farsathy which are under moratorium ("Moratorium Securities") to ensure that QL's registrars do not register any transfer not in compliance with the restriction imposed by the SC and the KLSE.

The endorsement which will be affixed in the certificates of the Moratorium Securities is as follows:-

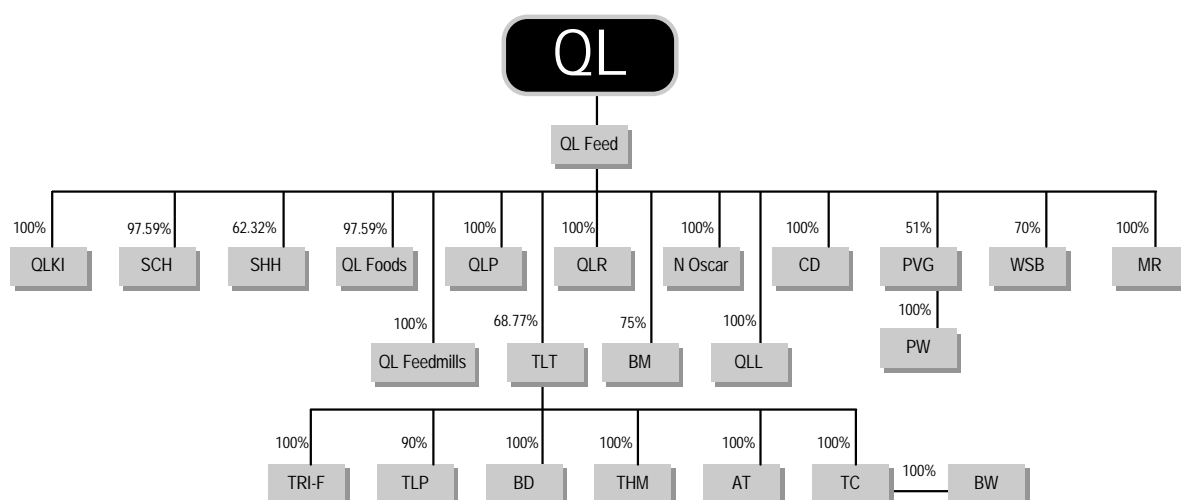
"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission ("the Moratorium Period"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace the certificate during the Moratorium Period unless the same shall be endorsed with this restriction".

6. INFORMATION ON THE QL GROUP

6.1 Incorporation

QL was incorporated in Malaysia on 25 April 1997 as a public limited company under the Companies Act, 1965 as QL Resources Berhad. QL is principally an investment holding company with interest in 24 subsidiary companies. The subsidiaries of QL are principally involved in manufacturing and distribution of marine-based products such as fish-meal, surimi and surimi-based products; distribution of feed-meal raw materials, feed supplements and animal health products; and manufacturing of feed-meal, layer farming, CPO milling and small-scale oil palm cultivation.

The QL Group has the following group structure:-



6.2 Changes In Share Capital

QL's present authorised share capital is RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each.

The present issued and paid-up share capital of the Company is RM33,840,000 comprising 33,840,000 ordinary shares of RM1.00 each. Upon completion of the Public Issue, the enlarged issued and paid-up share capital of QL will be RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each.

The details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:-

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL				
Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
25.4.1997	2	1.00	Cash	2
31.12.1999	29,665,013	1.00	Acquisition of QL Feed *	29,665,015
12.1.2000	4,174,985	1.00	Rights Issue #	33,840,000

* These shares were issued pursuant to the Acquisition of QL Feed at an issue price of RM1.47 per ordinary share

These shares were issued pursuant to the Rights Issue of approximately fourteen(14) new ordinary shares for every one hundred (100) ordinary shares held at an issue price of RM1.20 per share

6. INFORMATION ON THE QL GROUP.... *cont'd*

6.3 Restructuring and Listing Scheme

As an integral part of the listing of and quotation for the entire issued and paid-up share capital of QL on the Second Board of the KLSE, QL undertook a Restructuring and Listing Scheme which was approved by the SC on 21 October 1999. The approvals from MITI and FIC were obtained on 14 August 1999 and 11 September 1999 respectively. The Restructuring and Listing Scheme involved the following:-

(i) Incorporation of Revaluation Surplus

The revaluation surplus of landed properties of the QL Group are based on independent valuations carried out by a firm of professional valuers, CH Williams Talhar & Wong Sdn Bhd on an open market basis. The details of the landed properties are set out in Section 6.6 of this Prospectus.

The revaluation of these landed properties resulted in a revaluation surplus totaling RM11,689,980 as follows:-

Subsidiary	Open market value (RM)	Audited net book value as at 31.3.1999 (RM)	Gross revaluation surplus/(deficit)* (RM)
QL Feed	1,463,000	500,000	963,000
SCH	2,800,000	2,115,790	684,210
SHH	2,535,000	1,652,000	883,000
QL Foods	1,780,000	1,656,000	124,000
QLP	1,880,000	1,514,000	366,000
QLR	1,080,000	1,285,000	(205,000)
CD	900,000	1,148,000	(248,000)
N Oscar	670,000	864,000	(194,000)
TLT	4,710,000	1,714,340	2,995,660
TLP	10,400,000	11,242,910	(842,910)
BD	760,000	515,210	244,790
THM	36,000	21,000	15,000
AT	3,170,000	1,116,000	2,054,000
TC	1,511,000	480,000	1,031,000
QL Feedmills	4,193,000	2,766,000	1,427,000
QLL	2,989,000	1,994,770	994,230
BM	1,736,000	1,507,000	229,000
BW	1,689,000	520,000	1,169,000
TOTAL	44,302,000	32,612,020	11,689,980

* Before minority interest

This revaluation surplus has been incorporated into the respective companies' accounts for the year ending 31 March 2000.

(ii) Acquisition of QL Feed

On 31 December 1999, QL acquired the entire issued and paid-up share capital of QL Feed comprising 4,100,000 ordinary shares of RM1.00 each based on its audited NTA as at 31 March 1998 of RM34,351,000 and after including its share of the revaluation surplus of the landed properties of its subsidiaries of RM9,256,569 after deducting the minority's share of the revaluation surplus amounting to RM2,433,411.

6. INFORMATION ON THE QL GROUP.... *cont'd*

The purchase consideration of RM43,607,569 was satisfied by an issuance of 29,665,013 new ordinary shares of RM1.00 each in QL, credited as fully paid at an issue price of approximately RM1.47 per ordinary share of RM1.00 each to the following parties:-

	No. of QL Feed shares sold (‘000)	New ordinary shares in QL issued	(%)
CBG	2,163,345	15,652,599	52.76
Farsathy	621,915	4,499,785	15.17
Tan Gek Len	2,000	14,471	0.05
Liu Sin	12,000	86,824	0.29
Liau Su Fah	4,000	28,941	0.10
Lim Bok Huat	2,000	14,471	0.05
Nora Faritha Bt Mohd Noor	164,000	1,186,601	4.00
Mohd Kamal Bin Abdullah	125,100	905,145	3.05
Maulizan Bin Bujang	204,780	1,481,659	4.99
Norlida Bt Alias	176,950	1,280,299	4.32
Adam Warren Bakhtiar	192,340	1,391,651	4.69
Saodah Bt Hj Malek	172,628	1,249,027	4.21
Mohd Rizal Bin Ramlee	129,471	936,770	3.16
Mohamed Kamal Bin Idris	129,471	936,770	3.16
TOTAL	4,100,000	29,665,013	100.00

The Acquisition of QL Feed was completed on 31 December 1999 and resulted in the issued and paid up share capital of QL being increased from RM2.00 to RM29,665,015 comprising 29,665,015 ordinary shares of RM1.00 each.

(iii) Rights Issue

Upon completion of the Acquisition of QL Feed, QL implemented a Rights Issue of 4,174,985 new ordinary shares of RM1.00 each in QL at an issue price of RM1.20 per ordinary share on the basis of approximately fourteen(14) new ordinary shares for every one hundred (100) ordinary shares of RM1.00 each held.

The Rights Issue which was completed on 12 January 2000 resulted in the issued and paid up share capital of QL being further increased from RM29,665,015 to RM33,840,000 ordinary shares of RM1.00 each.

(iv) Public Issue and Offer for Sale

The Restructuring and Listing Scheme includes a Public Issue of 6,160,000 new ordinary shares of RM1.00 each or 15.40% of the enlarged issued and paid-up share capital at an issue price of RM2.50 per share to the Malaysian public. Upon completion of the Public Issue, the issued and paid-up share capital of QL will be increased from RM33,840,000 to RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each.

Simultaneous with the Public Issue, the Offerors are offering 1,433,000 ordinary shares of RM1.00 each in QL representing approximately 3.58% of the enlarged issued and paid-up share capital after the Public Issue at an offer price of RM2.50 per share to Bumiputera investors approved by MITI and the Malaysian public.

6. INFORMATION ON THE QL GROUP.... *cont'd*

The aggregate of 7,593,000 ordinary shares of RM1.00 each to be issued pursuant to the Public Issue and Offer For Sale will be allocated to the following parties:

- a) 2,000,000 Public Issue Shares representing approximately 5.00% of the enlarged share capital of QL to eligible employees and Directors of QL Group;
- b) 4,269,000 ordinary shares of RM1.00 each comprising 4,160,000 Public Issue Shares and 109,000 Offer Shares representing 10.67% of the enlarged share capital of QL to the Malaysian Public of which at least 30% is to be set aside for Bumiputera investors; and
- c) 1,324,000 Offer Shares representing 3.31% of the enlarged share capital of QL to Bumiputera investors approved by MITI.

The Public Issue will raise gross proceeds of RM15.4 million. These proceeds together with those raised from the Rights Issue (amounting to RM5.01 million) will be utilised in the following manner:-

	Note	RM'000
Repayment of bank borrowings	1	9,912
Working capital	2	8,998
Estimated listing expenses	3	1,500
TOTAL		20,410

Notes:-

1. Approximately RM9.912 million will be used to retire the bank borrowings of various subsidiaries of the QL Group, details of which are set out below:-

Borrower	Facility	Amount repaid (RM'000)	Utilisation
QL Feedmills	Term loan	789 (full repayment)	Construction and erection of warehouse cum office
QL Feedmills	Overdraft	1,000 (full repayment)	Construction and erection of warehouse cum office
QLL	Term loan	422 (full repayment)	Purchase of land for layer farming operations
QL Foods	Term loan	541 (full repayment)	Purchase of plant and machinery for surimi operation
QLP	Term loan and overdraft	559 (full repayment)	Purchase of QL's new corporate office
CD, N Oscar and QLR	Term loan and overdraft	1,601 (full repayment)	Purchase of vacant industrial warehouse land for intended warehousing activities
TLP	Term loan	5,000 (partial repayment)	Construction of CPO mill

Based on prevailing interest rates, the repayment of borrowings amounting to RM9.9 million will generate interest savings of approximately RM950,000.

6. INFORMATION ON THE QL GROUP.... cont'd

2. A sum of RM7.364 million will be utilised for QL Feed's working capital requirements whilst RM1.634 million will be utilised as working capital of the Group's other operations.

3. It is estimated that listing expenses of about RM1.5 million will be incurred.

v) Listing

Upon completion of the Restructuring and Listing Scheme, QL will seek the listing of and quotation for its enlarged issued and paid-up share capital of 40,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE.

6.4 Business Overview

i) Principal Activities

The QL Group is a diversified agricultural based group of companies. The Group is principally involved in marine-based manufacturing, integrated livestock and oil palm related activities.

The marine-based manufacturing activities consists of the following divisions:-

- ❶ manufacturing of fishmeal (fishmeal is a high protein feedstuff valued for its ideal balance of amino-acids, "unidentified growth factor" and its range of B-content vitamins and is primarily used in poultry and livestock feed); and
- ❷ surimi and surimi-based products (surimi is fishmeat processed into paste form, which is used as raw material for further down-stream processing of fabricated seafood such as "fishball" and "fishcakes").

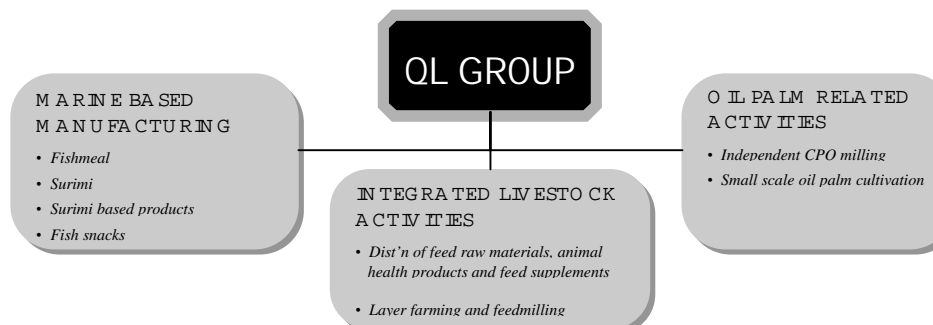
The Group is the largest fishmeal manufacturer in Malaysia. (*Source : Survey Research Malaysia : July 1997 and directors' market estimate based on internal survey by management in September 1999*). Its surimi and surimi-based products marine division is also a leading producer in Malaysia. The Group is also currently venturing into fish snack manufacturing.

The integrated livestock activities division consists of distribution of feed meal raw materials and animal health products and feed supplements as well as layer farming (production of poultry eggs) and feedmilling activities. QL Group is a major distributor of animal feed raw material in Malaysia. (*Source : Survey Research Malaysia : 1997 and directors' market estimate based on internal survey by management in September 1999*). The layer farming and feedmilling activities are situated in Kota Kinabalu and Tawau (Sabah) as well as in Kuching (Sarawak).

The oil palm related activities comprise CPO milling and own small scale oil palm cultivation. The CPO mill is situated in Kunak (near Tawau), Sabah. The mill is an independent mill, which services the oil palm estates in the surrounding region of Tawau.

6. INFORMATION ON THE QL GROUP.... *cont'd*

An overview of the Group's activities is shown below:-



The activities of the QL Group are carried out by the following companies:-

Divisions by Activities	Company/ies Involved
<u>Marine-based manufacturing</u>	
▪ Fishmeal production	SCH and SHH
▪ Surimi and surimi-based products manufacturing	QL Foods
▪ Manufacturing of fish snacks	QLKI
<u>Integrated livestock activities</u>	
▪ Distribution of feed-meal raw materials	QL Feed
▪ Integrated feedmilling and layer farming activities in East Malaysia	QLL, BM, QL Feedmills and TLT (Layer and Feedmilling Divisions)
▪ Distribution of feed supplements and animal health products	PVG
<u>Oil palm related activities</u>	
▪ Independent CPO milling and small scale oil palm cultivation	TLP, TC and BW

iii) Development of the Group

The Group's diversified activities originated in the early 1980's through the family business managed by promoters of QL, namely Mr Chia Song Kun and Mr Chia Seong Pow. The early years' activities were limited to small-scale animal feed raw materials distribution. Over the years more and various animal feed raw materials were distributed and QL Feed assumed the present day distribution activities.

QL Feed is one of the major distributors of animal feed raw materials in Malaysia with an approximate share of 10% of the Malaysian market. *(Source : Survey Research Malaysia : 1997 and directors' market estimate based on internal survey by management in September 1999).* QL Feed distributes a wide range of animal feed raw materials and can be regarded as a one-stop distribution centre.

The Group's marine-based manufacturing, layer farming and feedmilling activities were developed progressively as natural extension to the distribution activities. The acquisition of SHH and SCH in the mid 1980's elevated the Group from distributor of fishmeal to producer of fishmeal. The fishmeal manufacturing activities provided the platform for the Group to further venture into higher value added surimi-based manufacturing activities. The surimi-based manufacturing involves the processing of a better grade of fish than the grade used in fishmeal manufacturing.

6. INFORMATION ON THE QL GROUP.... *cont'd*

The Group's layer farming and feed milling activities in East Malaysia were started when feedmeal raw materials distribution division in Sabah revealed promising prospect in East Malaysia for integrated livestock activities such as layer farming and feed milling.

The Group has in 1998 further diversified its agricultural-based activities into CPO milling in Tawau, Sabah. The CPO mill services small and medium-sized oil palm plantations in the Tawau region. The Group currently also carries out small scale oil palm cultivation.

Brief Description of the Activities of the Group

The contribution of each of the Group's divisions to the Group's consolidated turnover and PBT for the past five(5) financial years are as follows:-

Year	Marine-based manufacturing		Integrated livestock activities		Oil palm related activities	
	Turnover RM'000	PBT RM'000	Turnover RM'000	PBT RM'000	Turnover RM'000	PBT RM'000
31.3.1995	20,783	2,050	144,982	2,134	-	-
31.3.1996	23,711	2,264	232,947	5,633	-	-
31.3.1997	28,559	4,234	284,356	7,116	-	-
31.3.1998	34,250	5,039	323,394	6,721	-	-
31.3.1999	45,075	6,023	379,570	5,491	95,712	2,525

Note : *The oil palm related activities commenced operations at the beginning of financial year 1999*

The production output of the Group's main products for the past five(5) years is set out below:-

Production output	Marine-based manufacturing		Integrated livestock activities			Oil palm related activities
	Fishmeal production (metric tonnes)	Surimi and surimi products production (metric tonnes)	Feed meal production (metric tonnes)	Eggs production (per day)	Feed raw material distribution (metric tonnes) ^	CPO (metric tonnes)
31.3.1995	12,000	100	9,000	60,000	256,000	Not applicable
31.3.1996	14,500	250	19,500	130,000	371,000	Not applicable
31.3.1997	16,000	1,560	29,500	197,000	416,000	Not applicable
31.3.1998	17,500	3,000	37,500	225,000	422,000	Not applicable
31.3.1999	20,000	4,300	48,000	320,000	438,000	33,000

^ *Comprises fishmeal, maize, soyabean meal, wheat by products, feed powder, rice bran etc*

6. INFORMATION ON THE QL GROUP.... cont'd

Marine-Based Manufacturing Division
i) Fishmeal Manufacturing

- ☛ SHH and SCH specialise in the production of fishmeal. Fishmeal is a high protein feedstuff valued for its ideal balance of amino acids, “unidentified growth factor” as well as its range of B-content vitamins and is primarily used for the production of poultry and livestock feed-meals. *(Source: Survey Research Malaysia : 1997 and directors’ market estimate based on internal survey by management in September 1999)*

- ☛ SHH and SCH are the largest manufacturers of fishmeal in Malaysia, having a combined fishmeal production of 20,000 metric tonnes which is about 24% of the local fishmeal production. *(Source : Survey Research Malaysia : 1997 and directors’ market estimate based on internal survey by management in September 1999).* The SHH factory located at Endau, Johor with a gross built-up area of about 4,500 square metres currently has sufficient capacity to accept and process 20 metric tonnes of trash fish per hour. The SHH factory has four(4) production lines, each production line can process up to 5 metric tonnes per hour while SCH’s factory in Hutan Melintang with a gross built-up area of about 2,600 square metres has two(2) production lines which can process up to 10 metric tonnes of trash fish per hour. Both factories operate on an average 8-hour shift per day.

SHH and SCH have maximum processing capacities of 60,000 metric tonnes and 30,000 metric tonnes per annum respectively. Currently SHH and SCH are operating at 70% and 80% of their respective capacities.

- ☛ SHH and SCH source their trash fish from local fishermen in the Endau and Hutan Melintang regions. The supply is sourced from about 350 fishing boats in both regions. The trash fish purchased from the local fishermen amounts to approximately 35,000 metric tonnes per year for both regions. Additionally about 35,000 metric tonnes are also sourced from surrounding regions.
- ☛ Fishmeal produced by the SHH and SCH is sold under the established brand names of “Double Shark” and “Double Dolphin” respectively.

ii) Surimi, Surimi-Based Products and Fish Snacks Manufacturing

- ☛ Surimi is fish meat processed into paste form, which is used as a raw material for the down stream processing of fabricated seafoods such as fishballs, fishcakes, fish sausage, breaded crab claws, imitation shrimp products and a multitude of other fish based processed foods.
- ☛ So far as the directors of the QL Group are aware, QL Foods is the first vertically integrated surimi manufacturer in Malaysia which combines its surimi plant with a production line for the manufacture of surimi-based products such as fishballs and fishcakes. In contrast other similar factories in Malaysia merely produce surimi for sale, or purchase surimi to produce surimi-based end products.

6. INFORMATION ON THE QL GROUP.... cont'd

- Currently, the QL Foods factory only produces surimi, fish balls and fish cake. However, the management of QL is in the process of developing various types of surimi-based food products to expand the factory's product range.
- Fishball and fishcakes which are sold to wholesalers for retail sales are sold under brand names of "Top 1" and "Mushroom".
- QL Foods' factory has a gross built-up area of about 2,800 square metres and is located adjacent to SCH's fishmeal factory on the river bank of Sungai Bernam in Hutan Melintang, Perak. The factory has been operating since 1994 and has a production capacity of approximately 3,600 metric tonnes of surimi per year.

The factory has one(1) production line and operates on two(2) 8-hour shifts per day. For the year ended 31 March 1999, the company produced 2,500 metric tonnes of surimi and 1,800 metric tonnes of surimi based products. The maximum production capacity per annum is 3,600 metric tonnes and 3,600 metric tonnes for surimi and surimi based products respectively, based on a 8 hour shift per day. The factory is operating near its full capacity.

- The Company sources its raw materials (raw fish) from the surrounding Hutan Melintang region as well as the regions of Hilir Perak and Kuantan and other major fishing ports in Malaysia.
- Despite having commenced its operations only in 1994, QL Foods' factory is one of the top three largest surimi producers in Malaysia. *(Source : Directors' estimate-based on internal survey by management in September 1999).* Besides the modern production techniques used for surimi production, the Directors of the Group attribute QL Foods' success principally to group synergies as well as the knowhow of QL Foods' management in innovative utilisation of non-traditional types of fish for surimi production. The use of the appropriate types of fish ensures that good quality surimi can be manufactured.
- As part of its expansion plans, the Group will commence manufacturing fish snacks such as dried surimi fillet through its subsidiary, QLKI in the year 2000.

Integrated Livestock Activities Division

i) Distribution of Feed-meal Raw Materials

- QL Feed is a major distributor of feed-meal raw materials in Malaysia with approximately 10% market share for the year ending 31 March 1999. *(Source : Directors' estimate based on internal survey by management in September 1999)*

6. INFORMATION ON THE QL GROUP.... cont'd

- The principal raw materials sold by the Group include fishmeal, maize, soya bean meal, rice bran, MDCP (Mono DiCalcium Phosphate) and wheat grain and its by-products.
- The products sold by the Group form about 90% of the feed ingredients used for feed-meal manufacturing. As such, the Group can be regarded as a one-stop distribution centre for feed-meal raw materials.
- QL Feed carries out its distribution activities from its Klang and Kota Kinabalu and Kuching offices and distributes its products throughout West and East Malaysia.

ii) Layer Farming and Feedmilling Activities in East Malaysia

Layer Farming

- The Group has two layer farms in Sabah in the areas of Tawau and Kota Kinabalu measuring 7.280 ha and 13.668 ha respectively and one layer farm in Kuching, Sarawak measuring 18.657 ha. Currently, the capacity of the QL Group's layer farm in East Malaysia is about 380,000 eggs per day. The production of eggs by the Group in East Malaysia will be increased to about 500,000 eggs per day by end of 2000.
- The Group's layer farm egg's are sold to wholesalers as well as directly to retailers. The layer farm in Tawau supplies eggs to the East Coast of Sabah as well as to neighbouring countries such as Indonesia and the Philippines whereas the layer farm operations in Kota Kinabalu caters for the West Coast of Sabah. The layer farm in Kuching supplies eggs throughout Sarawak and neighbouring countries.

Feedmilling

- To facilitate the layer farming activities, the Group also has its own feedmills in Tawau, Kota Kinabalu and Kuching. Approximately half of the feed-meal produced by the Group is used within the Group, by its layer farming operations. The remaining half is sold externally to some nearby farms. Aside from feeds for commercial farms, the Group also produces milled maize which are used as feed by the cottage farmers.
- The Group has a total production capacity of approximately 60,000 metric tonnes of feed-meal per annum using three(3) production lines operating on average one(1) 8-hour shifts per day. Production output is currently 48,000 metric tonnes per annum.
- Raw materials used in the feedmilling such as fishmeal, maize, soya bean meal, fish oil/ palm oil, rapeseed meal, animal health supplements and wheat by-products are sourced from QL Feed.

6. INFORMATION ON THE QL GROUP.... *cont'd*

- Feed-meal fed to the layers are of crucial importance as the quality of feed-meal can affect the productivity of the layers and the quality of eggs produced. The rationale for the Group to have an internal feedmilling operation is that:-

- a) the feed manufactured can be tailored to suit the specific needs of its layers, in contrast to commercial feeds which are generally of fixed formulation, in terms of nutrition content;
- b) the mixing by the Group of its own feed-meal ensures that the quality of ingredients of the feed-meal are of acceptable and consistent standards; and
- c) Feed raw materials are readily available from QL Feed at competitive prices.

The directors estimate that the Group's internal feed milling operations result in savings of feed costs of between 5% to 8% for the Group's layer farms.

Oil Palm Related Activities Division

- The principal activity of this division is CPO milling. The Group's CPO mill is an independent CPO mill servicing the small estates in the vicinity of the mill. The mill is located at Km 57 of the Tawau-Kunak highway.

Currently the Group owns about 1,000 acres of agriculture land planted with oil palm and is in the process of increasing its acreage. The trees in the Group's oil palm estate is approximately two(2) years old and production has not commenced yet. The Group's CPO mill has the capacity for processing 30 metric tonnes of fresh fruit bunches of oil palm per hour. The mill has one(1) processing line which operates on two(2) 8-hour shift per day. The production output for the financial year ended 31 March 1999 was 33,000 metric tonnes of CPO and 7,500 metric tonnes of palm kernel.

6.5 Information on Subsidiary Companies

Details of the subsidiary companies of QL, all of which are incorporated in Malaysia, are summarised below:-

Name	Date of incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
QL Feed	14.11.1985	4,100,000	100.00	Investment holding, fishmeal and feed raw materials distribution
SCH *	29.5.1984	1,800,000	97.59	Fishmeal manufacturing
SHH *	23.11.1973	1,323,000	62.32	Fishmeal manufacturing
QL Foods *	25.8.1994	2,000,000	97.59	Surimi & surimi-based products manufacturing

6. INFORMATION ON THE QL GROUP.... cont'd

Name	Date of incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
QLP *	17.2.1995	250,000	100.00	Property holding
QLR *	15.2.1995	50,000	100.00	Property holding
TLT *	11.1.1985	4,000,000	68.77	Investment holding, layer farm, feed-meal manufacturing as well as general trading
N Oscar *	18.12.1995	200,000	100.00	Dormant
CD*	15.2.1996	200,000	100.00	Dormant
QL Feedmills *	23.1.1995	500,000	100.00	Feed-meal manufacturing
QLL *	21.12.1990	500,000	100.00	Layer farming
BM *	22.11.1994	1,000,000	75.00	Layer farming and feed raw materials distribution
TLP **	10.9.1979	5,000,000	61.89	Oil palm cultivation and CPO milling
BD**	5.1.1980	1,600,048	68.77	Cocoa cultivation#
PVG*	12.9.1997	1,000,000	51.00	Dealing and trading in feed supplement and animal health products
Tri-F**	2.1.1997	2	68.77	Dormant
THM **	11.4.1981	336,522	68.77	Property holding
AT **	19.4.1995	100,000	68.77	Property holding
TC **	23.2.1979	500,000	68.77	Oil palm cultivation
BW ***	27.2.1979	100,000	68.77	Oil palm cultivation
MR*	11.4.1996	10,000	100.00	Dormant
WSB*	19.3.1996	100,000	70.00	Dormant
QLKI*	5.3.1996	2	100.00	Dormant
PW^	15.11.1999	2	100.00	Dormant

* Indirect subsidiary companies held through QL Feed

** Indirect subsidiary companies held through TLT

*** Indirect subsidiary company held through TC

Represents approximately 90 acres of cocoa estates which is to be converted into oil palm estate

^ Indirect subsidiary company held through PVG

QL does not have any associated companies.

6. INFORMATION ON THE QL GROUP.... *cont'd*

(a) QL Feed

QL Feed was incorporated on 14 November 1985 as a private limited company under the Companies Act, 1965 as Syarikat Jabu Plantation Sdn Bhd. The company was renamed to QL Feedingstuffs Sdn Bhd on 24 April 1987.

QL Feed is principally involved in investment holding and the distribution of fishmeal and feed raw materials. QL Feed is one of the leading feed-meal raw materials distributors in Malaysia with a turnover of over RM282 million for the financial year ended 31 March 1999. The company distributes a wide range of feed-meal raw materials ranging from fishmeal, maize, soya bean meal, ricebran to MDCP and wheat and related by-products. The company operates through its headquarters in Klang and its Kota Kinabalu office which distributes its raw materials throughout Malaysia. The company has 54 employees currently.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	4,100,000	1.00	4,100,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
14.11.1985	2	1.00	Cash	2
22.6.1987	199,998	1.00	Cash	200,000
17.12.1988	200,000	1.00	Cash	400,000
31.3.1990	400,000	1.00	Bonus issue 1 for 1	800,000
10.10.1991	400,000	1.00	Cash	1,200,000
4.1.1993	200,000	1.00	Cash	1,400,000
12.9.1993	51,834	1.00	Cash	1,451,834
12.9.1993	748,166	1.00	Share swap @ RM4.00 per share	2,200,000
30.9.1993	1,680,000	1.00	Bonus issue 42 for 55	3,880,000
30.9.1993	200,000	1.00	Cash	4,080,000
29.3.1997	20,000	1.00	Share swap @ RM27 per share	4,100,000

The following is a list of QL Feeds' subsidiaries:-

Name	Date of incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
SCH *	29.5.1984	1,800,000	97.59	Fishmeal manufacturing
SHH *	23.11.1973	1,323,000	62.32	Fishmeal manufacturing
QL Foods *	25.8.1994	2,000,000	97.59	Surimi and surimi-based products manufacturing
QLP *	17.2.1995	250,000	100.00	Property holding

6. INFORMATION ON THE QL GROUP.... cont'd

Name	Date of incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
QLR *	15.2.1995	50,000	100.00	Property holding
TLT *	11.1.1985	4,000,000	68.77	Investment holding, layer farming, feed-meal manufacturing as well as general trading
N Oscar *	18.12.1995	200,000	100.00	Dormant
CD*	15.2.1996	200,000	100.00	Dormant
QL Feedmills *	23.1.1995	500,000	100.00	Feed-meal manufacturing
QLL *	21.12.1990	500,000	100.00	Layer farming
BM *	22.11.1994	1,000,000	75.00	Layer farming and feed raw materials distribution
TLP **	10.9.1979	5,000,000	61.89	Oil palm cultivation and CPO milling
BD**	5.1.1980	1,600,048	68.77	Cocoa cultivation#
PVG*	12.9.1997	1,000,000	51.00	Dealing and trading in animal feed supplement and animal health products
Tri-F	2.1.1997	2	68.77	Dormant
THM **	11.4.1981	336,522	68.77	Property holding
AT **	19.4.1995	100,000	68.77	Property holding
TC **	23.2.1979	500,000	68.77	Oil palm cultivation
BW ***	27.2.1979	100,000	68.77	Oil palm cultivation
MR*	11.4.1996	10,000	70.00	Dormant
WSB*	19.3.1996	100,000	70.00	Dormant
QLKI*	5.3.1996	2	100.00	Dormant
PW^	15.11.1999	2	100.00	Dormant

* *Direct subsidiary companies held through QL Feed*** *Indirect subsidiary companies held through TLT**** *Indirect subsidiary company held through TC*# *Represents approximately 90 acres of cocoa estates which is to be converted into oil palm estate*^ *Indirect subsidiary company held through PVG*

QL Feed does not have any associated companies.

6. INFORMATION ON THE QL GROUP.... cont'd

The financial record of the QL Feed Group based on its audited accounts for the past five(5) financial years and six(6) months ended 30 September 1999 is as follows:-

Year ended	31.3.1995 (RM'000)	31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	139,044	216,474	256,416	279,024	402,746	199,015
Profit before taxation	4,709	8,494	10,854	12,660	14,101	9,445
Taxation	(1,338)	(2,458)	(2,317)	(2,950)	(1,007)	(2,176)
Profit after taxation	3,371	6,036	8,537	9,710	13,094	7,269
Minority interests	(138)	(282)	(696)	(1,249)	(3,037)	(1,651)
Profit after tax and minority interest	3,233	5,754	7,841	8,461	10,057	5,618
Extraordinary item	-	-	412	-	-	-
Profit attributable to shareholders	3,233	5,754	8,253	8,461	10,057	5,618
Issued and paid-up share capital ('000)	4,080	4,080	4,100	4,100	4,100	4,100
Gross earnings per share (RM)^	1.15	2.08	2.65	3.09	3.44	*3.53
Net earnings per share (RM)	0.79	1.41	2.01	2.06	2.45	*2.74
Gross dividend (%)	-	-	95	-	10	243

Notes:

* Annualised

^ Based on profit before taxation after minority interests

1. The substantial increase in turnover and profit from 1995 was mainly attributable to the increase in volume of business and the increase in the prices of feed-meal products during these years. Contribution were also received from additional operations such as layer farming and manufacturing of surimi and surimi-based products.
2. The increase in turnover in 1998 is largely due to increase in selling prices of raw feed-meal products and the commencement of operations from a new subsidiary. In 1999, turnover increased substantially primarily because of the commencement of operations of the Group's CPO mill in Tawau and the commencement of operations by its new layer farm under BM.
3. Extraordinary item in 1997 relates to gain on disposal of subsidiary companies by the Group.

The financial record of QL Feed based on its audited accounts for the past five(5) financial years and six(6) months ended 30 September 1999 is as follows:-

Year ended	31.3.1995 (RM'000)	31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	121,952	194,928	222,773	232,055	281,866	110,114
Profit before taxation	2,726	4,374	7,569	4,557	2,071	6,557
Taxation	(804)	(1,222)	(1,849)	(1,105)	28	(114)
Profit after taxation	1,922	3,152	5,720	3,452	2,099	6,443
Extraordinary item	-	-	650	-	-	-
Profit attributable to shareholders	1,922	3,152	6,370	3,452	2,099	6,443
Issued and paid-up share capital ('000)	4,080	4,080	4,100	4,100	4,100	4,100
Gross earnings per share (RM)	0.67	1.07	1.85	1.11	0.51	*3.20
Net earnings per share (RM)	0.47	0.77	1.40	0.84	0.51	*3.14
Gross dividend (%)	-	-	95	-	10	243

6. INFORMATION ON THE QL GROUP.... cont'd

Notes:

* Annualised

1. The increase in the profit before taxation in 1997 was principally due to dividend income of RM2,516,000 from SCH and TLT.
2. The lower profit in 1998 as compared to 1997 is due to dividend income from subsidiaries of RM2.516 million being received in 1997.
3. The lower profit in 1999 was due to increased provisions for doubtful debts in the year.
4. The increase in the profit before taxation in 30 September 1999 was principally due to dividend income of RM6,181,000 from QL Foods, SCH and TLT.

(b) SCH

SCH was incorporated on 29 May 1984 as a private limited company under the Companies Act, 1965.

SCH is principally involved in the manufacturing of fishmeal. The company is one of the largest fishmeal manufacturer in Malaysia and its factory is located in Hutan Melintang, Perak. (Source : Directors' estimate based on internal survey by management in September 1999).

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	1,800,000	1.00	1,800,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
12.6.1984	2	1.00	Cash	2
4.9.1984	49,998	1.00	Cash	50,000
12.3.1986	50,000	1.00	Cash	100,000
20.7.1990	100,000	1.00	Cash	200,000
8.7.1992	550,000	1.00	Cash	750,000
8.10.1992	250,000	1.00	Bonus issue 1 for 3	1,000,000
8.10.1992	200,000	1.00	Cash	1,200,000
1.8.1993	200,000	1.00	Cash	1,400,000
30.3.1995	400,000	1.00	Cash	1,800,000

SCH does not have any subsidiary or associated companies. Currently the company has 44 employees.

6. INFORMATION ON THE QL GROUP.... cont'd

The financial record of SCH based on its audited accounts for the past five(5) financial years and the six(6) months period ended 30 September 1999 is as follows:-

Year ended	31.3.1995 RM'000	31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	5,854	6,656	7,754	8,818	14,424	3,324
Profit Before Taxation	472	823	1,004	1,253	1,737	280
Taxation	-	(259)	(248)	(307)	(9)	(54)
Profit after Taxation	472	564	756	946	1,728	226
Issued and paid-up share capital ('000)	1,800	1,800	1,800	1,800	1,800	1,800
Gross earnings per share (RM)	0.26	0.46	0.56	0.70	0.97	*0.31
Net earnings per share (RM)	0.26	0.31	0.42	0.53	0.96	*0.25
Gross dividend (%)	-	-	52.5	-	-	166.69

Notes:

* Annualised

1. The actual production of the Company for the period ended 31 March 1994 was about 4,800 metric tonnes of trash fish at 89% capacity . In 1995, the Company increased its production output with an additional production line. The significant increase in turnover from 1995 onwards was contributed by the additional production line.
2. The increase in turnover 1998 is due to increase in average selling price as a result of world wide shortage of fishmeal and the increase in supply of trash fish.
3. There were no extraordinary items throughout the periods under review.
4. The six(6) months results for the ½ year ended 30 September 1999 was due to exceptionally low catch and high fuel costs.

(c) SHH

SHH was incorporated on 23 November 1973 as a private limited under the Companies Act, 1965.

SHH is principally involved in the manufacturing of fishmeal. The company is the largest fishmeal manufacturer in Malaysia and its factory is located in Endau, Johor. (Source : Directors estimate based on internal survey by management in September 1999).

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	2,000,000	1.00	2,000,000
Issued and paid-up	1,323,000	1.00	1,323,000

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
23.11.1973	5	1.00	Subscriber's Share	5
31.12.1974	293,995	1.00	Cash	294,000
15.08.1982	147,000	1.00	Cash	441,000
29.06.1989	220,500	1.00	Cash	661,500
23.12.1990	220,500	1.00	Cash	882,000
17.12.1992	441,000	1.00	Cash	1,323,000

SHH does not have any subsidiary or associated companies. The company currently has 56 employees.

The financial record of SHH based on its audited accounts for the past five(5) financial periods and the six(6) months period ended 30 September 1999 is as follows:-

	31.12.1994 (RM'000)	31.12.1995 (RM'000)	15 months ended 31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	15,300	12,968	18,311	15,372	16,144	6,373
Profit before taxation	1,534	1,708	2,748	2,334	2,339	486
Taxation	(453)	(350)	(880)	(619)	-	(61)
Profit after taxation	1,081	1,358	1,868	1,715	2,339	425
Issued and paid-up share capital ('000)	1,323	1,323	1,323	1,323	1,323	1,323
Gross earnings per share (RM)	1.16	1.29	2.08	1.76	1.77	*0.73
Net earnings per share (RM)	0.82	1.03	1.41	1.30	1.77	*0.64
Gross dividend (%)	-	-	-	-	-	-

Notes:-

* *Annualised*

1. *Turnover in 1994 increased as a results of higher production mainly due to higher supply of trash fish and increased further in 1997 due to higher average selling price of fishmeal recorded for the period.*
2. *Turnover increased in 1998 as a result of higher average selling price of fishmeal due to world wide shortage of fishmeal.*
3. *There were no extraordinary items throughout the periods under review.*
4. *The six(6) months results for the ½ year ended 30 September 1999 was due to exceptionally low catch and high fuel costs.*

6. INFORMATION ON THE QL GROUP.... cont'd

(d) QL Foods

QL Foods was incorporated on 25 August 1994 as a private limited company under the Companies Act, 1965.

QL Foods is principally involved in the manufacturing of surimi and surimi - based food products. QL Foods is one of the leading surimi and surimi-based products manufacturer in Malaysia. (Source : Directors estimate based on internal survey by management in September 1999). The company operates in Hutan Melintang, Perak.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	2,000,000	1.00	2,000,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
25.8.1994	2	1.00	Cash	2
3.2.1995	749,998	1.00	Cash	750,000
31.3.1996	250,000	1.00	Cash	1,000,000
15.8.1996	1,000,000	1.00	Cash	2,000,000

QL Foods does not have any subsidiary or associated companies. Currently, the company has 101 employees.

The financial record of QL Foods based on its audited accounts for the past five(5) financial periods and the six(6) months period ended 30 September 1999 is as follows:-

	25.8.1994 to 31.3.1995 (RM'000)	31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	213	3,580	6,156	10,060	14,546	10,305
(Loss)/Profit before taxation	(10)	564	1,085	1,452	1,947	1,594
Taxation	-	(119)	65	(172)	(425)	(108)
(Loss)/Profit after taxation	(10)	445	1,150	1,280	1,522	1,486
Issued and paid-up share capital ('000)	750	1,000	2,000	2,000	2,000	2,000
Gross (loss)/earnings per share (RM)	(0.01)	0.56	0.54	0.73	0.97	*1.59
Net (loss)/earnings per share (RM)	(0.01)	0.45	0.58	0.64	0.76	*1.49
Gross dividend (%)	-	-	-	-	-	150

Notes:-

* Annualised

1. Turnover was low for the period ended 31 March 1995 because the Company only commenced operations in January 1995. Turnover increased in 1997 due to increase in production capacity and the upgrading of the existing production line. In 1998, there was an increase in turnover due to increase in volume of business and better selling prices.

6. INFORMATION ON THE QL GROUP.... cont'd

2. *There were no extraordinary items throughout the period under review.*
3. *The Company is entitled to tax incentive as its activities are considered as "promoted activities" under the Promotion of Investment Orders 1995. The lower effective tax rates for 1996 and 1997 were due to the utilisation of capital allowances and reinvestment allowances.*
4. *The improvement in turnover for the six(6) months ended 30 September 1999 was due to higher profit margins achieved and increased demand for surimi and surimi based products.*

(e) QLP

QLP was incorporated on 17 February 1995 as a private limited company under the Companies Act, 1965.

QLP is principally involved in property holding.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	500,000	1.00	500,000
Issued and paid-up	250,000	1.00	250,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
17.2.1995	2	1.00	Cash	2
12.5.1995	249,998	1.00	Cash	250,000

QLP does not have any subsidiary or associated companies. Currently, QLP does not have any employees.

The financial record of QLP based on its audited accounts for the past four(4) financial period and six(6) months ended 30 September 1999 is as follows:-

	17.2.1995 to 31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.99 (RM'000)
Turnover	-	-	120	120	60
Profit/(Loss) before taxation	(17)	(10)	15	2	11
Taxation	-	-	(10)	-	(7)
Profit/(Loss) after taxation	(17)	(10)	5	2	4
Issued and paid-up share capital ('000)	250	250	250	250	250
Gross (loss) /earnings per share (RM)	(0.07)	(0.04)	0.06	0.01	*0.09
Net (loss)/earnings per share (RM)	(0.07)	(0.04)	0.02	0.01	*0.03
Gross dividend (%)	-	-	-	-	-

6. INFORMATION ON THE QL GROUP.... cont'd

Notes:

* Annualised

1. Turnover represents rental income from QL Feed. QLP was dormant until 1998 when it commenced letting of property to QL Feed.
2. There were no extraordinary items for the period under review.

f) QLR

QLR was incorporated on 15 February 1995 as a private limited company under the Companies Act, 1965.

QLR is principally involved in property holding.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	50,000	1.00	50,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
15.2.1995	2	1.00	Cash	2
24.2.1995	49,998	1.00	Cash	50,000

The company has no subsidiaries or associated companies. Currently, QLR has no employees.

The financial record of QLR based on its audited accounts for the past four(4) financial period and six(6) months period ended 30 September 1999 is as follows:-

	15.2.1995 to 31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.99 (RM'000)
Turnover	-	-	-	30	-
Loss Before Taxation	(3)	(2)	(2)	(27)	(21)
Taxation	-	-	-	-	-
Loss after Taxation	(3)	(2)	(2)	(27)	(21)
Issued and paid-up share capital ('000)	50	50	50	50	50
Gross loss per share (RM)	(0.06)	(0.04)	(0.04)	(0.54)	(0.84)*
Net loss per share (RM)	(0.06)	(0.04)	(0.04)	(0.54)	(0.84)*
Gross dividend (%)	-	-	-	-	-

Notes : There were no extraordinary items throughout the periods under review.

* Annualised

6. INFORMATION ON THE QL GROUP.... cont'd

g) TLT

TLT was incorporated on 11 January 1985 as a private limited company under the Companies Act, 1965.

TLT is principally involved in investment holding, layer farming, feed-meal manufacturing as well as general trading. The company's business operations are based in Tawau, Sabah.

Currently, there are 142 employees in the TLT Group.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	4,000,000	1.00	4,000,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
11.1.1985	2	1.00	Cash	2
30.11.1985	301,998	1.00	Cash	302,000
2.9.1990	302,000	1.00	Cash	604,000
17.5.1992	1,812,000	1.00	Bonus issue 3 for 1	2,416,000
8.3.1996	534,000	1.00	Cash	2,950,000
29.3.1997	1,050,000	1.00	Cash	4,000,000

The following is a list of TLT's subsidiary companies:-

Name	Date of Incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
TLP	10.9.1979	5,000,000	90.00	CPO milling and oil palm cultivation
BD	5.1.1980	1,600,048	100.00	Cocoa cultivation**
THM	11.4.1981	336,522	100.00	Property holding
AT	19.4.1995	100,000	100.00	Property holding
TC	23.2.1979	500,000	100.00	Oil palm cultivation
TRI-F	2.1.1997	2	100.00	Dormant
BW *	27.2.1979	100,000	100.00	Oil palm cultivation

* *Held indirectly through TC*

** *Represents approximately 90 acres of cocoa estates which is to be converted into oil palm estates.*

TLT does not have any associate companies.

6. INFORMATION ON THE QL GROUP.... cont'd

The financial record of the TLT Group based on its audited accounts for the past five(5) financial years and the six(6) months period ended 30 September 1999 is as follows:-

	31.3.1995 (RM'000)	31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	15,722	20,065	22,941	23,313	106,953	57,349
Profit before taxation	753	1,355	1,810	2,015	3,556	4,829
Taxation	(308)	(408)	(250)	(428)	(382)	(1,250)
Profit after taxation and before extraordinary items	445	947	1,560	1,587	3,174	3,579
Minority interest	-	-	-	(12)	(202)	(235)
Profit after taxation and MI	445	947	1,560	1,575	2,972	3,344
Extraordinary items	-	-	364	-	-	-
Profit attributable to the shareholders of TLT	445	947	1,924	1,575	2,972	3,344
Issued and paid-up share capital ('000)	2,416	2,950	4,000	4,000	4,000	4,000
Gross earnings per share (RM)^	0.31	0.45	0.45	0.50	0.83	2.30*
Net earnings per share (RM)	0.18	0.32	0.39	0.39	0.74	1.67*
Gross dividend (%)	-	-	75	-	-	10

Notes:-

* Annualised

^ Based on profit before tax after minority interests

1. The increase in turnover for the period ended 31.3.1996 is due to the growth in the layer farming division which commenced operations in 1994. The additional increase in turnover for the year ended 31.3.1999 is due to contribution from the CPO mill
2. The extraordinary gain in 1997 represents the gain on disposal of a subsidiary company.

The financial record of TLT based on its audited accounts for the past five(5) financial years and the six(6) months period ended 30 September 1999 is as follows:-

	31.3.1995 (RM'000)	31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	14,538	17,612	22,362	22,862	22,238	12,066
Profit before taxation	591	1,008	1,631	1,923	1,151	1,626
Taxation	(260)	(299)	(250)	(419)	(37)	(470)
Profit after taxation and before extraordinary items	331	709	1,381	1,504	1,114	1,156
Extraordinary items	-	-	775	-	-	-
Profit attributable to the shareholders of TLT	331	709	2,156	1,504	1,114	1,156
Issued and paid-up share capital ('000)	2,416	2,950	4,000	4,000	4,000	4,000
Gross earnings per share (RM)	0.24	0.34	0.41	0.48	0.29	0.81*
Net earnings per share (RM)	0.14	0.24	0.35	0.38	0.28	0.58*
Gross dividend (%)	-	-	75	-	-	10

Notes:-

* Annualised

The extraordinary gain in 1997 represents the gain on disposal of a subsidiary company.

6. INFORMATION ON THE QL GROUP.... cont'd

(h) N Oscar

N Oscar was incorporated on 18 December 1995 as a private limited company under the Companies Act, 1965.

The intended principal activity of N Oscar is the provision of warehousing services.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	500,000	1.00	500,000
Issued and paid-up	200,000	1.00	200,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
18.12.1995	2	1.00	Subscribers' shares	2
10.10.1996	199,998	1.00	Cash	200,000

N Oscar has been dormant since its incorporation and is currently inactive. The company has no subsidiary or associated companies.

The financial record of N Oscar based on its audited accounts for the past financial year and the six(6) months period ended 30 September 1999 is as follows:-

	31.3.1999 (RM'000)	6 months ended 30.9.99 (RM'000)
Turnover	-	-
Loss Before Taxation	(87)	(28)
Taxation	-	-
Loss after Taxation	(87)	(28)
Issued and paid-up share capital ('000)	200	200
Gross (Loss)/earnings per share (RM)	(0.44)	(0.28)*
Net (Loss) /earnings per share (RM)	(0.44)	(0.28)*
Gross dividend (%)	-	-

Note : There were no extraordinary items throughout the period under review

* Annualised

(i) CD

CD was incorporated on 15 February 1996 as a private limited company under the Companies Act, 1965.

The intended principal activity of CD is provision of warehousing services.

6. INFORMATION ON THE QL GROUP.... *cont'd*

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	500,000	1.00	500,000
Issued and paid-up	200,000	1.00	200,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
15.2.1996	2	1.00	Subscribers' shares	2
10.10.1996	199,998	1.00	Cash	200,000

CD has been dormant since its incorporation and is currently inactive. The company does not have any subsidiary or associated companies.

The financial record of CD based on its audited accounts for the past financial year and the six(6) months ended 30 September 1999 is as follows:-

	31.3.1999 (RM'000)	6 months ended 30.9.99 (RM'000)
Turnover	-	-
Loss Before Taxation	(134)	(40)
Taxation	-	-
Loss after Taxation	(134)	(40)
Issued and paid-up share capital ('000)	200	200
Gross (Loss)/ earnings per share (RM)	(0.67)	(0.40)*
Net (Loss)/ earnings per share (RM)	(0.67)	(0.40)*
Gross dividend (%)	-	-

Note : There were no extraordinary items throughout the period under review

* Annualised

(j) QL Feedmills

QL Feedmills was incorporated on 23 January 1995 as a private limited company under the Companies Act, 1965 as Uniform Yield Sdn Bhd. The company was renamed QL Feedmills Sdn Bhd on 3 November 1995.

QL Feedmills is principally involved in feed-meal manufacturing.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	500,000	1.00	500,000
Issued and paid-up	500,000	1.00	500,000

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
23.1.1995	2	1.00	Cash	2
30.6.1997	499,998	1.00	Cash	500,000

The company has no subsidiaries or associated companies. Currently, QL Feedmills has 13 employees.

The financial record of QL Feedmills based on its audited accounts for the past four(4) financial years and the six(6) months ended 30 September 1999 is as follows:-

	23.1.1995 to 31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	3,949	12,790	11,199	11,502	5,781
Profit before taxation	89	347	440	476	409
Taxation	(28)	(112)	(123)	(103)	(127)
Profit after taxation	61	235	317	373	282
Issued and paid-up share capital ('000)	#	#	500	500	500
Gross earnings per share (RM)	44,500	173,500	0.88	0.95	*1.64
Net earnings per share (RM)	30,500	117,500	0.63	0.75	*1.13
Gross dividend (%)	-	-	-	-	-

Notes:-

- * *Annualised*
- # *2 ordinary shares of RM1.00 each*
- 1. *The higher turnover in 1997 was due to a full 12 months contribution and additional sales to QLL which established its layer farm in 1996*
- 2. *There were no extraordinary items throughout the period under review.*

(k) QLL

QLL was incorporated on 21 December 1990 under the Companies Act, 1965 as Dragon Century Sdn Bhd. The company changed its name to:-

- ➡ QL Farming (K.K.) Sdn Bhd on 11 March 1991.
- ➡ QL Trading Sdn Bhd on 3 August 1992.
- ➡ QL Layer Farm Sdn Bhd on 4 February 1995.

QLL is principally involved in layer farming. The company's layer farm are located in Kota Kinabalu, Sabah.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	500,000	1.00	500,000

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
21.12.1990	2	1.00	Cash	2
5.8.1992	4,998	1.00	Cash	5,000
23.2.1995	245,000	1.00	Cash	250,000
19.6.1995	250,000	1.00	Cash	500,000

The company has no subsidiaries or associated companies. Currently, there are 45 employees in QLL.

The financial record of QLL based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 are as follows:-

	Year ended 31 May 1995 (RM'000)	10 months ended 31.3.1996 (RM'000)	31.3.1997 (RM'000)	31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	-	450	4,546	5,350	5,149	3,419
(Loss)/Profit before taxation	(10)	(325)	324	445	338	758
Taxation	-	-	-	(131)	(99)	(215)
(Loss)/Profit after taxation	(10)	(325)	324	314	239	543
Issued and paid-up share capital ('000)	250	500	500	500	500	500
Gross (Loss)/ earnings per share (RM)	(0.04)	(0.65)	0.65	0.89	0.68	*3.03
Net (Loss) /earnings per share (RM)	(0.04)	(0.65)	0.65	0.63	0.48	*2.17
Gross dividend (%)	-	-	-	-	-	-

Notes:

* *Annualised*

- The company commenced operations in 1995.*
- There were no extraordinary items throughout the period under review.*

(I) BM

BM was incorporated on 22 November 1994 as a private limited company under the Companies Act, 1965.

BM is principally involved in layer farming and feed raw material distribution in Kuching, Sarawak.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	1,000,000	1.00	1,000,000

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
22.11.1994	2	1.00	Cash	2
14.1.1995	4,998	1.00	Cash	5,000
25.10.1996	95,000	1.00	Cash	100,000
29.3.1997	900,000	1.00	Cash	1,000,000

BM does not have any subsidiaries or associated companies. Currently, there are 53 employees in BM.

The financial record of BM based on its audited accounts for the financial year ended 31 March 1999 and the six(6) months ended 30 September 1999 are as follows:-

	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	17,976	13,543
Profit/(Loss) before taxation	(87)	562
Taxation	(54)	(170)
Profit/(Loss) after taxation	(141)	392
Issued and paid-up share capital ('000)	1,000	1,000
Gross (Loss) /earnings per share (RM)	(0.09)	*1.12
Net (Loss) /earnings per share (RM)	(0.14)	*0.78
Gross dividend (%)	-	-

* *Annualised*

Note: *There were no extraordinary items throughout the period under review.*

BM commenced business in July 1998.

(m) MR

MR was incorporated on 11 April 1996 as a private limited company under the Companies Act, 1965.

MR is presently dormant.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	10,000	1.00	10,000

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
11.4.1996	2	1.00	Cash	2
19.4.1996	9,998	1.00	Cash	10,000

MR has been dormant since its incorporation and does not have any financial results. The company does not have any subsidiary or associated companies.

(n) WSB

WSB was incorporated on 19 March 1996 as a private limited company under the Companies Act, 1965.

WSB is presently dormant.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	100,000	1.00	100,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
19.3.1996	2	1.00	Cash	2
20.10.1999	99,998	1.00	Cash	100,000

WSB has been dormant since its date of incorporation and does not have any financial results. The company does not have any subsidiary or associated companies.

(o) QLKI

QLKI was incorporated on 5 March 1996 as a private limited company under the Companies Act, 1965 as Winning Venture Sdn Bhd. The Company was renamed QL Karasaki Ika Sdn Bhd on 10 March 1999.

QLKI is presently dormant but is expected to commence operations in manufacturing fish snacks during the first half of 2000.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	2	1.00	2

6. INFORMATION ON THE QL GROUP.... *cont'd*

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
5.3.1996	2	1.00	Cash	2

QLKI has been dormant since its date of incorporation and does not have any financial results. The company does not have any subsidiary or associated companies.

Currently, the company has 1 employee.

(p) PVG

PVG was incorporated on 12 September 1997 as a private limited company under the Companies Act, 1965 as Watt Life Science Sdn Bhd. The Company changed its name to Pacific Vet Group (M) Sdn Bhd on 22 October 1997.

PVG is principally involved in dealing and trading in feed supplement and animal health products.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	1,000,000	1.00	1,000,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
12..9.1997	2	1.00	Cash	2
15.12.1997	199,998	1.00	Cash	200,000
23.8.1999	800,000	1.00	Bonus Issue of 4 for 1	1,000,000

PVG has one subsidiary company as set out below.

Name	Date of Incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
PW	15.11.1999	2	100	Dormant

PVG does not have any associated companies. Currently, PVG has 15 employees.

6. INFORMATION ON THE QL GROUP.... *cont'd*

The financial record of PVG based on its audited accounts for the past two(2) financial periods and the six(6) months ended 30 September 1999 are as follows:-

	12.9.1997 to 31.3.1998 (RM'000)	31.3.1999 (RM'000)	6 months ended 30.9.1999 (RM'000)
Turnover	4,828	20,253	9,999
Profit before taxation	148	1,970	231
Taxation	(56)	36	(84)
Profit after taxation	92	2,006	147
Issued and paid-up share capital ('000)	200	200	1,000
Gross earnings per share (RM)	0.74	9.85	*0.46
Net earnings per share (RM)	0.46	10.03	*0.29
Gross dividend (%)	-	-	-

* *Annualised*

Note: *There were no extraordinary items throughout the period under review.*

(q) Tri-F

Tri-F was incorporated on 2 January 1997 as a private limited company under the Companies Act, 1965.

Tri-F is presently dormant.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	2	1.00	2

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
2.1.1997	2	1.00	Cash	2.00

Tri-F does not have any subsidiary or associated companies. The Company does not have any subsidiary or associated companies. Currently Tri-F has no employees.

(r) TLP

TLP was incorporated on 10 September 1979 as a private limited company under the Companies Act, 1965.

The principal activity of TLP is oil palm cultivations and CPO milling.

6. INFORMATION ON THE QL GROUP.... *cont'd*

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	5,000,000	1.00	5,000,000
Issued and paid-up	5,000,000	1.00	5,000,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
10.9.1979	2	1.00	Cash	2
20.3.1980	399,998	1.00	Cash	400,000
14.11.1981	342,000	1.00	Cash	742,000
20.9.1982	200,000	1.00	Cash	942,000
30.7.1983	243,000	1.00	Cash	1,185,000
17.2.1985	118,500	1.00	Cash	1,303,500
30.9.1985	521,400	1.00	Bonus issue 1 for 2.5	1,824,900
20.3.1988	52,700	1.00	Cash	1,877,600
30.9.1989	222,400	1.00	Cash	2,100,000
29.3.1997	2,900,000	1.00	Cash	5,000,000

The Company does not have any subsidiary or associated companies. Currently TLP has 91 employees.

The financial record of TLP based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	Year ended 30.9.1995 RM'000	6 months to 31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	529	321	579	403	84,607	45,413
Profit/(Loss) Before Taxation	18	(1)	205	120	2,363	3,133
Taxation	-	-	-	-	(345)	(780)
Extraordinary item	-	(63)^	-	-	-	-
Profit after Taxation after Extraordinary Items	18	(64)	205	120	2,018	2,353
Issued and paid-up share capital ('000)	2,100	2,100	5,000	5,000	5,000	5,000
Gross (Loss) /earnings per share (RM)	0.01	(0.00)	0.04	0.02	0.47	*1.25
Net (Loss) /earnings per share (RM)	0.01	(0.00)	0.04	0.02	0.40	*0.94
Gross dividend (%)						

* *Annualised*

^ *Represents loss on disposal of its subsidiary and associated company*

(s) BD

BD was incorporated on 5 January 1980 as a private limited company under the Companies Act, 1965.

The principal activity of BD is cocoa cultivation.

6. INFORMATION ON THE QL GROUP.... *cont'd*

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	2,000,000	1.00	2,000,000
Issued and paid-up	1,600,048	1.00	1,600,048

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
5.1.1980	2	1.00	Cash	2
22.1.1980	6	1.00	Cash	8
3.10.1981	136,800	1.00	Cash	136,808
1.11.1981	259,216	1.00	Bonus issue 1.9 for 1	396,024
4.9.1982	198,012	1.00	Cash	594,036
22.5.1983	198,012	1.00	Cash	792,048
25.9.1984	570,400	1.00	Cash	1,362,448
30.9.1985	237,600	1.00	Cash	1,600,048

BD does not have any subsidiary or associated companies. Currently BD has no employees.

The financial record of BD based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	Year ended 30.9.1995 RM'000	6 months to 31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	284	149	197	184	354	95
Profit/(Loss) Before Taxation	(177)	(11)	13	22	56	42
Taxation	-	-	-	-	-	-
Extraordinary item	(871)^	-	-	-	-	-
Profit after Taxation after Extraordinary Items	(1,048)	(11)	13	22	56	42
Issued and paid-up share capital ('000)	1,600	1,600	1,600	1,600	1,600	1,600
Gross(Loss) /earnings per share (RM)	(0.11)	(0.01)	0.01	0.01	0.04	*0.05
Net (Loss) /earnings per share (RM)	(0.11)	(0.01)	0.01	0.01	0.04	*0.05
Gross dividend (%)	-	-	-	-	-	-

* *Annualised*

^ *Represents loss on disposal of long leasehold estate land*

(t) THM

THM was incorporated on 11 April 1981 as a private limited company under the Companies Act, 1965.

The principal activity of THM is property holding.

6. INFORMATION ON THE QL GROUP.... cont'd

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	500,000	1.00	500,000
Issued and paid-up	336,522	1.00	336,522

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
11.4.1981	2	1.00	Cash	2
1.7.1981	16,750	1.00	Cash	16,752
5.10.1981	73,248	1.00	Cash	90,000
1.4.1983	22,500	1.00	Cash	112,500
17.2.1985	67,500	1.00	Cash	180,000
30.6.1989	30,000	1.00	Cash	210,000
30.9.1989	126,522	1.00	Cash	336,522

THM does not have any subsidiary or associated companies. Currently THM does not have any employees.

The financial record of THM based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	Year ended 30.9.1995 RM'000	6 months to 31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	-	-	-	22	24	12
Profit/(Loss) Before Taxation	(13)	(14)	(22)	7	12	6
Taxation	-	-	-	(5)	-	-
Profit/(Loss) after Taxation	(13)	(14)	(22)	2	12	6
Issued and paid-up share capital ('000)	336	336	336	336	336	336
Gross(Loss)/ earnings per share (RM)	(0.04)	(0.04)	(0.07)	0.02	0.04	0.04*
Net (Loss)/ earnings per share (RM)	(0.04)	(0.04)	(0.07)	0.01	0.04	0.04*
Gross dividend (%)	-	-	-	-	-	-

Note : There were no extraordinary items throughout the periods under review.

* **Annualised**

(u) **AT**

AT was incorporated on 19 April 1995 as a private limited company under the Companies Act, 1965.

The principal activity of AT is property holding.

6. INFORMATION ON THE QL GROUP.... cont'd

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	100,000	1.00	100,000

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
19.4.1995	2	1.00	Cash	2
31.7.1995	99,998	1.00	Cash	100,000

AT does not have any subsidiary or associated companies. Currently AT does not have any employees.

The financial record of AT based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	19.4.1995 to 31.3.1996 RM'000	31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	-	-	39	30	15
Profit/(loss) Before Taxation	(15)	(58)	(7)	(10)	(2)
Taxation	-	-	(4)	-	-
Profit after Taxation	(15)	(58)	(11)	(10)	(2)
Issued and paid-up share capital ('000)	100	100	100	100	100
Gross (Loss)/ earnings per share (RM)	(0.15)	(0.58)	(0.07)	(0.10)	(0.04)*
Net (Loss) /earnings per share (RM)	(0.15)	(0.58)	(0.11)	(0.10)	(0.04)*
Gross dividend (%)	-	-	-	-	-

Note : There were no extraordinary items throughout the periods under review.

* **Annualised**

(v) **TC**

TC was incorporated on 23 February 1979 as a private limited company under the Companies Act, 1965.

The principal activity of TC is oil palm cultivation.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	1,000,000	1.00	1,000,000
Issued and paid-up	500,000	1.00	500,000

6. INFORMATION ON THE QL GROUP.... cont'd

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
23.2.1979	3	1.00	Cash	3
22.11.1979	299,997	1.00	Cash	300,000
18.5.1998	200,000	1.00	Cash	500,000

Currently TC has 2 employees.

TC has one (1) subsidiary companies but does not have any associated companies. Details of its subsidiary company are as follows:-

Name	Date of Incorporation	Issued and paid-up share capital (RM)	Effective interest (%)	Principal activities
BW	27.2.1979	100,000	100	Oil palm cultivation

The financial record of TC for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	Year ended 30.6.1995 RM'000	Year ended 30.6.1996 RM'000	9 months to 31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	-	-	-	-	-	-
Profit Before Taxation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Profit after Taxation	-	-	-	-	-	-
Issued and paid-up share capital ('000)	140	140	300	300	300	300
Gross earnings per share (RM)	-	-	-	-	-	-
Net earnings per share (RM)	-	-	-	-	-	-
Gross dividend (%)	-	-	-	-	-	-

Note :

1. There were no extraordinary items throughout the periods under review.
2. There is no turnover or profit during the period as the company has only commenced cultivation of oil palm recently.

(w) BW

BW was incorporated on 27 February 1979 as a private limited company under the Companies Act, 1965.

The principal activity of BW is oil palm cultivation.

Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	100,000	1.00	100,000

6. INFORMATION ON THE QL GROUP.... cont'd

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
27.2.1979	3	1.00	Cash	3
22.10.1979	99,997	1.00	Cash	100,000

The company does not have any subsidiary or associated companies. Currently BW does not have any employees.

The financial record of BW based on its audited accounts for the past five(5) financial periods and the six(6) months ended 30 September 1999 is as follows:-

Year ended	30.6.1995 RM'000	Year ended 30.6.1996 RM'000	9 months to 31.3.1997 RM'000	31.3.1998 RM'000	31.3.1999 RM'000	6 months ended 30.9.1999 RM'000
Turnover	-	-	-	-	-	-
Profit Before Taxation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Profit after Taxation	-	-	-	-	-	-
Issued and paid-up share capital ('000)	100	100	100	100	100	100
Gross earnings per share (RM)	-	-	-	-	-	-
Net earnings per share (RM)	-	-	-	-	-	-
Gross dividend (%)	-	-	-	-	-	-

Note : 1. There were no extraordinary items throughout the periods under review.
2. There is no turnover or profit throughout the period as the company commenced the cultivation of oil palm recently.

(x) **PW**

PW was incorporated on 15 November 1999 as a private limited company under the Companies Act, 1965 as Corporate-Pacific Region (M) Sdn Bhd. The company changed its name to Pets Wonderland Sdn Bhd with effect from 22 January 2000. Its present authorised and paid-up share capital are as follows:-

Type	No of shares	Par value (RM)	Total (RM)
Authorised	100,000	1.00	100,000
Issued and paid-up	2	1.00	2

The changes in issued and paid-up share capital are set out below:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
15.11.1999	2	1.00	Cash	2

The company does not have any subsidiary or associated companies. Currently PW does not have any employees.

PW is presently dormant.

6. INFORMATION ON THE QL GROUP.... cont'd

6.6 Properties

Details of all the properties owned by or leased to the Group which have been revalued by the valuers CH Williams Talhar & Wong Sdn Bhd are as shown below. The revaluation surplus is arrived at after deducting the net book value of the landed properties as at 31 March 1999 from the respective open market values:-

Particulars of property	Approximate age of building/s (years)	Interest of QL/tenure/ date of expiry of lease	Method of valuation	Description/ existing use	Approximate land area/ built-up area	Market value/ valuation date (RM'000)	Value approved by SC @ 21.10.1999 (RM'000)	Net book value @ 31.3.1999 (RM'000)	Approved revaluation surplus (RM'000)	Net book value @ 30.9.1999 (RM'000)
Lot Nos 275 and TLO 117 held under Geran Mukim 237 and HS(D) 506, Padang Endau/Endau, Mersing (No.11, Jalan Merlimau, 86900 Endau, Johor)	6	<u>Lot:275</u> Freehold <u>Lot: TLO 117</u> Leasehold- expiring 28.2.2036	Comparison Method (for land) & Cost Method (for land and building) of Valuation	Fishmeal factory	<u>Land Area</u> <u>Lot No:275</u> 1.6212 ha <u>TLO 117</u> 0.1626 ha <u>Built-up area:</u> 4,555 square metres	2,455/ 15.12.98	2,455	1,572	883	1,637
Lot 1646 GM 351, Mukim Padang Endau, Mersing, Johor	N/A	<u>Lot: 1646:</u> Freehold	Comparison Method & Investment Method	Vacant agricultural land	<u>Land area:</u> 0.3099 ha <u>Built-up area:</u> N/A	80/ 15.12.98	80	80	-	-
Lots 148 & 9119 held under GM 1264 and GM 2111 Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang) (Factory building only)	4	Freehold	Depreciated replacement cost method	Surimi and surimi based products factory	<u>Land area:</u> N/A <u>Built-up area:</u> 2,804 square metres	1,780/ 15.12.98	1,780	1,656	124	1,638
Lots 148 & 9119 held under GM 1264 and GM 2111, Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang) (Land and Factory only)	6	Freehold	<u>Land</u> Comparison method <u>Building</u> Depreciated replacement costs basis	Fishmeal factory and factory site	<u>Land area:</u> 1.3181 ha <u>Built-up area:</u> 2,628 square metres	1,530/ 15.12.98	1,530	1,545	(15)	1,468
Lot 9120 & 9121 held under GM 2112 & GM 2113, Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang) (Factory building only)	1	Freehold	<u>Land:</u> Comparison method <u>Building:</u> Depreciated replacement cost method	Warehouse	<u>Land area:</u> 1.422 ha <u>Built up area:</u> 1,025 square metres	930/ 15.12.1998	930	571	359	571
Lot 3397 held under GM 2437, Mukim Hutan Melintang, Hilir Perak, Perak (147, Jalan Tepi Sungai, Hutan Melintang)	N/A	Freehold	Comparison method	Vacant industrial land/not in use	<u>Land area:</u> 0.8372 ha <u>Built-up area:</u> N/A	340/ 15.12.1998	340	-	340	-

6. INFORMATION ON THE QL GROUP.... cont'd

Particulars of property	Approximate age of building/s (years)	Interest of QL/tenure/ date of expiry of lease	Method of valuation	Description/ existing use	Approximate Land area/ built-up area	Market value/ valuation date (RM'000)	Value approved by SC @21.10.1999 (RM'000)	Net book value @ 31.3.1999 (RM'000)	Approved revaluation surplus (RM'000)	Net book value @ 30.9.1999 (RM'000)
Geran 5693, Lot 5275, Mukim Hutan Melintang, Hilir Perak, Perak (Jalan Simpang Empat-Sabak Bernam, Hutan Melintang)	N/A	Freehold	Comparison Method	Agricultural land - planted with oil palm	<u>Land area:</u> 8.369 ha <u>Built-up area:</u> N/A	930/ 15.12.98	930	1,165	(235)	1,165
Geran 9406, Lot 5189 Mukim of Kuala Kuantan, Kuantan, Pahang	N/A	Freehold	Comparison Method	Vacant agricultural land	<u>Land area:</u> 5.491 ha <u>Built-up area:</u> N/A	180/ 15.12.98	180	176	4	176
PT 11542, Mukim of Kapar Klang, Selangor (No 27, Jalan 5, Kawasan 16, Taman Intan, Selangor)	14	Freehold	Comparison Method and Investment Method	Corner unit 3 storey shophouse	<u>Land area:</u> 178.18 sq metres <u>Built-up area:</u> 518 sq metres	535/ 15.12.98	535	229	306	229
PT 22264 & PT 22265, held under HS(M) 16168 and HS(M) 16169 Mukim of Kapar, Klang, Selangor (Nos 5 & 7, Lorong Bukit Kuda, Off Jalan Batu Tiga Lama, Klang, Selangor)	2	Freehold	Comparison Method and Investment Method	2 adjoining units of 4 storey shophouses	<u>Land area:</u> 296 sq metres <u>Built-up area:</u> 1,183 square metres	1,700/ 15.12.98	1,700	1,338	362	1,324
Developer's Lot No.59, Section 12, Phase 1B, Pulau Indah Industrial Park, Pulau Indah, Mukim of Klang, Klang, Selangor	N/A	Leasehold (No individual title yet)	Comparison Method	Vacant industrial land	<u>Land area:</u> 1.1 acres <u>Built-up area:</u> N/A	670/ 15.12.98	670	864	(194)	860
Developer's Lot No.58, Section 12, Phase 1B, Pulau Indah Industrial Park, Pulau Indah, Mukim Klang, District of Klang, Selangor	N/A	Leasehold (No individual title yet)	Comparison Method	Vacant industrial land	<u>Land area:</u> 1.48 acres <u>Built-up area:</u> N/A	900/ 15.12.98	900	1,148	(248)	1,142
NT 013052581, Kota Kinabalu, Sabah	1	Freehold	Comparison Method (for land) Depreciated Replacement Cost Method (for building)	Industrial land with 2 warehouses cum office and factory	<u>Land area:</u> 1.03 ha <u>Built-up area:</u> 4,946 sq metres	4,193/ 15.12.98	4,193	2,766	1,427	2,657
CL 025093207 & NT 023078140, Papar, Sabah	2	<u>CL 025093207</u> Leasehold/ 17.6.2937 <u>NT 023078140</u> Leasehold/ 31.12.2093	Comparison Method (for land) and Nett Current Replacement Cost Method (for buildings) under Replacement Cost Method	Layer farm	<u>Land area:</u> 7.280 ha <u>Built-up area:</u> N/A	2,172/ 15.12.98	2,172	1,177.77	994.23	1,137

6. INFORMATION ON THE QL GROUP.... cont'd

Particulars of property	Approximate age of building/s (years)	Interest of QL/tenure/ date of expiry of lease	Method of valuation	Description/ existing use	Approximate Land area/ built-up area	Market value/ valuation date (RM'000)	Value approved by SC @ 21.10.1999 (RM'000)	Net book value @ 31.3.1999 (RM'000)	Approved revaluation surplus (RM'000)	Net book value @ 30.9.1999 (RM'000)
CL 105355977, KM58, alongside Tawau-Kunak highway, Tawau, Sabah **	N/A	Leasehold/ 31.12.2076	Comparison Method and Cost Method of Valuation under Comparison Method	Agricultural land planted with oil palm with a crude and palm oil mill together with other buildings & improvements	<u>Land area:</u> 81.06 ha <u>Built-up area, CPO mill:</u> 3,338 sq metres	13,364/ 15.12.98	10,400	11,242.91	(842.91)	1,098
CL 115327396, CL 115327403 and CL 115332520, District of Lahad Datu Sabah	N/A	Leasehold/ 31.12.2069	Comparison Method and Cost Method	Oil palm cultivation	<u>Land area:</u> 161.889 ha <u>Built-up area:</u> N/A	3,200/ 15.12.98	3,200	1,000	2,200	996
CL 105244406, CL 105244317, CL 105244380 and CL 105244335, KM8½, Apas Road, Tawau Sabah	N/A	Leasehold/ 24.10.2916	Comparison Method	Vacant residential land rezoned for light industrial warehouse purpose	<u>Land area:</u> 2.527 ha <u>Built-up area:</u> N/A	1,840/ 15.12.98	1,840	622	1,218	622
CL 105164618, KM6, Jalan Air Panas Tawau /Sabah	N/A	Leasehold / 11.8.2915	Comparison Method	Residential land rezoned for light industrial purpose	<u>Land area:</u> 1.736 ha <u>Built-up area:</u> N/A	1,330/ 15.12.98	1,330	494	836	494
CL 105242028, CL 105241996, CL 105241950, CL 105451572, KM21, Apas Parit locality, Tawau, Sabah	N/A	Leasehold/ <u>CL 105242028</u> 12.7.2933 <u>CL105241996</u> 29.7.2933 <u>CL 105241950</u> 21.5.2925 <u>CL 105451572</u> 31.12.2057	Comparison Method and Replacement Cost Method	A layer farm is situated on all the parcels of land	<u>Land area:</u> 13.668 ha <u>Built-up area:</u> N/A	4,186/ 15.12.98	4,186	1,244	2,942	1,224
CL 105345346, CL 105345355, CL105345337, CL 105345328, CL 105345300, CL 105345319, Kawa Hill locality, Tawau, Sabah	N/A	Leasehold/ <u>CL105345346,</u> <u>CL105345355</u> <u>CL105345337</u> 31.12.2073 <u>CL105345328,</u> <u>CL105345300</u> <u>CL10534554319</u> 31.12.2072	Comparison Method and Cost Method of Valuation	Agricultural lands planted with cocoa	<u>Land area:</u> 36.20 ha <u>Built-up area:</u> N/A	760/ 15.12.98	760	515.21	244.79	512

6. INFORMATION ON THE QL GROUP.... cont'd

Particulars of property	Approximate age of building/s (years)	Interest of QL/tenure/ date of expiry of lease	Method of valuation	Description/ existing use	Approximate Land area/ built-up area	Market value/ valuation date (RM'000)	Value approved by SC @ 21.10.1999 (RM'000)	Net book value @ 31.3.1999 (RM'000)	Approved revaluation surplus (RM'000)	Net book value @ 30.9.1999 (RM'000)
Serian Lease of Crown Land No.2292, No.4387, No.6203, No. 6261, No. 8710, No. 9864, No 9920, Sawarak, Kuching Occupation Ticket No 11002, & Lot 665 Block 14, Sentah Segu Land District, Sarawak	N/A	Leasehold/ <u>No. 2292</u> 17.4.2011 <u>No. 4387</u> 21.2.2012 <u>No.6203</u> 9.9.2012 <u>No. 6261</u> 31.12.2008 <u>No. 8710</u> 31.12.2040 <u>No. 9864</u> 31.12.2031 <u>No 9920</u> 13.11.2015 <u>No. 11002</u> 31.12.2034 <u>Lot 665</u> 31.12.2031	Comparison Method	Layer farming <u>No. 2292</u> Country land <u>No. 4387</u> Country land <u>No.6203</u> Country land <u>No. 6261</u> Suburban land <u>No. 8710</u> Country land <u>No. 9864</u> Suburban land <u>No 9920</u> Country land <u>No. 11002</u> Suburban land <u>Lot 665</u> Country land	Land area: <u>No. 2292</u> 2.4810 ha <u>No. 4387</u> 2.2740 ha <u>No.6203</u> 0.9308 ha <u>No. 6261</u> 1.7160 ha <u>No. 8710</u> 2.4320 ha <u>No. 9864</u> 2.4280 ha <u>No 9920</u> 2.9870 ha <u>No. 11002</u> 1.4370 ha <u>Lot 665</u> 1.9720 ha Built-up area: N/A	1,736/ 15.12.98	1,736	1,507	229	1,410
Lots 24, 25 and 26, West Coast Furniture Association Site, Off Jalan Sepangar Bay, District of Kota Kinabalu	N/A	Leasehold: Date of expiry of lease not available as individual titles not issued yet	Comparison Method	Vacant Industrial Lot	Land area: 8,607.79 sq metres Built-up area: N/A	620/ 15.12.98	620	161	459	161
CL 025311835 and PL 026184663 situated at Kg Kelatuan, Jalan Bukit Manggis, Jalan Bukit Manggis, District of Papar, Sabah	N/A	<u>CL 025311835</u> 31.12.2051 <u>PL 026184663</u> 31.12.2057	Comparison and Cost Method	Agricultural land planted with oil palm	Land area: <u>CL 025311835</u> 7.91 ha <u>PL 026184663</u> 9.49 ha	817/ 21.6.99	817	817	-	810
TOTAL						46,248*	43,284*	31,891	11,393	

* Subsequent to the Incorporation of Revaluation Surplus of the Group's landed properties, the Group sold certain properties at their respective open market valuations.

** Approved for subdivision by the Majlis Perbandaran Tawau in October 1998. However, the individual title has not been issued.

The open market valuation of the properties are based on valuations carried out by an independent firm of professional valuers CH William Talhar & Wong Sdn Bhd. The Valuers' Letter on the above properties is set out in Section 12 of this Prospectus. The approved revaluation surplus has been incorporated in QL Group's financial statements for the year ending 31 March 2000.

