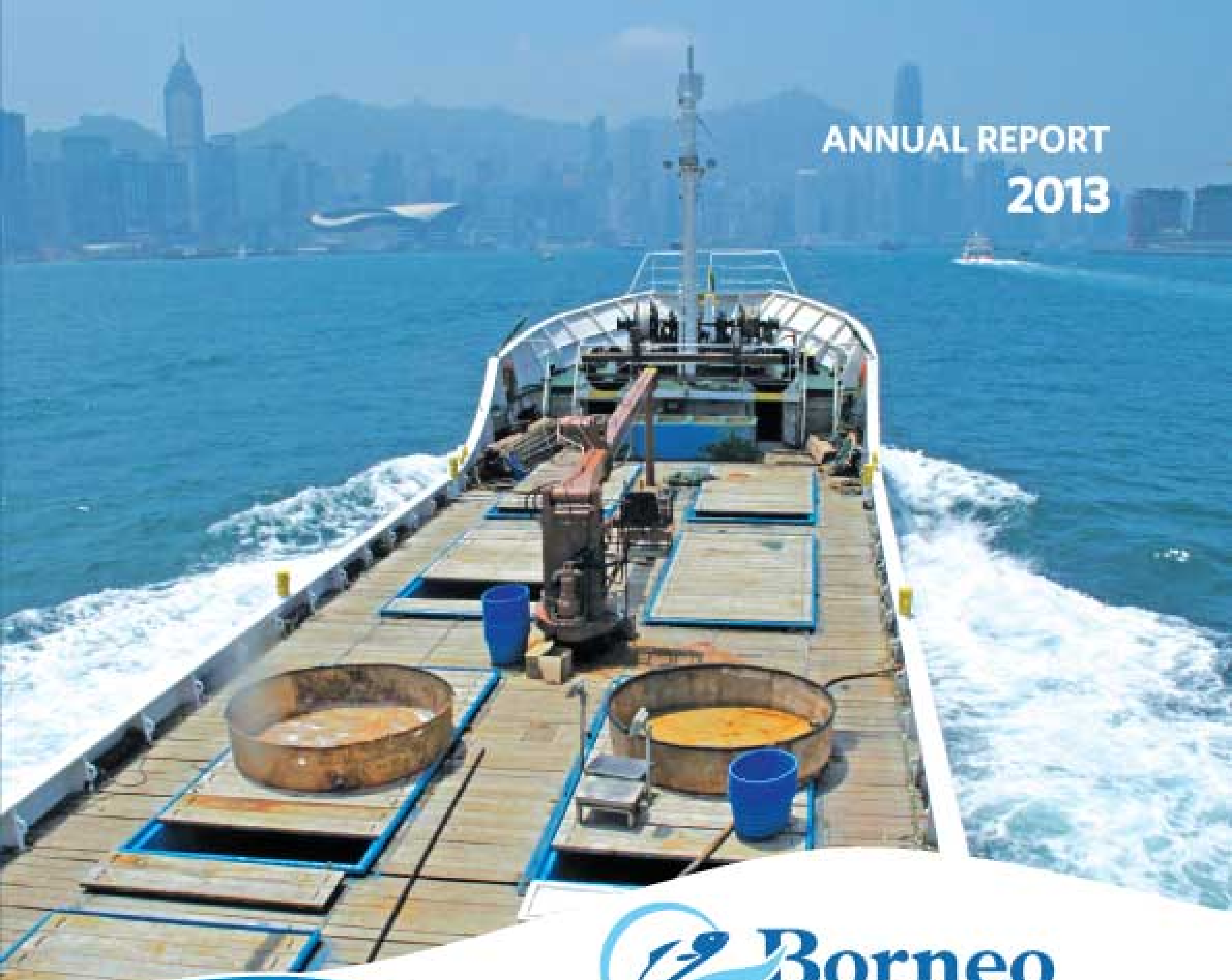

ANNUAL REPORT 2013

Borneo
Aqua Harvest Berhad

婆罗洲海产养殖有限公司

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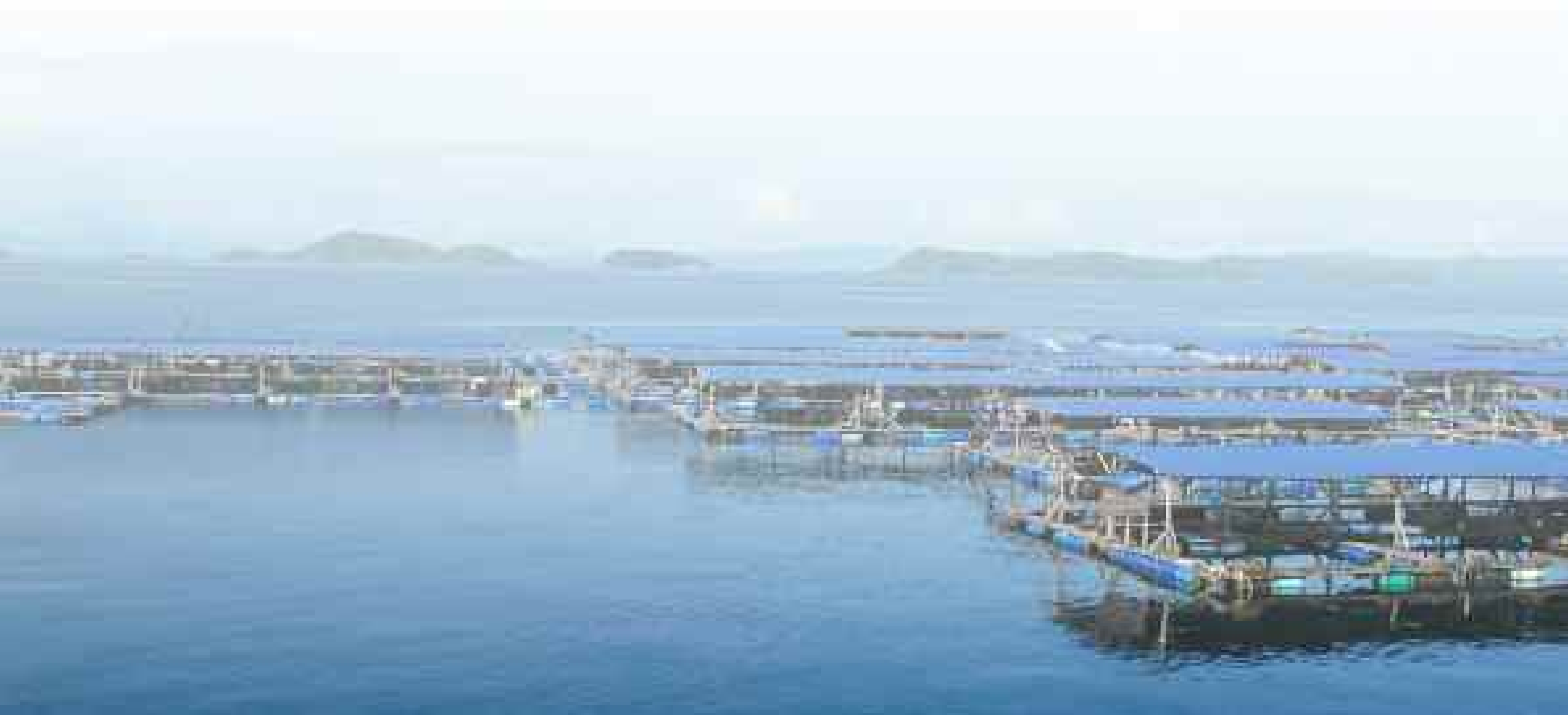


Corporate Profile

“ The Pioneer of Malaysia’s Aquaculture New Frontier ”

Borneo Aqua Harvest Berhad (“Borneo Aqua”) was incorporated on 16 April 2004 in Malaysia as a private limited company and was converted into a public company on 20 May 2004. Borneo Aqua was listed on the MESDAQ Market of Bursa Malaysia Securities Berhad (now known as ACE Market of Bursa Malaysia Securities Berhad) on 5 September 2005. Borneo Aqua has 4 wholly-owned subsidiaries, namely Plentiful Harvest Sdn Bhd (“Plentiful”), Marine Terrace Sdn Bhd (“Marine”), Salient Horizon Sdn Bhd (“Salient”) and Well Sky Logistics Limited (“Well Sky”).

Plentiful was established with the focus on marine fish breeding, hatchery and rearing of marine fish. Marine is principally involved in the rearing of marine fish whilst Salient owns two live fish carriers for the transport of the Group’s live fish to its customers in Hong Kong, Southern China and other part of Asia Pacific, if required. Well Sky is currently dormant.

While other aquaculture companies deal only with certain aspects of aquaculture processes, Borneo Aqua Group is an integrated aquaculture Group which is involved in the entire process of sustainable aquaculture i.e. broodstock management, research and development (“R&D”), breeding, hatching, rearing, production of live feed, marketing, transportation of live fishes, distribution of products and provision of training and consultancy services related to the industry.

The Group’s integrated approach in producing high value marine fishes with the application of biotechnology has led it to commit to a comprehensive R&D programme and to employ skilled professionals to carry out its objectives. The Group’s unmatched investments in this area had made it well placed to lead the industry in Malaysia and to play a vital role in the aquaculture industry of the Asia Pacific region in the near future. The Group’s R&D team currently comprises expertise from Japan, South Korea and Malaysia.

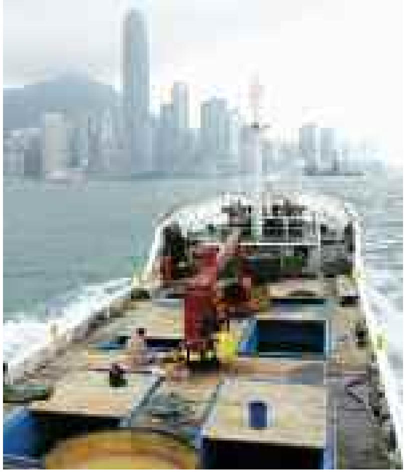
With the dedication of its experienced management team together with the comprehensive R&D programme, the Group is very confident that it will be able to contribute positively to the country's aquaculture industry to enable it to join the few elite countries as a forefront of marine fish breeding in the Asia Pacific region, in particular for Grouper species, in line with the Government's inspiration of self sustainability in this sector. In addition, a successful aquaculture industry will contribute to Malaysia’s economic growth by creating employment and reducing import of marine fish fry and fish.

Borneo Aqua is certified by Skim Pensijilan Ladang Akuakultur Malaysia (“SPLAM”), a voluntary scheme managed by the Department of Fisheries, Malaysia with the purpose of promoting responsible and eco-friendly aquaculture practices. The aim of this scheme is to ensure safety and quality in aquaculture production. Important elements incorporated in the scheme are ISO 9002, SSOP (Standard Sanitary and Operating Procedures), product standards and specifications. The scheme also complies with the Aquaculture’s Code of Practice (COP) and Good Agriculture Practices (GAqP) and other terms and conditions as determined by the Malaysian Department of Fisheries.

On 18 January 2011, Borneo Aqua was granted the International ISO 9001:2008 Standards for the whole production process and distribution of Grouper species under UKAS Management Systems (from SGS UK LTD) and Standards of Malaysia (from Accredited Certification Body), as well as obtaining the HACCP Codex Alimentarius certificate and is the first Malaysian marine aquaculture company in live marine finfish sector to obtain such certificates.

To-date, the Group had succeeded in producing Coral Trout Grouper, Marble Grouper, Humpback Grouper, Coral Rockcod, Barred-Cheek Coral Trout, Tomoto Rockcod Grouper, Camouflage Grouper, Giant Grouper and Malabar Red Snapper for commercial purpose. Through extensive R&D, the Group has also in recent financial years successfully produced and commercialised cross-bred Grouper species; Sabah Giant Grouper, Sabah Coral Rockcod, Sabah Camouflage, Sabah Giant Camouflage, and Sabah Giant Rockcod. The Group is currently focusing its R&D activities in the breeding of other high value marine fish, amongst others, Humphead Maori Wrasse, Speckle Yellow Grouper, Speckle Blue Grouper and Speckle White Grouper in addition to cross breeding of various species.

Most of the Borneo Aqua Group’s income is tax-exempted as its main subsidiaries, namely Plentiful and Marine have been granted tax incentive under Section 127 of the Income Tax Act, 1967 whereby the two companies are exempted from tax on statutory income from fish breeding, fish fry hatchery and fish rearing activities for a period of 10 years commencing 1 April 2004.



Corporate Structure

Borneo Aqua Harvest Berhad (649504-D)
婆罗洲海产养殖有限公司

- 100% MARINE TERRACE SDN. BHD.
- 100% PLENTIFUL HARVEST SDN. BHD.
  - 100% SALIENT HORIZON SDN. BHD.
  - 100% WELL SKY LOGISTICS LIMITED

VISION & MISSION

In view of the widening gap between the demand and supply of marine fish in the country as well as in the international markets, Borneo Aqua intends to be the catalyst to develop the marine fish farming industry in Malaysia and Asia Pacific region, consistent with the economic strategy of both the Sabah State and the Federal Government to promote aquaculture as one of the economic activities for the country.

Borneo Aqua is committed to further improve and develop the marine aquaculture industry in Malaysia by:

- enhancing the country's research and development capabilities in the breeding and hatchery of marine fish through sharing of knowledge with local universities, research centres and relevant organisations/bodies;
- educating local fish farmers on breeding, hatchery and rearing of marine fish through training and consultancy services to be provided by the Company;
- creating sub-sector within the aquaculture industry and promoting new downstream industry such as marine fish feed industry and production of value-added fish products such as fish fillet for export market; and
- improving the living standard of fish farmers and creating job opportunities through rearing of a diversified and high commercial value marine fishes produced by Borneo Aqua.

Borneo Aqua is also committed to be a market leader in breeding and supply of high commercial value marine fish in the Asia Pacific region. In achieving this business objective, the Company will:

- broaden its product base or species of fish through research by a highly trained and motivated R&D team;
- enhance its R&D capabilities through tie-ups with local or international universities, research centres and related organisations/bodies;
- provide high quality fishes that are toxic free and reared in clean natural environment; and
- establish new and improve on its network of customers for its products, and to develop strategic marketing alliances with international wholesaler to increase its distribution capability.

Corporate Information

BOARD OF DIRECTORS

Dato' Seri Md Kamal Bin Bilal
Independent
Non-Executive Chairman

Datuk Lo Fui Ming
Managing Director/Chief Executive Officer

Lo Teck Yong
Executive Director

Akinori Hotani
Executive Director

Chong Khing Chung
Independent
Non-Executive Director

Chiu Kui Tzu @ Dora
Independent
Non-Executive Director

YB Mejar (K) Datuk Samsudin Bin Yahya
Independent
Non-Executive Director

COMPANY SECRETARIES

Kang Shew Meng
Seow Fei San
Chong Tzu Khen

AUDIT COMMITTEE

Chong Khing Chung
Chairman

Dato' Seri Md Kamal Bin Bilal
Member

YB Mejar (K) Datuk Samsudin BinYahya
Member

NOMINATING COMMITTEE

Chiu Kui Tzu @ Dora
Chairperson

YB Mejar (K) Datuk Samsudin Bin Yahya
Member

Chong Khing Chung
Member

REMUNERATION COMMITTEE

YB Mejar (K) Datuk Samsudin Bin Yahya
Chairman

Chiu Kui Tzu @ Dora
Member

REGISTERED OFFICE/ HEAD OFFICE

Lot 4, Block E, Bandar Nam Tung, Jalan Leila, P.O.Box No. 2112,
90724 Sandakan, Sabah.
Tel: 089-611133/ 089-611633/ 089-612633
Fax: 089-613633/ 089-618633

RESEARCH AND DEVELOPMENT CENTRE

Batu 7, Tanjung Payang,
Silam, Lahad Datu,
Sabah.
Tel: 089-898133
Fax: 089-898133

MARKETING AND DISTRIBUTION OFFICE IN HONG KONG

1st Floor, Room 12,
No. 37, Tam Kung Temple Road,
Shau Kei Wan Wholesale Fish Market,
Shau Kei Wan, Hong Kong.
Tel: (852) 25686238
Fax: (852) 25687222

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50400 Kuala Lumpur.
Tel: 03-20849000
Fax: 03-20949940/03-20950292

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Lot 1 - 3, Block 18, Mile 4
North Road, Bandar Indah,
90722 Sandakan, Sabah.

HSBC Bank Malaysia Berhad
1, Jalan Pelabuhan/Leboh Tiga,
90000 Sandakan, Sabah.

Malayan Banking Berhad
Lot 28, 29 & 30, Block HS3,
Sandakan Harbour Square,
90000 Sandakan, Sabah.

AUDITORS

PKF (AF: 0911)
Chartered Accountants
Lot 23 1 & 25 1, 1st Floor,
Lintas Plaza,
Lorong Lintas Plaza,
88300 Kota Kinabalu, Sabah.

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: BAHVEST
Stock Code: 0098

WEBSITE

www.borneoaqua.com.my

Chairman's Statement

Introduction

On Behalf of the Board of Directors ("Board"), I am pleased to present you the 2013 Annual Report and Audited Financial Statements of Borneo Aqua Harvest Berhad and its Subsidiaries (" Group") for the financial year ended 31 March 2013 ("FYE 2013").

Business and Financial Review

As for the financial year ended 31 March 2013 ("FYE 2013"), the Group recorded a revenue and loss before taxation of RM30.629 million and RM2.968 million respectively. The revenue of RM30.629 million representing a decrease of 2.95% as compared to RM31.559 million recorded for the financial year 2012 ("FYE 2012"). The slight decrease in revenue is mainly due to decrease in sales volume of the Group's premium fishes, which is in line with the Group's strategy to rear and sell its adult fishes when they reach the optimum size/weight.

The Group incurred a loss before taxation of RM2.968 million for FYE 2013 as compared to profit before taxation of RM1.22 million for FYE 2012. The significant decrease was mainly due to additional non-cash employee benefit cost of RM11.559 million arising from fair value accounting adopted for shares options granted pursuant to an Employees' Share Option Scheme ("ESOS") established involving up to 30% of the issued and paid up ordinary share capital of BAHVEST (excluding treasury shares) for the eligible employees and directors of the Group totaling 105.0 million shares of RM0.10 each. The 105.0 million shares were fully allocated and are to be exercised over a period of 5 years from 15 January 2013 to 14 January 2018. The said additional non-cash employee benefit cost was charged out as administrative expenses. Should the said non-cash employee cost be excluded, the Group would record an operational profit of RM10.311 million for the FYE 2013 and profit before taxation of RM8.591 million which represents a significant increase of RM7.371 million as compared to FYE 2012.

In FYE 2013, the Ministry of Agriculture & Agro Based Industry Malaysia has approved granting of a financial incentive under Agriculture National Key Economic Areas Scheme of up to RM24.846 million ("Grant") to Plentiful Harvest Sdn Bhd ("PHSB"), a wholly-owned subsidiary of Borneo Aqua Harvest Bhd ("BAHVEST").

The purpose of the Grant is for PHSB to implement and complete the agro-based project identified by the Government of Malaysia. The Grant is released by way of reimbursement from Government of Malaysia. At the date of this report, PHSB had received its first incentive payment of RM8.367 million in January 2013.

In March 2013, Bursa Malaysia Securities Berhad approved the listing and quotation of up to 35,000,000 new ordinary shares of RM0.10 each in BAHVEST representing up to 10% of the issued and paid up share capital of BAHVEST (excluding treasury shares) pursuant to the Private Placement. The proceeds raised are to be utilized for capital expenditure and working capital. The private placement was completed in May 2013.

On 21 June 2013, a Co-operative agreement between Southsea Gold Sdn Bhd and BAHVEST was signed for prospecting, exploration, extraction and commercialization of minerals, at Bukit Mantri, Daerah Tawau, Sabah.

Chairman's Statement
(continued)

Research and Development ("R&D") Updates

The Group always emphasizes its R&D division to improve on the broodstock management by having a R&D team comprising expertise from Japan, South Korea and Malaysia. The Group not only purchase high value species broodstock from local market and other countries but also continuously conduct R&D for breeding new cross-breed marine fish species in order to be competitive in the market.

Current capacity and expansion plans

The Group currently has about 1,158 broodstocks of over 20 high value species of broodstocks. In FYE 2013, the Group has completed the construction of another 8 units of Nurseries and 2 units of Hatcheries. With the completion of these facilities, the Group would be able to expand its production capacity. The Group will continue to construct 80 sets of net pens cages which can accommodate its future production from hatchery and nursery. Infrastructure such as access road, electricity and water supply, labour quarter, lab building and jetty will also be upgraded within these two years.

Trends in Fish Consumption and Aqua-culture Industry Outlook

Countries with rapid population growth, income growth and urbanization tend to have high demand for animal products, including fish products. A research statistic provided by Food and Agriculture Organization ("FAO") shows that fish consumption in developing countries is increasing and total consumption is much more than developed countries. Urbanization also brings health awareness to the populace as, fish product can provide a very valuable source of protein and essential nutrient for balanced nutrition and good health. Besides, fish product is not only used as food but is also demanded for fishmeal and fish oil. Therefore, aquaculture industry plays an important role not only in contributing to our daily food protein consumption but also for fishmeal and fish oil production.

Market Prospects

In the developing countries, particularly in Asia, there are increasing trend to show that, Asian countries are now net fish exporters to developed countries. Live marine fish, high value food commodity provider is likely to replace the low grade and frozen wholesale fish. Currently, the Group is exporting the live marine fish by our own vessels to Hong Kong and Southern China. As the demand will continuously increase, the Group will improve the marketing strategy and focus on the markets in Hong Kong and Southern China.

A Note of Appreciation

On behalf of the Board of Directors, I would like to express my sincere appreciation to the management and the staff of the Group for their continued efforts, commitments and contributions in executing the strict strategic management and operational measures for the Company throughout the year.

I would also like to take this opportunity to thank all our valued shareholders, customers, in Hong Kong and China, business associates, suppliers, investors, the regulatory authorities and bankers for their continuous support and confidence in the Group.

Last but not least, my heart-felt thanks to all my fellow Directors for their valuable guidance, advice and support rendered over the years.

Dato' Seri Md Kamal Bin Bilal
Chairman of the Board of
Borneo Aqua Harvest Berhad.

Directors' Profiles

Dato' Seri Md Kamal Bin Bilal

Malaysian aged 51, is an Independent Non-Executive Chairman and member of the Audit Committee of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 9 May 2005.

He entered the job market at the age of 20, serving as a Community Development Officer in the Ministry of National and Rural Development. After gaining 13 years of experience in the Government sector, he ventured into the automobile industry as a Proton Edar dealer in 1995. He was appointed as the Non-Executive Director of The Store Corporation Berhad in 2000 and was re-designated as Independent Non-Executive Chairman in 2001. He was also appointed as Independent Non-Executive Chairman of KBB Resources Berhad and Prime Utilities Berhad in 2003 and 2005 respectively. Since 2000, he has been the Division Treasurer of the United Malay National Organization's Kepala Batas division.

Dato' Seri Md Kamal Bin Bilal does not have any family relationship with any other directors or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

Dato' Seri Md Kamal Bin Bilal attended all four (4) Board Meetings of the Company held during the financial year.

Datuk Lo Fui Ming

Malaysian aged 57, is the Managing Director and Chief Executive Officer of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 9 May 2005. He is also an Executive Director of Southsea Gold Sdn Bhd.

Upon completion of his secondary education, he started working in a timber camp in the operations division and was subsequently appointed as Manager. In 1980, he started his own logging company and was involved in various aspect of the timber industry including timber concession holding, logging contracting, timber trading and timber processing. In 1995, he ventured into the plantation industry. He was the Managing Director of Cepatwawasan Group Berhad, a company listed on the Second Board of Bursa Securities, from 1 October 2001 to 16 January 2004, 6 August 2004 to 1 April 2005 and was appointed as the Non-Executive Deputy Chairman until 21 July 2005. He also sits on the Board of several other private companies. He incorporated Plentiful and Marine for breeding of fish and fish fry to supply to the local and international markets in 2001 and 2002 respectively.

As the Managing Director and Chief Executive Officer of Borneo Aqua, he is primarily responsible for overseeing the overall business operations and development as well as formulation and implementation of the Borneo Aqua Group's corporate strategies. With over 29 years of experience in the business sector, he is the driving force of the Group.

Datuk Lo Fui Ming is the brother-in-law of Mdm. Dora Chiu Kui Tzu and the father of Mr. Lo Teck Yong.

He is a substantial shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

He attended two (2) out of four (4) Board Meetings of the Company held during the financial year.

Directors' Profiles
(continued)

Lo Teck Yong

Malaysian aged 31, is an Executive Director of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 9 May 2005. He resigned as a member of the Audit Committee of the Company on 20 May 2008. He is the director in charge of the daily operations of the Group's fish farms, primarily responsible for overseeing the nurseries for fish fries and the rearing centre for adult fish in the operation site. He is also an Executive Director of Southsea Gold Sdn Bhd.

He obtained a Bachelor of Science Degree majoring in Marketing from University of Surrey, United Kingdom in 2003. Upon his graduation in 2003, he embarked on a study tour to a few fish breeding centres in Taiwan, Republic of China and South Korea to expand his knowledge on fish breeding and marketing of fish and fish fry.

Mr. Lo Teck Yong is the son of Datuk Lo Fui Ming and nephew of Mdm. Dora Chiu Kui Tzu. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences, if any.

He attended all four (4) Board Meetings of the Company held during the financial year.

Akinori Hotani

Japanese aged 38, is an Executive Director of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 24 March 2006.

He obtained a Bachelor of Science Degree majoring in Marine Science and Aquaculture (First Class Honours) from University of Kinki, Japan in 1996. Upon graduation, he joined Nitto Seimo Corporation Co Ltd ("Nitto"), Japan as the Head of Ocean Research and Development Department. During his employment with Nitto, he has conducted numerous research and has gained extensive experience in marine fish breeding, hatchery and rearing of marine fish. He also has vast knowledge in formulation of aquaculture medicine and chemical, water environment control, micro-organism production, and fish eggs management and control as well as designing, and constructing fish cages (net cage, submersible cage and aquaculture system). He is responsible for the overall implementation of Borneo Aqua Group's R&D strategies and activities. He is also responsible for product development and breeding activities of the Group.

Mr. Akinori Hotani does not have any family relationship with any other directors or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

He attended two (2) out of four (4) Board Meetings of the Company held during the financial year.

Chong Khing Chung

Malaysian aged 45, is an Independent Non-Executive Director and Audit Committee Chairman of Borneo Aqua since 9 May 2005. He was appointed a member of Nominating Committee on 10 July 2008.

He is a Chartered Member of the Malaysian Institute of Accountants and Certified Practising Accountants ("CPA") of Australia. He obtained a Bachelor Degree in Accountancy from University of Western Australia in 1990. He spent the early part of his career in the accountancy profession before eventually branching out into the capital market, holding various positions, including as the Executive Director of a stockbroking company in Sabah. He also worked as Executive Director and Chief Financial officer of various public listed companies in Malaysia, Singapore and Hong Kong.

Mr. Chong Khing Chung does not have any family relationship with any other directors or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

He attended all four (4) Board Meetings of the Company held during the financial year.

Directors’ Profiles
(continued)

Chiu Kui Tzu @ Dora

Malaysian aged 59, is an Independent Non-Executive Director of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 9 May 2005. She was appointed the Chairperson of Nominating Committee and a member of Remuneration Committee on 10 July 2008.

Upon completing her secondary education, she joined Guthrie Engineering Sdn Bhd as a Kardex Clerk cum Parts Supervisor in 1973. In 1982, she joined Hong Kong and Shanghai Banking Corporation (currently known as HSBC Bank Malaysia Berhad (“HSBC”)). She left HSBC in 2002. She is a committee member of the Sandakan Hospice Association and the Sabah Cheshire Home Sandakan, and an active member of the Sandakan Toastmaster Club.

Mdm. Chiu Kui Tzu @ Dora is the sister-in-law of Datuk Lo Fui Ming and aunty of Mr. Lo Teck Yong. She has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences, if any.

She attended all four (4) Board Meetings of the Company held during the financial year.

YB Mejar (K) Datuk Samsudin Bin Yahya

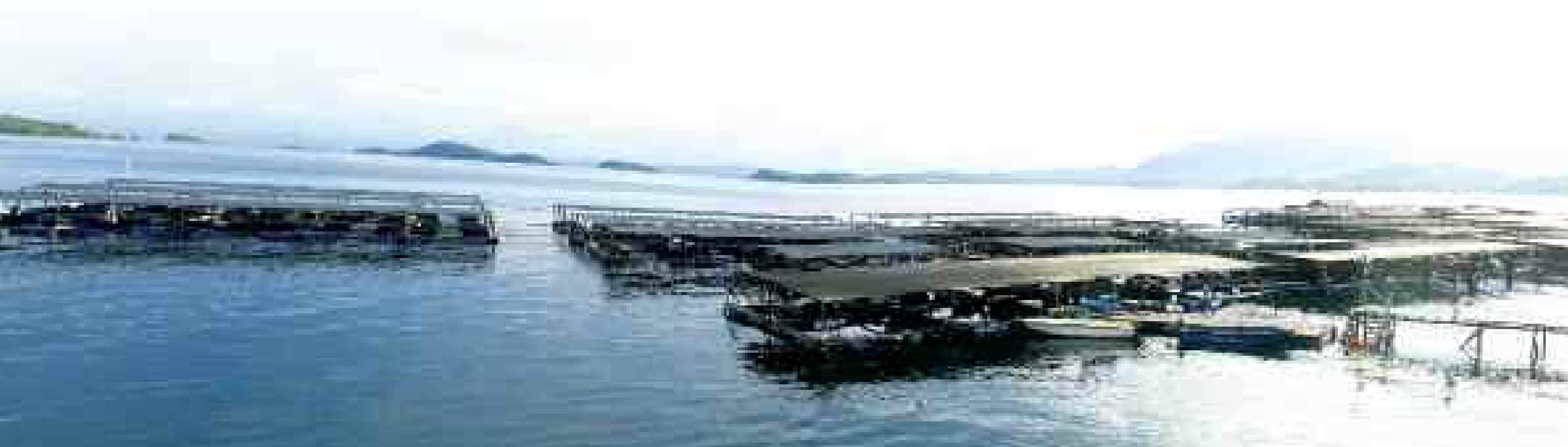
Malaysian aged 58, is an Independent Non-Executive Director of Borneo Aqua and was appointed to the Board of Directors of Borneo Aqua on 26 November 2008. He was appointed a member of both Nominating Committee and Remuneration Committee on 17 August 2009.

He is currently the Sabah State Assembly Representative for Sekong Constituency since 2004. Upon completion of his secondary education, he was engaged in his own business. His wish is to serve the people of Sandakan so he joined UMNO Sekong Branch as a member and later he was elected as Chairman of Sekong branch.

He was appointed Ahli Lembaga Sinora Industries Sdn Bhd from 1997-2006 and Ahli Majlis-Majlis Perbandaran Sandakan from 2004-2006. He was one of the Board of Directors for Lembaga Kemajuan Ikan Malaysia (LKM). He is currently the Chairman of Cement Industries Sabah and Ramajuta Sdn. Bhd.

YB Mejar (K) Datuk Samsudin Bin Yahya does not have any family relationship with any other directors or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten (10) years, other than traffic offences, if any.

He attended three (3) out of four (4) Board Meetings of the Company held during the financial year.



Corporate Governance Statement

The Board of Directors ("Board") of Borneo Aqua Harvest Berhad ("Borneo Aqua") recognises and subscribes to the importance of the principles and best practices set out in the Malaysian Code on Corporate Governance 2012 ("Code") as a key factor towards achieving an optimal governance framework and processes in managing the business and operational activities of the Company. Thus, the Board is working towards ensuring full compliance with the principles and best practices of the Code. The Board's commitment is reflected in the incorporation of various policies and the establishment of the relevant committees.

The Statement below sets out the manner in which Borneo Aqua group of companies ("Group") have applied the Principles of the Code and the extent of compliance with best practices advocated therein.

1. BOARD OF DIRECTORS

1.1 Responsibility of the Board of Directors

The Board takes full responsibility for the performance of the Group. The Board guides the Company on its short and long-term goals, provides advice and directions on management and business development issues while providing balance to the management of the Company.

The Board is responsible for the following:

- Reviewing and adopting a strategic plan for the Group,
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed,
- Identify principal risks and ensure the implementation of appropriate systems to manage these risks,
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management,
- Developing and implementing an investor relations programme or shareholders communication policy for the Group, and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

1.2 Board Composition and Balance

The Board currently consists of seven (7) Directors as at the date of this report:-

Independent Non-Executive Chairman	:	Dato' Seri Md Kamal Bin Bilal
Managing Director/ Chief Executive Director	:	Datuk Lo Fui Ming
Executive Director	:	Lo Teck Yong
	:	Akinori Hotani
Independent Non-Executive Director	:	Chong Khing Chung
	:	Chiu Kui Tzu @ Dora
	:	YB Mejar (K) Datuk Samsudin Bin Yahya

The Board composition represents a mix of knowledge, skills and expertise to effectively discharge its stewardship responsibilities in spearheading the Group's growth and future direction. The Independent Non-Executive Chairman is responsible for the Board's effectiveness and standard of conduct whilst the Managing Director/ Chief Executive Officer has the overall responsibilities to oversee the business and operations. The clear division of responsibilities between these roles will ensure a balance of power and authority.

All independent and non-executive Directors do not participate in the day-to-day management of the Group. The Independent Non-Executive Directors have a responsibility to bring independent objective judgments to bear on the Board's decisions.

1. BOARD OF DIRECTORS (continued)

1.2 Board Composition and Balance (continued)

The Company is in compliance with the Code of which states that at least one-third (1/3) of the Board must be made up of Independent Non-Executive Directors. The Company has also complied with Rule 15.02 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE Market Listing Requirements"), which requires the Board to have at least two (2) Directors or one-third (1/3) of the Board are Independent Directors.

The Board has conducted an assessment on the Independent Directors and none of the Independent Directors has served the Company exceeding a cumulative term of nine (9) years.

1.3 Appointments and Re-elections of Directors

All appointments of new directors to the Board are properly made with an established and transparent procedure and in compliance with the relevant rules of the relevant authorities. Any appointment of additional director will be made as and when it is deemed necessary by the existing Board with due consideration given to the mix and range of expertise and experience required for an effective Board.

In accordance with the Company's Articles of Association, at each Annual General Meeting, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and an election of Directors shall take place provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not. An election of Directors shall take place each year.

1.4 Committee of Directors

In line with the Best Practices of the Code, the Company has established two Committee of Directors ("Committees") to assist in the performance of certain duties of the Board under a specific terms of reference. The Committees compose of Non-Executive Directors, with the majority being Independent Directors. The Board considers that the mix of commercial experience from the Non-Executive Directors will complement the Executive Directors and create an effective Board.

The Committees established are as follows:

(i) Audit Committee

The role of the Audit Committee is to assist the Board in discharging its statutory duties and responsibilities in relation to financial reporting practices and reviewing financial reports, risk management and internal controls of the Company. The composition and terms of reference of this Committee together with its report are presented on pages 16 to 18 of the Annual Report.

(ii) Nominating Committee

The functions of the Nominating Committee are as follows:

- Recommend to the Board of Directors the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);
- Recommend to the Board, Directors to fill the seats on board committees;
- Assess the effectiveness of the board as a whole, the committees of the board and contribution of each existing individual director and thereafter, recommend its findings to the Board; and
- Review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board and thereafter, recommend its findings to the Board.

The Board has established a nomination process of Board members to facilitate and provide a guide for the Nominating Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company.

1. BOARD OF DIRECTORS (continued)

1.4 Committee of Directors (continued)

(ii) Nominating Committee (continued)

The nomination and election process of Board members can be found at the Company's website at http://www.borneoaqua.com.my.

The director who is subject to re-election at next Annual General Meeting is assessed by the Nominating Committee before recommendation is made to the Board and shareholders for re-election. Appropriate recommendation by the Nominating Committee is based on the yearly assessment conducted.

As all members of the Nominating Committee are Independent Directors, the assessment of the Nominating Committee is conducted by the Board as a whole.

(iii) Remuneration Committee

The Remuneration Committee consists of two members with the majority of whom are Independent Non-Executive Directors.

The function and responsibility of the Remuneration Committee is to recommend to the Board the remuneration packages of the Managing Directors and Executive Directors of the Company. As for the remuneration of Non-Executive Directors, it is linked to their experience and level of responsibilities undertaken by them.

The Board has established a remuneration policy and procedure to facilitate the Remuneration Committee to review, consider and recommend to the Board remuneration packages of the Executive Directors. Appropriate assessment and recommendation are conducted by the Remuneration Committee on yearly basis.

The remuneration policy and procedure can be found at the Company's website at http://www.borneoaqua.com.my.

For the financial year ended 31 March 2013, a total sum of RM6,088,566 was paid and payable to the Directors of the Company. The details of the Directors' remuneration for the financial year ended 31 March 2013, which are inclusive of the two directors who have resigned during the financial year are as follows:

	Salaries and other emoluments RM	Fees RM	Breeding Commissions RM	Services received as an expense RM	Total RM
Executive Directors	585,589	-	150,397	3,460,529	4,196,515
Non-Executive Directors	-	281,000	-	1,611,051	1,892,051

Range of remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	1	1
RM50,001 – RM200,000	-	2
RM200,001 – RM350,000	-	-
RM350,001 – RM500,000	-	1
RM500,001 and above	3	1

1. BOARD OF DIRECTORS (continued)

1.5 Board Meeting

The Board meets regularly on a quarterly basis to control and monitor the development of the Group. Additional meetings will be convened as and when required. The agenda for each Board meeting is circulated to all the Directors for their perusal well in advance of the Board meeting date. The Directors are given sufficient time to obtain further information and explanation, where necessary, in order to be briefed properly before the meeting.

The proceedings and resolutions reached at each Board meeting are recorded in the minutes of the meetings, which are kept in the Minutes Book at the registered office of the Company.

Besides Board meetings, the Board exercises control on matters that require its approval through circulation of Directors' Resolutions.

The Board held four (4) Board Meetings during the financial year ended 31 March 2013. The summary of attendance of each individual Director is as follows:

Directors	Meetings Attended
Dato' Seri Md Kamal Bin Bilal	4/4
Datuk Lo Fui Ming	2/4
Lo Teck Yong	4/4
Akinori Hotani	2/4
Chiu Kui Tzu @ Dora	4/4
Chong Khing Chung	4/4
YB Mejar (K) Datuk Samsudin Bin Yahya	3/4

1.6 Supply of Information

The Board members have access to the advices and services of the Company Secretaries and all information in relation to the Group whether as a full board, or in their individual capacity to assist them in carrying out their duties. The Directors may engage independent professionals at the Group's expense on specialized issues to enable the Board to discharge their duties with adequate knowledge on the matters being deliberated.

Along with good governance practices and to enhance transparency and accountability, the Board has put in place the following policies and procedures and they are made available at the Company's website at http://www.borneoaqua.com.my :

- Board Charter and Code of Conduct
- Shareholder's Right relating to General Meeting
- Whistleblowing Policy and Procedure
- Sustainability Policy

1.7 Number of Directorship in Other Companies

None of the Directors of the Company hold any directorship in other public listed companies except for Dato' Seri Md Kamal Bin Bilal.

1.8 Directors' Training

Every Director is encouraged to undergo continuous training to equip himself/herself to effectively discharge his/her duties as a director from time to time. The Company will provide briefing for new members of the Board, when necessary, and they are encouraged to visit the Company's hatchery, nursery and rearing centres to ensure that they have a comprehensive understanding on the Group's operations in which would assist the Board to make effective decision.

Corporate Governance Statement
(continued)

2. GENDER DIVERSITY POLICY

The Board has established a gender diversity policy and target has been achieved to have at least one woman participating on the Board.

3. CORPORATE DISCLOSURE

The Company has implemented a corporate disclosure policy to ensure timely, accurate, clear and complete disclosure of material information necessary for informed investing and also taking reasonable steps to ensure that all investors in the Company's securities have equal access to such information to avoid an individual or selective disclosure.

4. SHAREHOLDERS AND INVESTORS RELATION

To ensure effective communication with its shareholders and other stakeholders, the Company has implemented a shareholder communications policy.

The Company communicates timely with its shareholders in the following manner:

(i) Annual Report,

(ii) Various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly results and annual results, which are available publicly on the internet via Bursa Malaysia Securities Berhad's website at http://www.bursamalaysia.com or can be viewed from the Company's website at http://www.borneoaqua.com.my,

(iii) Company's website at http://www.borneoaqua.com.my which provides another vital communication channel for investors and shareholders to access corporate information and news related to the Group, and

(iv) The Group's Annual General Meeting ("AGM"), which is an important forum where communications with shareholders are effectively conducted. The Board ensures that each item of special business included in the notices of the AGM is accompanied by a full explanation of the effects of any proposed resolution.

The Independent Non-Executive Chairman and the Board Members are prepared to respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the shareholders. The external auditors are also present to provide their professional and independent clarification, if required, on issues highlighted by the shareholders.

5. SUSTAINABILITY POLICY

The combination of economic, environmental and social issues in the way we plan, execute and monitor our business is critical to the growth and success of the Group. Our efforts over the last few years define the way we manage sustainability. We have set the structure from which to outline our plan and continuously improve, both in performance and evolution of our overall approach to sustainability.

We will grow and protect our stakeholders' value by incorporating sustainability into our core business strategy, risk management and operational performance. Sustainability helps us to conduct business responsibly and provides a platform for innovation, operational efficiency and management of emerging sustainability risks.

The sustainability policies can be found at the Company's website at www.borneoaqua.com.my.

6. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board has taken reasonable steps to provide a balanced and comprehensive assessment of the Group's financial performance and prospects, primarily through the annual report, quarterly financial results and research reports. The Board has adopted suitable accounting policies in the preparation of the financial statements and applied them consistently as well as making judgements that are prudent and reasonable.

The quarterly and annual financial statements are reviewed by the Audit Committee and subsequently by the Board, before release for announcement to Bursa Malaysia Securities Berhad.

(ii) Internal Control

The Board has the responsibility for maintaining a sound system of internal controls which provides reasonable assessments of effective and efficient operations, internal controls and compliance with laws and regulations as well as risk management to safeguard shareholders' investments and the Group's assets. The Board also recognizes that the system of internal control has inherent limitations and is aware that such a system can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

The Statement on Risk Management and Internal Control which is prepared by the Board is on pages 19 to 20.

(iii) Relationships with the Auditors

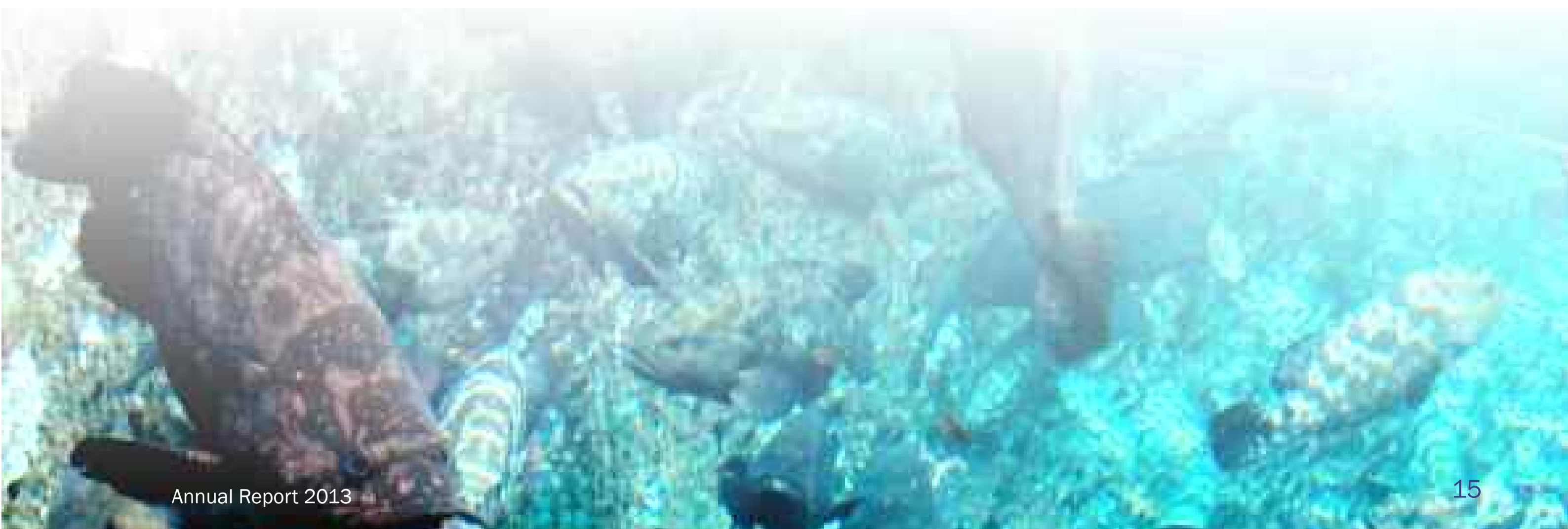
The Company has always maintained a transparent and formal relationship with its auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report of Audit Committee on pages 16 to 18.

7. STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the ACE Market Listing Requirements have been applied. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

The current members of the Audit Committee are as follows;

Chairman
Chong Khing Chung *(Independent Non-Executive Director)*

Committee Members
Dato' Seri Md Kamal Bin Bilal *(Independent Non-Executive Chairman)*
YB Mejar (K) Datuk Samsudin Bin Yahya *(Independent Non-Executive Director)*

TERMS OF REFERENCE

1. COMPOSITION

The composition of the Audit Committee must fulfill the following requirements:

- The Audit Committee must comprised no fewer than 3 members;
- All Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors;
- The members of the Audit Committee shall elect a chairman, who shall be an independent director from among their members;
- At least one member of the Audit Committee:

  (i) Must be a member of the Malaysian Institute of Accountants; or

  (ii) If he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and have passed the examinations specified in part I of the 1st Schedule of the Accountants Act 1967 or is a member of one (1) of the associations of accountants specified in Part II of the said Schedule; or

  (iii) A person who has fulfilled such other requirements as prescribed or approved by Bursa Securities.

2. FUNCTIONS

The functions of the Committee are as follows:

2.1 To review the following and report the same to the Board of Directors;

(i) With the external auditors;
- The external audit plan,
- The evaluation of the system of internal controls; and
- The external audit report.

(ii) The assistance given by the Company's employees to the external auditors;

(iii) The adequacy of the scope, functions competency and resources of the internal audit functions and that it has the necessary authority to carry out its works;

(iv) The internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(v) The quarterly results and year end financial statements, prior to the approval by the Board of Directors;

(vi) Any related party transactions and conflicts of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

TERMS OF REFERENCE (continued)

2. FUNCTIONS (continued)

The functions of the Committee are as follows: (continued)

2.1 To review the following and report the same to the Board of Directors; (continued)

(vii) Any letter of resignation from the external auditors of the Company; and;

(viii) Whether there is any reason (supported by grounds) to believe that the external auditors is not suitable for reappointment.

2.2 Consider the nomination of external auditors.

2.3 Review the scope of audit and general extent of the external auditor.

2.4 Review the Company's general policies and procedures.

3. AUTHORITY

The Audit Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company;

(i) Has explicit authority to investigate any matter within its term of reference;

(ii) Has the resources which are required to perform its duties;

(iii) Has full and unrestricted access to all information and documents relevant to its activities as well as direct communication channels with the external auditors, person(s) carrying out the internal audit function or activity and the senior management of the Group;

(iv) Be able to obtain independent/external professional advice; and

(v) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other executive directors and employees of the Company, whenever deemed necessary.

4. QUORUM AND ATTENDANCE OF MEETINGS

4.1 The quorum for the meeting shall be by majority of the members who are Independent Directors.

4.2 The Company Secretary or other appropriate senior representative shall be the secretary of the Audit Committee.

5. FREQUENCY AND PROCEDURES OF MEETINGS

5.1 Meetings shall be held not less than four (4) times a financial year.

5.2 The Committee may regulate its own procedures, in particular;

(i) The calling of meetings;
(ii) The notice to be given of such meetings;
(iii) The voting and proceedings of such meetings;
(iv) The keeping of the minutes; and
(v) The custody, production and inspection of such minutes.

5.3 Other Board members, senior management personnel, Internal and External auditors may be invited to attend meetings.

Audit Committee Report
(continued)

5. FREQUENCY AND PROCEDURES OF MEETINGS (continued)

5.4 During the financial year 2013, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the financial year was as follows:

Name	Status of Directorship	Meeting Attended
Chairman		
Chong Khing Chung	Independent Non-Executive Director	4/4
Member		
Dato' Seri Md Kamal Bin Bilal	Independent Non-Executive Chairman	4/4
YB Mejar (K) Datuk Samsudin Bin Yahya	Independent Non-Executive Director	3/4

Member of the senior management were invited to attend these meetings as and when necessary. The external auditors have also attended the meetings by invitation.

6. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The summary of the main activities carried out by the Audit Committee during the financial year are as follows;

(i) Reviewed and recommended the quarterly financial results and the annual audited financial statements of the Company and the Group to the Board for consideration and approval;
(ii) Reviewed and recommended the appointment of the External Auditors to the Board for consideration;
(iii) Reviewed with the External Auditors the scope of work, audit plan and fees for the statutory audit and thereafter recommended to the Board for approval;
(iv) Reviewed with the outsourced Internal Auditors the annual Internal Audit Plan, the scope of work and fees and thereafter recommended to the Board for their approval;
(v) Reviewed the status report and updates and recommendations for corrective action plans submitted by the outsourced Internal Auditors and received regular updates of the implementation by the Group;
(vi) Reviewed related party transactions within the Company or the Group including any transaction, procedure or course of conduct that raises any questions of Management integrity;
(vii) Reviewed with External Auditors and outsourced Internal Auditors on issues affecting the operations of the Group as well as the necessary remedial actions and thereafter reported the same to the Board; and
(viii) Reviewed the status of compliance of the Company with the Malaysian Code on Corporate Governance for the purpose of issuing the Corporate Governance Statement pursuant to the requirement of Rule 15.25 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

7. INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional service which reports directly to the Audit Committee. The duty of the internal audit function is to provide the Audit Committee with independent and objective reports on the adequacy and effectiveness of the systems of internal control and recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations.

Internal audit has been performed during the financial year under review. The internal auditors' findings and recommendations with regard to the system operations and control weaknesses noted in the course of their audit and the management's responses were included in audited report which was subsequently submitted to the Audit Committee.

8. ALLOCATION OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OPTIONS

The Audit committee had reviewed and verified that the allocation of options during the year under the Company's ESOS is in compliance with the allocation criteria determined by the ESOS Committee and in accordance with the by-laws of the ESOS.

Statement on Risk Management and Internal Control

The Board of Directors ("Board") recognises the importance of risk management framework and a sound internal control system to safeguard shareholders' investments and the Group's assets. The Board's Statement on Risk Management and Internal Control outlines the nature and scope of internal control of the Group during the financial year ended 31 March 2013.

BOARD'S RESPONSIBILITY

The Board is overall responsible for the Group's system of internal controls, risk management and for reviewing the adequacy and integrity of these systems. The system of internal controls can only provide reasonable and not absolute assurance against material misstatement or loss as it is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Thus, the framework is expected to provide reasonable but not absolute assurance against material misstatements or losses

RISK MANAGEMENT AND INTERNAL CONTROL

The Management has reviewed the Group's internal control system and adopted a risk management policy during the financial year ended 31 March 2013. The risk management framework will be implement during the financial year ended 31 March 2014.

The Board recognises that effective risk management is critical for continuous profitability to enhance shareholders value and good corporate governance.

The key control processes of internal control implemented in the Group include:

(i) The Board has established delegation of responsibilities to Board Committee, namely Audit Committee, Nominating Committee and Remuneration Committee.

(ii) The Group has a well-defined organizational structure that is aligned to its business and operation requirements. Clearly defined lines of accountability, delegation of responsibility and level of authorization for all key aspects of business have been laid down and communicated throughout the Group.

(iii) Scheduled operational and management meetings are held to identify, discuss and resolve business and operational issues. Significant matters during these meetings are highlighted to the Board.

(iv) Documented internal operating policies and procedures are set-out in the Group Standard Operating Procedure (SOP) which provides guidelines in compliance to the internal control system. These documents will be kept updated in accordance with changes in operating environment.

(v) Review of quarterly and annual financial results by Audit Committee.

INTERNAL CONTROL FRAMEWORK

The Managing Director and senior management team monitor the day-to-day affairs of the Group by attending scheduled meetings both at management and operational levels and review their performance and operation reports. These include technical and operational meetings and management review meetings for the subsidiary companies.

The key elements of the Group's internal control system are described below:

(i) A well defined organizational structure with clear lines of accountability that sets out the authority delegated to the Board and management committees.

(ii) There is a clearly defined delegation of responsibilities to the Audit Committee of the Board and the management of the holding company and operating units who ensure that appropriate control procedures are in place.

(iii) Performance reports such as quarterly financial review and other corporate matters are regularly provided to the directors and discussed at Board Meetings.

Statement on Risk Management and Internal Control
(continued)

INTERNAL CONTROL FRAMEWORK (continued)

The key elements of the Group's internal control system are described below: (continued)

(iv) Management meetings are regularly held to discuss and report on the operational performance, business strategy, key information, legal and regulatory matters of each business units where plans and targets are established for business planning and budgeting process.

(v) The Audit Committee is tasked by the Board with the duty of reviewing the effectiveness of the Group's system of internal controls.

(vi) The Audit Committee, on behalf of the Board, reviews and holds discussion with Management to deliberate on action plans addressing the internal control issues identified by the external auditors.

(vii) The Audit Committee, on behalf of the Board, considers the effectiveness of the operation of the internal control procedures in the Group during the financial year. The Audit Committee reviews internal control issues identified by management and evaluates the effectiveness of the Group's risk management and internal control system.

INTERNAL AUDIT FUNCTION

The Board has the responsibility for maintaining a sound system of internal controls which provides reasonable assessment of effective and efficient operations, internal controls and compliance with laws and regulations. For the financial year 2013, the Board has engaged S. LIM & Co. to carry out the internal audit function for the Group. The functions of the internal auditors are to ensure that adequate system of internal controls exist to assist the management to manage operational, regulatory and financial risks.

The internal audit activities were reviewed on the implementation of the internal and external audit recommendations and that the outsourced internal audit function has adequate resources, consisting of people who are adequately skilled.

Internal audit has been performed during the financial year 2013. The audit report which included the internal auditors' findings and recommendations with regard to the system operations and control weaknesses noted in the course of their audit and the management's responses thereto were subsequently presented by the internal auditors for the financial year at the Audit Committee meeting on 28 May 2013.

The costs incurred for the internal audit function for the financial year ended 31 March 2013 were RM11, 862.00.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, with the assurance given by the Group's Chief Executive Officer, confirms that the Group's risk management and internal control system are operating adequately and effectively in all material aspects throughout the financial year under review and up to the date of approval of the Annual Report. A number of internal control weaknesses have been brought up by the auditors during the financial year, all of which have been, or are being addressed by the Board.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In compliance to Rule 15.23 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the financial year ended 31 March 2013 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls within the Group.

The Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 28 May 2013.

Additional Compliance Information

1. Share Buy-back

The Company did not carry out any share buy-back for the financial year under review.

2. Options, Warrant or Convertible Securities

The details of the movement of ESOS Options for the financial year ended 31 March 2013 are as follows:

As At 31 March 2013			
No. of ESOS options granted	**No. of ESOS options exercised**	**No. of ESOS options cancelled**	**No. of ESOS options outstanding**
105,000,000	5,500,000	-	99,500,000

The abovementioned ESOS will expire on 14 January 2018.

Further details of the options granted to directors and senior management during the financial year ended 31 March 2013 and since commencement of the ESOS are as follows :

	Aggregate maximum allocation in percentage to Directors & senior management	**Actual percentage granted to Directors & senior management**
Since commencement of the ESOS and during the financial year ended 31 March 2013	85% of ordinary shares of RM0.10 each available under the ESOS	77% of ordinary shares of RM0.10 each available the ESOS

3. Utilisations of Proceeds

Bursa Malaysia Securities Berhad had approved the listing and quotation of up to 35,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares") representing up to 10% of issued and paid-up share capital of the Company (excluding treasury shares) on 18 March 2013.

The Company's Private Placement of 35,000,000 new ordinary shares was completed on 20 May 2013. The status of utilization of the proceed from the private placement as at 25 July 2013 are as follows:

	Proceeds Raised RM'000	**Amounts Utilised RM'000**	**Amounts Unutilised RM'000**
Capital expenditure:			
a) New nursery and hatchery centres			
- Construction of one unit of nursery centre and one unit of hatchery centre	3,255	-	3,255
- Construction of access roads to nursery and hatchery centre	800	-	800
- Electricity supply infrastructure	2,000	-	2,000
b) Refurbishment cost for a live fish vessel	3,000	684	2,316
c) Nursery centres under construction			
- Payment for settlement of contractors' fee for the construction of three nursery centres	3,491	3,491	-
Working capital	15,154	8,440	6,714
Private Placement expenses	300	204	96
Total	28,000	12,819	15,181

Additional Compliance Information
(continued)

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR)
The Company did not sponsor any ADR or GDR programme during the financial year.

5. Imposition of Sanctions and/or Penalties
There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

6. Non-audit Fees
No non-audit fees were paid to the external Auditors, PKF.

7. Profit Forecast
No profit forecast was announced or published by the Group and hence, no comparison is made between actual and forecast results.

8. Profit Guarantee
The Company did not issue any profit guarantee during the financial year.

9. Recurrent Related Party Transactions of Revenue or Trading Nature
There was no recurrent related party transactions of revenue or trading nature which had entered by the Group during the financial year ended 31 March 2013.

10. Contract Relating to Loan by the Company
There was no contract relating to loan by the Company.

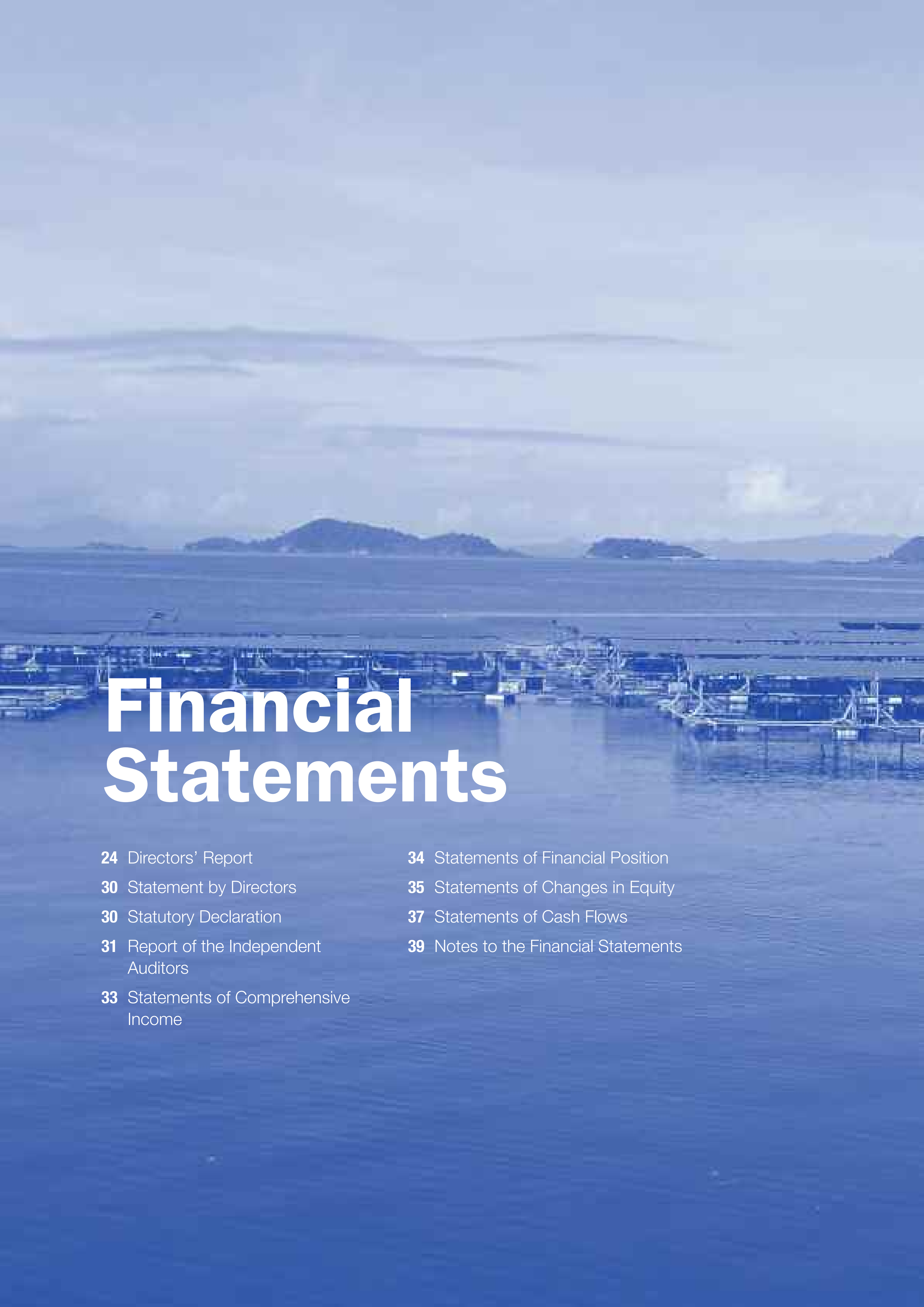
11. Revaluation Policy
The Company did not have a revaluation policy on landed properties.

12. Material Contract
There was no other material contract entered into by company and / or its subsidiary company which involves Directors' interest during the financial year ended 31 March 2013.

13. Corporate Social Responsibility
Borneo Aqua is certified by SPLAM, a voluntary scheme managed by the Department of Fisheries, Malaysia with the purpose of promoting responsible and eco-friendly aquaculture practices. The aim of this scheme is to ensure safety and quality in aquaculture production. Important elements incorporated in the scheme are ISO 9002, SSOP (Standard Sanitary and Operating Procedures), product standards and specifications. The scheme also complies with the Aquaculture's Code of Practice (COP) and Good Agriculture Practices (GAqP) and other terms and conditions as determined by the Malaysian Department of Fisheries.

The Group has continuously extended more opportunities for fresh graduates from various universities in Malaysia to undergo industrial training at our hatchery, nursery and rearing centres. The Group may consider providing permanent position to those fresh graduates if job vacancy is available.

As part of its corporate social responsibility, the Group has donated a sum of RM10,000 to the Borneon Sun Bear Conservation Centre ("BSBCC") for the charity fundraising event which objective is to raise construction and operational fund for BSBCC which is located adjacent to the Sepilok Orang Utan Rehabilitation Centre, Sandakan, Sabah.



Financial Statements

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

Principal activities

The principal activity of the Company is investments holding.

The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year ended 31 March 2013.

Results

	Group RM	Company RM
Total comprehensive loss for the financial year	4,783,897	2,230,109

Reserves and provisions

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

Dividends

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend any dividends for the current financial year ended 31 March 2013.

Directors

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

Dato' Seri Md Kamal Bin Bilal
Datuk Lo Fui Ming
Lo Teck Yong
Akinori Hotani
Chiu Kui Tzu @ Dora
Chong Khing Chung
YB Mejar (K) Datuk Samsudin Bin Yahya
Lo Ken Hin *(Resigned on 7 August 2012)*
Hendry Sukendy *(Resigned on 21 June 2013)*

Directors' interests in shares

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 134 of the Companies Act, 1965 are as follows:

	Number of ordinary shares of RM0.10 each			
Direct interest:	**At 1.4.2012**	**Bought**	**Sold**	**At 31.3.2013**
Dato' Seri Md Kamal Bin Bilal	2,180,000	-	-	2,180,000
Datuk Lo Fui Ming	99,868,502	4,000,000	(46,437,000)	57,431,502
Lo Teck Yong	3,521,330	400,000	(630,000)	3,291,330
Akinori Hotani	282,000	-	(282,000)	-
Chiu Kui Tzu @ Dora	118,000	-	(68,000)	50,000
Chong Khing Chung	40,000	1,000,000	-	1,040,000
Hendry Sukendy	-	218,000	-	218,000

Directors' interests in shares (continued)

		Number of ordinary shares of RM0.10 each		
Indirect interest:	**At 1.4.2012**	**Bought**	**Sold**	**At 31.3.2013**
Indirect interest of Datuk Lo Fui Ming in the Company by virtue of shareholding of his child	60,000	-	-	60,000
Indirect interest of Chiu Kui Tzu @ Dora in the Company by virtue of shareholding of her child	8,000	-	(8,000)	-

		Number of options over ordinary shares of RM0.10 each		
Direct interest:	**1.4.2012**	**Granted**	**Exercised**	**31.3.2013**
Dato' Seri Md Kamal Bin Bilal	-	2,500,000	-	2,500,000
Datuk Lo Fui Ming	-	10,500,000	(1,500,000)	9,000,000
Lo Teck Yong	-	10,500,000	-	10,500,000
Chiu Kui Tzu @ Dora	-	1,000,000	-	1,000,000
Chong Khing Chung	-	8,000,000	(1,000,000)	7,000,000
Akinori Hotani	-	10,500,000	-	10,500,000
YB Mejar (K) Datuk Samsudin Bin Yahya	-	1,500,000	-	1,500,000
Hendry Sukendy	-	1,500,000	-	1,500,000
Indirect interest:				
Indirect interest of Datuk Lo Fui Ming in the Company by virtue of his child	-	8,000,000	-	8,000,000

All the Directors by virtue of their interests in shares in the Company are also deemed interested in shares of the Company's subsidiaries to the extent the Company has an interest.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 29 to the Financial Statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate apart from the issue of the Employees Share Options Scheme

Issues of shares and debentures

During the financial year, the Company issued 5,500,000 new ordinary shares of RM0.10 each for cash arising from the exercise of employees' share options at an exercise price of RM0.70 per ordinary share for working capital purposes.

Issues of shares and debentures (continued)

There were no other changes in the authorised and issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees Share Options Scheme ("ESOS").

At an extraordinary general meeting held on 3 January 2013, the Company's shareholders approved the establishment of an ESOS of not more than 30% of the issued and paid-up share capital of the Company or 105,000,000 new ordinary shares, whichever is higher, to eligible Directors and employees of the Group.

The salient features of the ESOS scheme are, inter alia, as follows:

(i) Eligible Directors or employees of the Group are those who have fulfilled the following conditions:

- attained the age of Eighteen (18) years on the date of offer;
- employed for a continuous period of at least One (1) year (which shall include any probation period) by the Company and/or a subsidiary within the Group and his employment as an eligible participant must have been confirmed on the date of offer, unless he was transferred to a subsidiary within the Group, in which case he must have been employed for a continuous period of at least One (1) year in that subsidiary incorporated in Malaysia;
- if the employee or Director is employed by a company incorporated in Malaysia which is acquired, and becomes a subsidiary of the Company upon such acquisition during the duration of the ESOS, the employee or Director must have completed service for a continuous period of at least One (1) year in that subsidiary following the date that such company becomes or is deemed to be a subsidiary of the Group; and
- if the employee or Director, whether Malaysian citizen or non-Malaysian citizen, is serving the Company or a subsidiary within the Group on a full-time basis and whose contribution is vital to such companies and who on the date of offer is employed under a contract for service for a term of not less than Three (3) years (including any period of employment which the person has already served), the employee or Director is eligible to participate in the ESOS, subject to the provisions of the By-Laws provided always that employees of the subsidiaries of the Company, which are dormant, shall not be eligible to participate in the ESOS.

(ii) The selection of any eligible participants for participation in the ESOS shall be at the discretion of the ESOS committee and the decision of the ESOS committee shall be final and binding.

(iii) No eligible participant shall participate at any time in more than one ESOS implemented by any company within the Group.

(iv) Not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible participant, who either singly or collectively through persons connected with him holds 20% or more of the issued and paid-up share capital of the Company.

(v) Not more than 85% of the new shares of the Company available under the ESOS shall be allocated in aggregate to the Directors and senior management of the Company and its subsidiaries, which are not dormant.

(vi) The aggregate number of shares to be issued under the ESOS shall not exceed 30% of the total issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

(vii) The ESOS shall be valid for a duration of Five (5) years from the effective date (the date of full compliance with all relevant requirements of the Listing Requirements), and may if the Board of Directors deems fit, upon the recommendation of the ESOS Committee, be extended for a further Five (5) years, subject to an aggregate of Ten (10) years from the effective date of the implementation of the ESOS.

Options granted over unissued shares (continued)

(viii) The price payable for the exercise of an option under the ESOS shall be determined by the ESOS committee at its discretion based on the Five (5)-day weighted average market price of the underlying shares immediately prior to the date of offer with a discount of not more than 10%, if deemed appropriate, or the par value of the shares of the Company of RM0.10, whichever is higher.

(ix) Any new shares to be allotted and issued upon exercise of the ESOS granted will, upon allotment, issuance and full payment, rank pari passu in all respects with the then existing issued and paid-up share capital of the Company except that the new shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date of which precedes the date of issuance of such new shares.

(x) An eligible Director of the Group who is a non-executive Director must not sell, transfer or assign any new shares obtained through the exercise of the ESOS options granted to him pursuant to the ESOS within One (1) year from the date of grant of such ESOS options.

The options offered to take up unissued ordinary shares of RM0.10 each and the exercise price is as follows:

		Number of options over ordinary shares of RM0.10 each				
Date of offer	**Exercise price**	**At 1.4.2012**	**Granted**	**Exercised**	**Forfeited**	**At 31.3.2013**
15 January 2013	RM0.70	-	105,000,000	(5,500,000)	-	99,500,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of persons to whom options have been granted during the financial year and details of their holdings as required under Section 169(11) of the Companies Act, 1965, for persons who have been granted options to subscribe for less than 1,000,000 ordinary shares of RM0.10 each. The names of persons to whom options have been granted to subscribe for 1,000,000 or more ordinary shares of RM0.10 each during the financial year are as follows:

				Number of options over ordinary shares of RM0.10 each		
Name	**Grant date**	**Expire date**	**Exercise price**	**Granted**	**Exercised**	**At 31.3.2013**
Chong Tzu Khen	15 January 2013	14 January 2018	RM0.70	10,500,000	-	10,500,000
Lo Choon Fung @ Michelle	15 January 2013	14 January 2018	RM0.70	8,000,000	-	8,000,000
Wong Yin Fa	15 January 2013	14 January 2018	RM0.70	10,500,000	(1,500,000)	9,000,000
Ho Soung Ket	15 January 2013	14 January 2018	RM0.70	6,800,000	(1,000,000)	5,800,000
Hiew Vun Pui	15 January 2013	14 January 2018	RM0.70	6,200,000	(500,000)	5,700,000
Tham Soon Nuen	15 January 2013	14 January 2018	RM0.70	1,000,000	-	1,000,000
Lee Kyoung Hee	15 January 2013	14 January 2018	RM0.70	10,500,000	-	10,500,000

Details on options granted to Directors are disclosed in the section on Directors' interests in shares in this report.

Other statutory information

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

(i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) all current assets have been stated at the lower of cost and net realisable value.

Other statutory information (continued)

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

(i) which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

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

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

As at the date of this report, there does not exist:

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

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

____
DATUK LO FUI MING
Director

____
LO TECK YONG
Director

Sandakan

Date 18 July 2013

Statement by Directors

pursuant to section 169 (15) of the companies act, 1965

In the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 38 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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

DATUK LO FUI MING
Director

LO TECK YONG
Director

Sandakan

Dated 18 July 2013

Statutory Declaration

pursuant to section 169 (16) of the companies act, 1965

I, CHONG TZU KHEN, being the Officer primarily responsible for the financial management of BORNEO AQUA HARVEST BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed CHONG TZU KHEN)
at Sandakan)
in the state of Sabah on 18 July 2013)

CHONG TZU KHEN

Before me,

HAMZAH HJ ABDULLAH (S-088)
Commissioner for Oaths
Lot 6, Block 23, Lebuh Dua,
90009 Sandakan, Sabah

Report of the Independent Auditors

to the members of Borneo Aqua Harvest Berhad

Report On The Financial Statements

We have audited the financial statements of BORNEO AQUA HARVEST BERHAD, which comprise the Statements of Financial Position as at 31 March 2013 of the Group and of the Company, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 82.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the financial year then ended.

Report On Other Legal And Regulatory Requirements

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

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

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which is indicated in Note 15 to the financial statements.

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

(d) The auditors' reports of the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Report of the Independent Auditors

to the members of Borneo Aqua Harvest Berhad (continued)

Other Reporting Responsibilities

The supplementary information set out in Note 38 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report. The financial statements of the Company as at 31 March 2012, were audited by another auditor whose report dated 27 July 2012, expressed an unqualified opinion on these statements.

PKF
AF 0911
CHARTERED ACCOUNTANTS

CHAU MAN KIT
2525/03/14(J)
CHARTERED ACCOUNTANT

Kota Kinabalu

Dated 18 July 2013

Statements of Comprehensive Income

for the financial year ended 31 march 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	3	30,628,982	31,559,169	-	-
Cost of sales		(13,299,527)	(21,741,377)	-	-
Gross profit		17,329,455	9,817,792	-	-
Interest income	4	6	6	-	-
Other operating income	5	675,704	140,955	30	-
Selling and distribution expenses		(5,564,956)	(4,015,137)	-	-
Administrative expenses		(13,687,811)	(3,024,825)	(2,230,139)	(2,726,667)
Finance costs	6	(1,720,487)	(1,698,658)	-	-
(Loss)/Profit before taxation	7	(2,968,089)	1,220,133	(2,230,109)	(2,726,667)
Income tax expense	10	(1,811,679)	(128,368)	-	-
(Loss)/Profit for the financial year		(4,779,768)	1,091,765	(2,230,109)	(2,726,667)
Other comprehensive loss					
Exchange differences on translation of foreign operation		(4,129)	(35,794)	-	-
Other comprehensive loss for the financial year, net of tax		(4,129)	(35,794)	-	-
Total comprehensive (loss)/income for the financial year		(4,783,897)	1,055,971	(2,230,109)	(2,726,667)
(Loss)/Profit attributable to owners of the Company		(4,779,768)	1,091,765	(2,230,109)	(2,726,667)
Total comprehensive (loss)/income attributable to owners of the Company		(4,783,897)	1,055,971	(2,230,109)	(2,726,667)
(Loss)/Earnings per share attributable to owners of the Company (sen per share)					
Basic	11	(1.40)	0.32		
Diluted	11	(1.39)	0.32		

Statements of Financial Position

as at 31 march 2013

ASSETS	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-current assets					
Property, plant and equipment	12	60,768,877	50,410,081	4,873	5,849
Land use rights	13	2,032,314	2,090,737	-	-
Intangible asset	14	1,750	20,799	-	-
Investments in subsidiary companies	15	-	-	51,218,456	41,305,204
Biological assets	16	3,825,196	4,865,492	-	-
Non-trade receivables	17	-	6,740,840	-	-
		66,628,137	64,127,949	51,223,329	41,311,053
Current assets					
Biological assets	16	37,400,078	32,294,315	-	-
Inventories	18	459,163	645,428	-	-
Trade and non-trade receivables	17	22,936,639	15,743,421	122,021	55,001
Amounts due from subsidiary companies	19	-	-	13,830,969	10,259,826
Tax recoverable		28,712	18,393	-	-
Cash and bank balances	20	546,956	298,491	2,069	4,349
		61,371,548	49,000,048	13,955,059	10,319,176
TOTAL ASSETS		127,999,685	113,127,997	65,178,388	51,630,229
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	35,550,000	35,000,000	35,550,000	35,000,000
Share premium	21	24,627,694	19,989,544	24,627,694	19,989,544
Other reserve	22	10,125,866	(90,888)	10,220,883	-
Retained profits/ (Accumulated losses)		14,044,079	18,823,847	(5,977,114)	(3,747,005)
Total equity		84,347,639	73,722,503	64,421,463	51,242,539
Current liabilities					
Loans and borrowings	23	14,408,480	24,103,580	-	-
Trade and non-trade payables	24	11,779,286	11,881,614	756,925	387,690
		26,187,766	35,985,194	756,925	387,690
Long-term liabilities					
Loans and borrowings	23	4,457,995	244,069	-	-
Deferred income	25	8,018,375	-	-	-
Deferred tax liabilities	26	4,987,910	3,176,231	-	-
		17,464,280	3,420,300	-	-
Total liabilities		43,652,046	39,405,494	756,925	387,690
TOTAL EQUITY AND LIABILITIES		127,999,685	113,127,997	65,178,388	51,630,229

Statements of Changes in Equity

for the financial year ended 31 march 2013

Group	Note	Share capital RM	Share premium RM	Other reserve RM	Retained profits RM	Total equity RM
		← Attributable to owners of the Company				→
		← Non-distributable		→	Distributable	
At 1 April 2011		33,000,000	13,130,819	(55,094)	17,732,082	63,807,807
Profit for the financial year		-	-	-	1,091,765	1,091,765
Other comprehensive loss		-	-	(35,794)	-	(35,794)
Total comprehensive income for the financial year		-	-	(35,794)	1,091,765	1,055,971
Contributions by owners of the Company						
- Issuance of ordinary shares	21	2,000,000	7,000,000	-	-	9,000,000
- Share issuance expense	21	-	(141,275)	-	-	(141,275)
Total transactions with owners of the Company		2,000,000	6,858,725	-	-	8,858,725
At 31 March 2012		35,000,000	19,989,544	(90,888)	18,823,847	73,722,503
Loss for the financial year		-	-	-	(4,779,768)	(4,779,768)
Other comprehensive loss		-	-	(4,129)	-	(4,129)
Total comprehensive loss for the financial year		-	-	(4,129)	(4,779,768)	(4,783,897)
Contributions by owners of the Company						
- Share-based payment transactions	8	-	-	11,559,033	-	11,559,033
- Share options exercised	8	550,000	4,638,150	(1,338,150)	-	3,850,000
Total transactions with owners of the Company		550,000	4,638,150	10,220,883	-	15,409,033
At 31 March 2013		35,550,000	24,627,694	10,125,866	14,044,079	84,347,639

Statements of Changes in Equity

for the financial year ended 31 march 2013 (continued)

Company	Note	Attributable to owners of the Company				
		Non-distributable			Distributable	
		Share capital RM	Share premium RM	Other reserve RM	Retained profits RM	Total equity RM
At 1 April 2011		33,000,000	13,130,819	-	(1,020,338)	45,110,481
Total comprehensive loss for the financial year		-	-	-	(2,726,667)	(2,726,667)
Contributions by owners of the Company						
- Issuance of ordinary shares	21	2,000,000	7,000,000	-	-	9,000,000
- Share issuance expense	21	-	(141,275)	-	-	(141,275)
Total transactions with owners of the Company		2,000,000	6,858,725	-	-	8,858,725
At 31 March 2012		35,000,000	19,989,544	-	(3,747,005)	51,242,539
Total comprehensive loss for the financial year		-	-	-	(2,230,109)	(2,230,109)
Contributions by owners of the Company						
- Share-based payment transactions	8	-	-	11,559,033	-	11,559,033
- Share options exercised	8	550,000	4,638,150	(1,338,150)	-	3,850,000
Total transactions with owners of the Company		550,000	4,638,150	10,220,883	-	15,409,033
At 31 March 2013		35,550,000	24,627,694	10,220,883	(5,977,114)	64,421,463

Statements of Cash Flows

for the financial year ended 31 march 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash flows from operating activities					
(Loss)/Profit before taxation		(2,968,089)	1,220,133	(2,230,109)	(2,726,667)
Adjustments for:					
Amortisation of broodstocks		802,602	826,094	-	-
Amortisation of development expenditure		19,049	44,697	-	-
Amortisation of government grant		(348,625)	-	-	-
Amortisation of land use rights		58,423	58,423	-	-
Bad debts written off		26,404	-	-	-
Broodstocks written off		245,485	-	-	-
Depreciation of property, plant and equipment		5,734,159	4,744,891	976	976
Equity-settled share-based payment transactions		11,559,033	-	1,611,051	-
(Gain)/Loss on disposal of plant and equipment		(75,051)	227,857	-	-
Interest expenses		1,720,487	1,698,658	-	-
Interest income		(6)	(6)	-	-
Impairment loss on investments in subsidiary companies		-	-	34,730	2,300,000
Property written off		-	107,893	-	-
Unrealised foreign exchange loss		40,488	30,183	-	-
Operating profit/(loss) before working capital changes		16,814,359	8,958,823	(583,352)	(425,691)
Increase in inventories		(4,919,498)	(5,118,046)	-	-
(Increase)/Decrease in receivables		(365,512)	2,088,701	(67,020)	(381)
Increase in amounts due from subsidiary companies		-	-	(3,571,143)	(8,614,842)
Increase in payables		1,979,054	558,481	367,133	67,324
(Decrease)/Increase in amounts due to Directors		(2,192,992)	1,825,874	2,102	1,115
Cash generated from/(used in) operations		11,315,411	8,313,833	(3,852,280)	(8,972,475)
Income tax paid		(29,067)	(3,450)	-	-
Income tax refunded		18,748	105,950	-	105,950
Interest paid		(1,720,487)	(1,698,658)	-	-
Interest received		6	6	-	-
Net cash generated from/(used in) operating activities		9,584,611	6,717,681	(3,852,280)	(8,866,525)
Cash flows from investing activities					
Acquisition of property, plant and equipment	27	(16,217,749)	(17,400,331)	-	-
Addition of broodstocks		(7,791)	(563,563)	-	-
Proceeds from disposal of plant and equipment		199,845	980,063	-	-
Net cash flows used in investing activities		(16,025,695)	(16,983,831)	-	-
		(6,441,084)	(10,266,150)	(3,852,280)	(8,866,525)

Statements of Cash Flows
for the financial year ended 31 march 2013 (continued)

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash flows from financing activities					
Repayment of hire purchase payables		(210,196)	(104,125)	-	-
Drawndown/(Repayment) of revolving credit		2,000,000	(2,000,000)	-	-
Proceeds from exercise of employees share options		3,850,000	-	3,850,000	-
Proceeds from issuance of share capital		-	9,000,000	-	9,000,000
Share issuance expense		-	(141,275)	-	(141,275)
Repayment of term loan		(1,012,190)	(726,756)	-	-
Proceeds from government grant		8,367,000	-	-	-
Net cash flows generated from financing activities		12,994,614	6,027,844	3,850,000	8,858,725
Net increase/(decrease) in cash and cash equivalents		6,553,530	(4,238,306)	(2,280)	(7,800)
Effect of exchange rate fluctuations on cash held		(46,277)	(53,746)	-	-
Cash and cash equivalents at beginning of financial year		(17,321,649)	(13,029,597)	4,349	12,149
Cash and cash equivalents at end of financial year	28	(10,814,396)	(17,321,649)	2,069	4,349

1. Basis of preparation

The significant accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company are prepared on the historical cost convention, other than as disclosed in the notes to the financial statements, and in accordance with the Financial Reporting Standards ("FRSs") issued by Malaysian Accounting Standards Board ("MASB") and the Companies Act, 1965 in Malaysia.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") framework. The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate,* including its parent, significant investor and venturer (herein called "Transitioning Entities"). Transitioning Entities will be allowed to defer adoption of the new MFRS framework for an additional Two (2) years. Consequently, adoption of the MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group and the Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS framework in their first MFRS financial statements for the financial year ended 31 March 2015. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

As at the date of these financial statements, the Group and the Company have not completed their quantification of the financial effects of the differences between FRSs and accounting standards under the MFRS framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 31 March 2013 could be different if prepared under the MFRS Framework. The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS framework in the financial year ended 31 March 2015.

The financial statements are prepared in Ringgit Malaysia (RM) which is the Group's and the Company's functional currency.

(a) Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 April 2012, the Group and the Company adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 April 2012.

FRSs and Amendments to FRSs

- FRS 124 *Related Party Disclosures*
- IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to FRSs:
  - FRS 1 *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
  - FRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
  - FRS 7 *Financial Instruments: Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures*
  - FRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009) – Mandatory Effective Date of FRS 9 and Transition Disclosures*
  - FRS 9 *Financial Instruments (IFRS 9 issued by IASB in October 2010) – Mandatory Effective Date of FRS 9 and Transition Disclosures*
  - FRS 112 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*
- Amendments to IC Interpretations:
  - IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company.

1. Basis of preparation (continued)

(b) Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

FRSs, Amendments to FRSs and Interpretations	Effective date
• FRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009)*	1 January 2015
• FRS 9 *Financial Instruments (IFRS 9 issued by IASB in October 2010)*	1 January 2015
• FRS 10 *Consolidated Financial Statements*	1 January 2013
• FRS 11 *Joint Arrangements*	1 January 2013
• FRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
• FRS 13 *Fair Value Measurement*	1 January 2013
• FRS 119 (2011) *Employee Benefits*	1 January 2013
• FRS 127 (2011) *Separate Financial Statements*	1 January 2013
• FRS 128 (2011) *Investment in Associates and Joint Ventures*	1 January 2013
• IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
• Amendments to FRSs :	
- FRS 1 *First-time Adoption of Financial Reporting Standards – Government Loans*	1 January 2013
- FRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
- FRS 10 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
- FRS 10 *Consolidated Financial Statements – Investment Entities*	1 January 2014
- FRS 11 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
- FRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
- FRS 12 *Disclosure of Interests in Other Entities – Investment Entities*	1 January 2014
- FRS 101 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*	1 July 2012
- FRS 127 (2011) *Separate Financial Statements – Investment Entities*	1 January 2014
- FRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*	1 January 2014
• Improvements to FRSs issued in 2012 :	
- FRS 1 *First-time Adoption of Financial Reporting Standards*	1 January 2013
- FRS 101 *Presentation of Financial Statements*	1 January 2013
- FRS 116 *Property, Plant and Equipment*	1 January 2013
- FRS 132 *Financial Instruments: Presentation*	1 January 2013
- FRS 134 *Interim Financial Reporting*	1 January 2013
- IC Interpretation 2 *Members' Shares in Co-operative Entities & Similar Instruments*	1 January 2013

The adoption of the above FRSs and interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group and of the Company except for changes arising from the adoption of FRS 11, FRS 128, IC Interpretation 20, Amendments to FRS 1 and FRS 11 which are not relevant to the Group's and the Company's operation.

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

The Group and the Company plan to apply the above-mentioned standards and interpretations:

- from the annual period beginning on 1 April 2013 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 April 2013.

- from the annual period beginning on 1 April 2014 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 April 2014.

- from the annual period beginning on 1 April 2015 for those standards, amendments and interpretations that will be effective for annual periods beginning on or after 1 April 2015.

(c) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. The management estimates the useful lives of the property, plant and machinery to be within 5 to 15 years. These are common life expectancies applied in the aquaculture industry.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the Statements of Comprehensive Income in the period in which actual realisation and settlement occurs.

1. Basis of preparation (continued)

(c) Critical accounting estimates and judgements (continued)

(iv) Amortisation of broodstocks

The cost of broodstocks is amortised on a straight-line basis over their estimated economic useful lives of the respective species of fish. Management estimates the expected economic egg production lives to be within 8 to 10 years. Changes to these estimated economic egg production lives could impact the future amortisation charges.

(v) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(vi) Impairment of trade and non-trade receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) Biological assets (current)

Fish and fish fry livestocks are recorded at the lower of cost and net realisable value. Cost includes the cost of eggs, direct labour, feed and applicable overheads. Net realisable value of livestocks is dependent upon many variables which are estimated at year end. These estimates include, among other items, quantities on hand, future mortalities which may arise from disease, predators and other causes, estimated future costs to harvest, expected growth of the fish and fluctuating sales market prices. Management expects to achieve a gross profit on the ultimate sale of the existing livestocks. However, the uncertainties inherent in the estimates could have a material effect on the carrying value of livestocks and ultimately on future net income.

(viii) Fair value estimates for certain financial assets and liabilities

The Group and the Company carry certain financial assets and liabilities at fair value, which require extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group and the Company use different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

2. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the acquisition to the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss after the reassessment of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of acquisition.

(b) Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising in the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Foreign operations

The functional currency of the Company and the presentation currency of the consolidated financial statements is Ringgit Malaysia (RM). The assets and liabilities of Group's foreign operation are translated to Ringgit Malaysia (RM) using exchange rates at period end. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rate on transaction date is used. Goodwill acquired in business combinations of a foreign operation is treated as assets and liabilities of that operation and translated at the closing rate.

Exchange differences are recognised in other comprehensive income and accumulated in a separate category of equity.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2005 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation, the accumulated exchange differences of that operation, which is attributable to the Group are recognised in profit or loss.

2. Significant accounting policies (continued)

(b) Foreign currencies (continued)

The closing rates used in the translation for foreign currency monetary assets and liabilities are as follows:

	2013 RM	2012 RM
1 Renminbi	0.4970	0.4870
1 Hong Kong Dollar	0.3978	0.3951
1 United States Dollar	3.0885	3.0680

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably.

Revenue from sale of adult fish and fish fry is recognised upon delivery of goods to customers, net of returns and discounts.

(d) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (EPF).

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), and the risk-free interest rate (base on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

2. Significant accounting policies (continued)

(e) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary diferrences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is decrecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Leasehold land with lease period of equal or less than Fifty (50) years is classified as short leasehold land whereas leasehold land with lease period of more than Fifty (50) years is classified as long leasehold land. Leasehold land is amortised over the period of the lease term.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives.

The principal annual rates of depreciation used are as follows:

	Years
Buildings	10
Floating platforms, net and cages	10
Hatchery ponds	10
Heavy equipment	5
Vessels	15
Motor vehicles	5
Fish pond equipment, furniture, fittings and equipment	10

2. Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the term of property, plant and equipment.

Construction work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(g) Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amotised over their lease terms.

(h) Intangible asset

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Research and development costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditure on an individual project are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development. Deferred development costs have a finite useful life and are amortised over Five (5) years on straight line basis.

(i) Subsidiaries

Subsidiaries are entities over which the Company has the ability to control the financial and operating policies so as to obtain benefits for their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity. Investments in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(j) Biological assets

Broodstocks are stated at cost less accumulated amortisation and impairment losses, if any.

All costs incurred on immature broodstocks which are accumulated on a project basis are capitalised until such time when the broodstocks commence breeding. Costs incurred on immature broodstocks consist of the acquisition cost of the mother fish, cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads.

2. Significant accounting policies (continued)

(j) Biological assets (continued)

Maintenance costs of broodstocks after commencement of breeding are recognised in profit or loss.

The costs of broodstocks are amortised over the expected reproductive lifespan of the respective fish, which varies between 8 to 10 years, depending on the species.

Upon disposal of the broodstocks, the difference between the net disposal proceeds and the net carrying amount is recognised in the Statements of Comprehensive Income.

(k) Financial assets

Financial assets are recognised in the Statements of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than Twelve (12) months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Significant accounting policies (continued)

(k) Financial assets (continued)

(ii) Loans and receivables (continued)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(l) Inventories

(i) Fishery livestocks

Fishery livestocks are measured at the lower of cost and net realisable value.

The cost of fishery livestocks and fish fry-in-progress are measured based on monthly weighted average cost formula, and includes the cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads accumulated on a project basis.

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

(ii) Consumable stores

Consumable stores are measured at the lower of cost and net realisable value.

The cost of consumable stores is measured based on weighted average cost formula, and includes expenses incurred in bringing the items into stores. Provision is made for all damaged, obsolete and slow-moving items.

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

(m) Cash and cash equivalents

Cash comprises cash in hand and at banks. Cash equivalents are highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(n) Impairment

(i) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset of the Group and the Company that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments. The probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- **Trade and non-trade receivables and other financial assets carried at amortised cost**

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. Significant accounting policies (continued)

(n) Impairment (continued)

(i) Impairment of financial assets (continued)

- **Trade and non-trade receivables and other financial assets carried at amortised cost (continued)**

  For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based in similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

  If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

  If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

- **Unquoted equity securities carried at cost**

  If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. Significant accounting policies (continued)

(n) Impairment (continued)

(ii) Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless that asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

(p) Borrowings costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(q) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance leases – the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the Statements of Financial Position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

2. Significant accounting policies (continued)

(q) Leases (continued)

(ii) Finance leases – the Group as lessee (continued)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) Operating leases – the Group as lessee

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note (f).

(r) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the Statements of Financial Position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The subsequent measurement of financial liabilities depend on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, non-trade payables and loans and borrowings.

Trade and non-trade payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least Twelve (12) months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Significant accounting policies (continued)

(r) Financial liabilities (continued)

(ii) Other financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net transaction costs. Subsequent to initial recognition, financial guarantee contracts are reognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(t) Government grant

Government grant is recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and is then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grant that compensate the Group for expenses incurred is recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(u) Provisions

Provisions are recognised when the Group and the Company have present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed. Where the effect of the time value of money is material, provisions are discounted using a current per-tax rate that reflects, where appropriate, the risks specific to the liability and the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(v) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the Statements of Financial Position of the Group.

3. Revenue

Sale of:	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
- Adult fish	14,081,329	10,376,668	-	-
- Fish fry	16,547,653	21,182,501	-	-
	30,628,982	31,559,169	-	-

4. Interest income

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Interest income	6	6	-	

5. Other operating income

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Amortisation of government grant	348,625	-	-	-
Foreign exchange gain				
- Realised	106,887	92,938	-	-
Gain on disposal of plant and equipment	75,051	-	-	-
Hiring income	115,000	-	-	-
Miscellaneous income	30,141	48,017	30	-
	675,704	140,955	30	-

6. Finance costs

Interest expenses:	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
- Bank overdrafts	1,251,792	1,220,062	-	-
- Hire purchase	25,254	22,274	-	-
- Revolving credit	23,992	-	-	-
- Term loan	419,449	456,322	-	-
	1,720,487	1,698,658	-	-

7. (Loss)/Profit before taxation

(Loss)/Profit before taxation is arrived at after charging:	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Amortisation of broodstocks	802,602	826,094	-	-
Amortisation of development expenditure	19,049	44,697	-	-
Amortisation of land use rights	58,423	58,423	-	-
Auditors' remuneration				
- Statutory audit	91,872	87,777	44,000	42,000
Bad debts written off	26,404	-	-	-
Broodstocks written off	245,485	-	-	-
Depreciation of property, plant and equipment (Note 12)	5,734,159	4,744,891	976	976
Employees benefits expense (Note 8)	14,414,938	6,014,887	-	-
Foreign exchange loss				
- Unrealised	40,488	30,183	-	-
Impairment loss on investments in subsidiary companies	-	-	34,730	2,300,000
Loss on disposal of property, plant and equipment	-	227,857	-	-
Non-executive Directors' remuneration (Note 9)	1,892,051	280,500	1,892,051	280,500
Property written off	-	107,893	-	-
Rental expenses				
- Distribution centre	170,170	9,284	-	-
- Fish stall	16,798	92,476	-	-
- Land	3,850	3,476	-	-
- Quarter	139,283	73,821	-	-

8. Employee benefits expense

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Salaries and wages	3,579,709	5,412,501	-	-
Contributions to defined contribution plan	198,227	264,721	-	-
Social security contributions	14,257	25,319	-	-
Commissions paid	674,763	466,206	-	-
Services received as an expense	9,947,982	-	-	-
	14,414,938	6,168,747	-	-
Capitalised under biological assets	-	(153,860)	-	-
	14,414,938	6,014,887	-	-

Included in employee benefits expense of the Group are executive Directors' remuneration amounting to RM4,196,515 (2012: RM815,716).

8. Employee benefits expense (continued)

Share-based payment arrangements

Share option programme (equity-settled)

On 15 January 2013, the Group granted share options to eligible Directors and employees of the Group to acquire shares in the Company under the Employees Share Options Scheme approved by the shareholders of the Company on 3 January 2013. In accordance with this programme, holders of vested options are entitled to acquire shares at the market price of the shares at the date of grant. All options are to be settled by physical delivery of shares.

The terms and conditions related to grants of the share option programme are as follows:

Grant date/employees entitled	Number of options	Vesting conditions	Contractual life of options
Options granted to Directors and employees on 15 January 2013	105,000,000	Vested on the grant date	5 years

The number and exercise price of share options are as follows:

	Exercise price 2013 RM	Number of options 2013	Exercise price 2012 RM	Number of options 2012
Outstanding at 1 April	-	-	-	-
Granted during the financial year	0.70	105,000,000	-	-
Exercised during the financial year	0.70	(5,500,000)	-	-
Outstanding at 31 March	0.70	99,500,000	-	-
Exercisable at 31 March		15,500,000	-	-

The options outstanding at 31 March 2013 have an exercise price of RM0.70 (2012: no options granted) and a contractual life of 5 years (2012: no options granted).

During the financial year, 5,500,000 share options were exercised. The average share price at the date of exercise for the financial year was RM0.81 (2012: no options exercised).

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes model, with the following inputs:

	2012	2012
Fair value of share options and assumptions		
Fair value at grant date	RM0.24	-
Share price at grant date	RM0.80	-
Exercise price of options	RM0.70	-
Expected volatility	18.02%	-
Options life	5 years	-
Risk-free interest rate (based on Malaysian government bonds)	3.31%	-

8. Employee benefits expense (continued)

Share-based payment arrangements (continued)

Share option programme (equity-settled) (continued)

Value of employee services received for issue of share options	**Group**		**Company**	
Share options granted in 2013	11,559,033	-	1,611,051	-

An amount of RM9,947,982 (2012: no options granted) has been re-charged to the subsidiaries benefiting from the services of the employees.

9. Directors' remuneration

The details of remuneration receivable by Directors of the Group and of the Company during the financial year are as follows:

	Group		**Company**	
	2013	**2012**	**2013**	**2012**
Executive Directors' remuneration (Note 8)	**RM**	**RM**	**RM**	**RM**
- Salaries	532,000	612,000	-	-
- Other emoluments	53,589	61,920	-	-
- Breeding commissions	150,397	141,796	-	-
- Services received as an expense	3,460,529	-	-	-
	4,196,515	815,716	-	-
Capitalised under biological assets	-	(60,216)	-	-
	4,196,515	755,500	-	-
Non-executive Directors' remuneration (Note 7):				
- Fees	270,000	268,500	270,000	268,500
- Other emoluments	11,000	12,000	11,000	12,000
- Services received as an expense	1,611,051	-	1,611,051	-
	1,892,051	280,500	1,892,051	280,500
Total Directors' remuneration	6,088,566	1,096,216	1,892,051	280,500

10. Income tax expense

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current taxation	-	-	-	-
Deferred tax liabilities (Note 26)	1,811,679	128,368	-	-
	1,811,679	128,368	-	-

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
(Loss)/Profit before taxation	(2,968,089)	1,220,133	(2,230,109)	(2,726,667)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	(738,173)	305,033	(557,527)	(681,667)
Effect of tax rate in foreign jurisdiction at 16.5% (2012: 16.5%)	(2,522)	123,048	-	-
Non-tax deductible expenses	3,430,423	132,273	557,527	681,667
Non-taxable income	(87,156)	-	-	-
Effect of deductible temporary differences arising from initial recognition of assets but not recognised as deferred tax assets	-	313,515	-	-
Effect of tax exemption on profits	(750,213)	(745,501)	-	-
Tax benefits arising from - previously unrecognised temporary differences	(40,680)	-	-	-
	1,811,679	128,368	-	-

Two (2) subsidiary companies, namely, Plentiful Harvest Sdn. Bhd. and Marine Terrace Sdn. Bhd. have been granted tax incentive under Section 127 of the Income Tax Act, 1967 whereby they are exempted from tax on statutory income from fish breeding, fish fry hatchery and fish rearing activities for a period of Ten (10) years commencing 1 April 2004.

11. (Loss)/Earnings per share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2013 **RM**	**2012** **RM**
(Loss)/Profit net of tax attributable to owners of the Company	(4,779,768)	1,091,765
Weighted average number of ordinary shares in issue	340,521,918	339,234,973
	2013 **Sen**	**2012** **Sen**
Basic (loss)/earnings per share	(1.40)	0.32

(b) Diluted

Diluted earnings per share amounts are calculated by dividing (loss)/profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after adjustment for the effects of all dilutive potential ordinary shares.

	Group	
	2013 **RM**	**2012** **RM**
(Loss)/Profit net of tax attributable to owners of the Company	(4,779,768)	1,091,765
Weighted average number of ordinary shares in issue (basic)	340,521,918	339,234,973
Effect of share options on issue	3,891,879	-
Weighted average number of ordinary shares in issue (diluted)	344,413,797	339,234,973
	2013 **Sen**	**2012** **Sen**
Diluted (loss)/earnings per share	(1.39)	0.32

12. Property, plant and equipment

Group 2013 Cost	Long term leasehold land RM	Buildings RM	Floating platforms, net and cages RM	Hatchery ponds RM	Heavy equipment RM	Vessels RM	Motor vehicles RM	Fish pond equipment, furniture, fittings and equipment RM	Construction work-in-progress RM	Total RM
At 1 April 2012	308,554	10,274,509	16,452,689	9,300,798	343,000	5,111,856	678,719	7,440,836	21,092,483	71,003,444
Addition	-	191,442	9,441	-	-	8,244,585	-	116,367	7,655,914	16,217,749
Disposal	-	-	(239,064)	-	-	-	(226,596)	-	-	(465,660)
Reclassification	-	22,491,505	137,218	-	-	-	-	50,480	(22,679,203)	-
At 31 March 2013	308,554	32,957,456	16,360,284	9,300,798	343,000	13,356,441	452,123	7,607,683	6,069,194	86,755,533
Accumulated depreciation										
At 1 April 2012	12,825	4,099,229	6,831,996	4,326,616	275,999	1,135,490	611,141	3,300,067	-	20,593,363
Charge for the financial year	2,565	1,905,336	1,620,448	930,080	33,999	478,200	39,187	724,344	-	5,734,159
Written back	-	-	(141,937)	-	-	-	(198,929)	-	-	(340,866)
At 31 March 2013	15,390	6,004,565	8,310,507	5,256,696	309,998	1,613,690	451,399	4,024,411	-	25,986,656
Net book value										
At 31 March 2013	293,164	26,952,891	8,049,777	4,044,102	33,002	11,742,751	724	3,583,272	6,069,194	60,768,877

12. Property, plant and equipment (continued)

Group 2012 Cost	Long term leasehold land RM	Buildings RM	Floating platforms, net and cages RM	Hatchery ponds RM	Heavy equipment RM	Vessels RM	Motor vehicles RM	Fish pond equipment, furniture, fittings and equipment RM	Construction work-in-progress RM	Total RM
At 1 April 2012	308,554	10,279,191	16,308,492	9,300,798	343,000	6,869,572	677,716	6,768,269	4,191,686	55,047,278
Addition	-	12,202	151,947	-	-	-	1,003	714,122	16,994,057	17,873,331
Disposal	-	-	(7,750)	-	-	(1,724,821)	-	(40,934)	-	(1,773,505)
Written off	-	(16,884)	-	-	-	-	-	-	(93,260)	(110,144)
Exchange differences	-	-	-	-	-	(32,895)	-	(621)	-	(33,516)
At 31 March 2012	308,554	10,274,509	16,452,689	9,300,798	343,000	5,111,856	678,719	7,440,836	21,092,483	71,003,444
Accumulated depreciation										
At 1 April 2011	10,260	3,074,576	5,195,078	3,396,536	229,998	1,337,770	532,365	2,593,990	-	16,370,573
Charge for the financial year	2,565	1,026,904	1,637,499	930,080	46,001	395,237	78,776	719,638	-	4,836,700
Written back	-	-	(581)	-	-	(588,108)	-	(13,323)	-	(602,012)
Written off	-	(2,251)	-	-	-	-	-	-	-	(2,251)
Exchange differences	-	-	-	-	-	(9,409)	-	(238)	-	(9,647)
At 31 March 2012	12,825	4,099,229	6,831,996	4,326,616	275,999	1,135,490	611,141	3,300,067	-	20,593,363
Net book value										
At 31 March 2012	295,729	6,175,280	9,620,693	4,974,182	67,001	3,976,366	67,578	4,140,769	21,092,483	50,410,081

12. Property, plant and equipment (continued)

Company	**Furniture, fittimgs and equipment**
Cost	**RM**
At 1 April 2011/31 March 2012 and 31 March 2013	9,760
Accumulated depreciation	
At 1 April 2011	2,935
Change for the financial year	976
31 March 2012	3,911
Change for the financial year	976
At 31 March 2013	4,887
Net book value	
31 March 2013	4,873
31 March 2012	5,849

Depreciation of property, plant and equipment during the financial year was taken up in the financial statements as follows:

	Group		**Company**	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Recognised in profit or loss (Note 7)	5,734,159	4,744,891	976	976
Capitalised in biological assets (Note 16)	-	91,809	-	-
	5,734,159	4,836,700	976	976

Plant and equipment of the Group acquired under hire purchase arrangements are as follows:

Group			**Net book**
2013	**At cost RM**	**Accumulated depreciation RM**	**value RM**
Fish pond equipment	640,460	(125,299)	515,161
2012			
Heavy equipment	110,000	(55,000)	55,000
Fish pond equipment	640,460	(61,253)	579,207
	750,460	(116,253)	634,207

12. Property, plant and equipment (continued)

Included in property, plant and equipment of the Group are the following costs of fully depreciated assets which are still in use:

	Group 2013 RM	Group 2012 RM
Buildings	64,560	37,075
Floating platforms, net and cages	375,942	-
Heavy equipment	233,000	-
Motor vehicles	451,121	403,956
Fish pond equipment, furniture, fittings and equipment	544,652	39,960
	1,669,275	480,991

Property, plant and equipment of the Group pledged to secure the loans and borrowings granted to the Group as disclosed in Note 23 to the financial statements are as follows:

	Group 2013 RM	Group 2012 RM
Long term leasehold land	293,164	295,729
Buildings	26,949,257	6,167,796
Floating platforms, net and cages	7,261,057	8,555,649
Hatchery ponds	4,044,102	4,974,182
Heavy equipment	33,002	67,001
Motor vehicles	724	67,578
Fish pond equipment, furniture, fittings and equipment	3,424,695	4,015,803
Construction work-in-progress	6,069,194	21,092,483
	48,075,195	45,236,221

Tugboat of the Group at cost of RM42,000 (2012: RM42,000) was registered under the name of a third party.

The floating platforms, staff quarters and fish rearing cages are constructed on the sea front of Pulau Bai and Pulau Palak in Sandakan, and Pulau Silam and Pulau Saga in Lahad Datu. The Group has obtained permission from the relevant authorities to undertake fish rearing activities on the sea front of Pulau Palak. However, written approval from the relevant authorities for undertaking of fish breeding, fish fry hatchery and fish rearing activities on the sea front of Pulau Saga and Pulau Silam is in the final stages of being obtained. The Directors are confident that the said approval will be obtained in due course.

The carrying amount of temporarily idle plant and equipment of the Group amounted to RM14,052,624 (2012: RM5,836,918).

13. Land use rights

	Group	
Cost	**2013 RM**	**2012 RM**
At 1 April/31 March	2,370,738	2,370,738
Accumulated amortisation		
At 1 April	280,001	221,578
Charge for the financial year	58,423	58,423
At 31 March	338,424	280,001
Net book value		
At 31 March	2,032,314	2,090,737

The land use rights of the Group are pledged to secure the loans and borrowings granted to the Group as disclosed in Note 23 to the financial statements

	Group	
Amount to be amortised**:**	**2013 RM**	**2012 RM**
- Within one year	58,423	58,423
- Between one to five years	233,692	233,692
- More than five years	1,740,199	1,798,622
	2,032,314	2,090,737

14. Intangible asset

	Group	
Development expenditure	**2013 RM**	**2012 RM**
Cost		
At 1 April/31 March	813,554	813,554
Accumulated amortisation		
At 1 April	792,755	748,058
Charge for the financial year	19,049	44,697
At 31 March	811,804	792,755
Net book value		
At 31 March	1,750	20,799

This represents expenditure incurred on development of techniques for improvement of operational efficiencies of fish fry hatchery and fish rearing activities.

14. Intangible asset (continued)

Included in intangible asset of the Group are the following costs of fully amortised asset which are still in use:

	Group 2013 RM	Group 2012 RM
Development expenditure	761,054	590,067

15. Investments in subsidiary companies

	Company 2013 RM	Company 2012 RM
Unquoted shares, at cost	53,553,186	43,605,204
Less: Impairment loss	(2,334,730)	(2,300,000)
	51,218,456	41,305,204

Details of the subsidiaries are as follows:

Name of subsidiary companies	Country of incorporation	Proportion of ownership interest 2013 %	Proportion of ownership interest 2012 %	Principal activities
Held by the Company				
Plentiful Harvest Sdn. Bhd.	Malaysia	100	100	Fish breeding, operation of a fish hatchery and fish rearing
Marine Terrace Sdn. Bhd.	Malaysia	100	100	Fish rearing
Held through a subsidiary				
Salient Horizon Sdn. Bhd.	Malaysia	100	100	Live fish transportation services
Well Sky Logistics Limited*^	Hong Kong	100	100	Dormant

* Audited by firm of auditors other than PKF.

^ The auditors' report of this subsidiary company for the financial year ended 31 March 2013 issued a modified opinion with emphasis of matter in view of the going concern consideration.

16. Biological assets

Group 2013	Broodstocks RM	Fishery livestocks and fish fry RM	Total RM
At 1 April 2012	4,865,492	32,294,315	37,159,807
Addition	7,791	12,804,940	12,812,731
Amortisation charge for the financial year	(802,602)	-	(802,602)
Sold	-	(7,699,177)	(7,699,177)
Written off	(245,485)	-	(245,485)
At 31 March 2013	3,825,196	37,400,078	41,225,274
Non-current	3,825,196	-	3,825,196
Current	-	37,400,078	37,400,078
	3,825,196	37,400,078	41,225,274
At cost	3,825,196	37,018,173	40,843,369
At net realisable value	-	381,905	381,905
	3,825,196	37,400,078	41,225,274

Group 2012	Broodstocks RM	Fishery livestocks and fish fry RM	Total RM
At 1 April 2011	5,036,214	26,676,938	31,713,152
Addition	655,372	20,050,446	20,705,818
Amortisation charge for the financial year	(826,094)	-	(826,094)
Sold	-	(14,433,069)	(14,433,069)
At 31 March 2012	4,865,492	32,294,315	37,159,807
Non-current	4,865,492	-	4,865,492
Current	-	32,294,315	32,294,315
	4,865,492	32,294,315	37,159,807
At cost	4,865,492	30,305,450	35,170,942
At net realisable value	-	1,988,865	1,988,865
	4,865,492	32,294,315	37,159,807

Maintenance expenditure of immature broodstocks capitalised during the financial year included depreciation charge of RMNil (2012: RM91,809).

Included in biological assets was fishery livestocks in transit amounted to RM345,092 (2012: RMNil).

16. Biological assets (continued)

The Group is exposed to a number of risks related to its broodstocks, fishery livestocks and fish fry:

(a) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of fishery livestocks and fish fry. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to manage the breeding program.

(b) Climate and other risks

The Group's broodstocks, fishery livestocks and fish fry are exposed to the risk of damage and fatalities from climate changes, disease and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections and industry disease surveys.

17. Trade and non-trade receivables

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-current				
Advances to contractors	-	4,033,046	-	-
Deposit paid and incidental cost in acquiring of a vessel	-	2,707,794	-	-
	-	6,740,840	-	-
Current				
Trade receivables				
Third parties	20,529,635	14,012,987	-	-
Non-trade receivables				
Deposits	75,331	48,766	500	500
Prepayments	391,107	347,450	121,521	54,501
Other receivables	1,099,858	954,175	-	-
Advances to contractors	840,708	380,043	-	-
	2,407,004	1,730,434	122,021	55,001
	22,936,639	15,743,421	122,021	55,001
Total trade and non-trade receivables	22,936,639	22,484,261	122,021	55,001

Trade receivables are non-interest bearing and the normal credit terms granted by the Group are 30 to 180 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

As at reporting date, the Group has significant concentration of credit risk in the form of outstanding balance due from 1 (2012: 1) overseas customer representing 90% (2012: 57%) of total trade receivables.

17. Trade and non-trade receivables (continued)

The ageing analysis of the Group's trade receivables as at the reporting date is as follows:

	Group 2013 RM	Group 2012 RM
Neither past due nor impaired	15,034,070	10,594,117
Past due but not impaired:		
Less than 30 days	2,722,961	1,029,182
Between 31 to 60 days	770,665	1,741,434
Between 61 to 90 days	-	648,254
More than 90 days	2,001,939	-
	5,495,565	3,418,870
	20,529,635	14,012,987

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to RM5,495,565 (2012: RM3,418,870) that are past due but not impaired at the reporting date. These balances are unsecured in nature.

The Directors have reviewed the recoverability of the receivables and are of the opinion that no provision is required in respect of these debts.

18. Inventories

Cost	Group 2013 RM	Group 2012 RM
Fuel and oil	140,478	247,373
Feeds	298,284	346,255
Chemicals	20,401	51,800
	459,163	645,428

The amount of inventories recognised as an expense in cost of sales of the Group was RM6,572,982 (2012: RM9,230,402).

19. Amounts due from subsidiary companies

Amounts due from subsidiary companies are unsecured, interest free and repayable on demand.

20. Cash and bank balances

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash in hand	185,094	269,081	31	2
Cash at banks	361,862	29,410	2,038	4,347
	546,956	298,491	2,069	4,349

Cash at banks earn interest at floating rates based on daily bank deposit rates.

21. Share capital and share premium

Authorised:	Group/Company 2013 RM	Group/Company 2012 RM
500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000

Issued and fully paid: 355,500,000 ordinary shares of RM0.10 each	Group/Company Share capital RM	Group/Company Share premium RM	Total share capital and share premium RM
At 1 April 2011	33,000,000	13,130,819	46,130,819
Issued under private placement	2,000,000	7,000,000	9,000,000
Share issuance expense	-	(141,275)	(141,275)
At 31 March 2012	35,000,000	19,989,544	54,989,544
Issued under ESOS	550,000	4,638,150	5,188,150
At 31 March 2013	35,550,000	24,627,694	60,177,694

During the financial year, the Company issued 5,500,000 new ordinary shares of RM0.10 each through an employees' share options scheme at an issue price of RM0.70 per share for cash, for additional working capital purposes. The share premium arising of RM4,638,150 from the issuance of ordinary shares under the employees' share options scheme has been included in the share premium account. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company except that the new ordinary shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, the entitlement date of which precedes the date of issuance of such new ordinary shares.

The holders of all other ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share without restrictions at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. Other reserve

Group	Foreign currency translation reserve RM	Share options reserve RM	Total RM
At 1 April 2012	(90,888)	-	(90,888)
Share-based payment transactions	-	11,559,033	11,559,033
Share options exercised	-	(1,338,150)	(1,338,150)
Exchange differences on translation of foreign operation	(4,129)	-	(4,129)
At 31 March 2013	(95,017)	10,220,883	10,125,866

22. Other reserve (continued)

Group	Foreign currency translation reserve RM	Share options reserve RM	Total RM
At 1 April 2011	(55,094)	-	(55,094)
Exchange differences on translation of foreign operation	(35,794)	-	(35,794)
At 31 March 2012	(90,888)	-	(90,888)

Company	Share options reserve RM
At 1 April 2011/2012	-
Share-based payment transactions	11,559,033
Share options exercised	(1,338,150)
At 31 March 2013	10,220,883

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

Share options reserve

The share options reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained profits. Share options are disclosed in Note 8 to the financial statements.

23. Loans and borrowings

	Group	
Current	**2013 RM**	**2012 RM**
Secured:		
Bank overdrafts	11,361,352	17,620,140
Hire purchase payables	164,732	210,196
Revolving credit	2,000,000	-
Term loan	882,396	6,273,244
	14,408,480	24,103,580
Non-current		
Secured:		
Hire purchase payables	79,337	244,069
Term loan	4,378,658	-
	4,457,995	244,069

23. Loans and borrowings (continued)

Total loans and borrowings	**Group 2013 RM**	**Group 2012 RM**
Secured:		
Bank overdrafts	11,361,352	17,620,140
Hire purchase payables	244,069	454,265
Revolving credit	2,000,000	-
Term loan	5,261,054	6,273,244
	18,866,475	24,347,649

Maturity structure of loans and borrowings	**2013 RM**	**2012 RM**
Within one year	14,408,480	24,103,580
Between one to two years	1,036,459	164,731
Between two to five years	3,319,721	79,338
More than five years	101,815	-
	18,866,475	24,347,649

The interest rate structures are as follows:

	Nominal interest rate		**Effective interest rate**	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Bank overdrafts	BLR+1.50%	BLR+1.50%	8.10%	8.10%
	BLR+1.75%	BLR+1.75%	8.35%	8.35%
Hire purchase payables	4.03%	4.01%	7.57%	7.54%
Revolving credit	COF+2.50%	-	6.11%	-
Term loan	COF+2.50%	COF+2.50%	6.00%	6.00%

The loans and borrowings are secured by the followings:

Bank overdrafts

(i) legal charges over all the fixed and floating, present and future assets of a subsidiary company;
(ii) debenture incorporating all the fixed and floating, present and future assets of a subsidiary company;
(iii) corporate guarantee on RM11,650,000 by the Company;
(iv) 80% guarantee on RM1,000,000 by the Government of Malaysia; and
(v) joint and several guarantees by certain Directors of the Company.

Hire purchase payables

(i) plant and equipment acquired under hire purchase arrangements as disclosed in Note 12 to the financial statements.

Revolving credit

(i) second legal charge over all the fixed and floating, present and future assets of a subsidiary company;
(ii) debenture incorporating all the fixed and floating, present and future assets of a subsidiary company;
(iii) corporate guarantee on RM2,000,000 by the Company; and
(iv) joint and several guarantees by certain Directors of the Company.

Term loan

(i) second legal charge over all the fixed and floating, present and future assets of a subsidiary company;
(ii) debnture incorporating all the fixed and floating, present and future assets of a subsidiary company;
(iii) corporate guarantee on RM7,000,000 by the Company; and
(iv) joint and several guarantees by certain Directors of the Company.

24. Trade and non-trade payables

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Trade payables				
Third parties	7,622,336	5,447,551	-	-
Non-trade payables				
Accruals	1,244,495	1,186,545	461,827	213,498
Other payables	2,202,248	1,572,979	291,881	173,077
Retention amount	-	771,340	-	-
Amounts due to Directors	710,207	2,903,199	3,217	1,115
	4,156,950	6,434,063	756,925	387,690
Total trade and non-trade payables	11,779,286	11,881,614	756,925	387,690

Trade and non-trade payables are non-interest bearing and the normal credit terms granted to the Group are Two (2) months and Six (6) months respectively.

Included in other payables of the Group is an amount of RM2,254 (2012: RMNil) due to a person connected with certain Directors of the Company, and amounts of RM320,724 (2012: RM131,878) and RM11,044 (2012: RMNil) due to a key management personnel of the Group and the Company respectively.

Amount due to a related party is unsecured, interest free and repayable on demand.

Amounts due to Directors are unsecured, interest free and repayable on demand.

25. Deferred income

	Group 2013 RM	Group 2012 RM
Government grant	8,367,000	-
Less: Accumulated amortisation	(348,625)	-
	8,018,375	-

On 5 September 2012, a subsidiary of the Company, namely, Plentiful Harvest Sdn. Bhd. entered into an agreement with Ministry of Agriculture & Agro-based Industry Malaysia to receive a government grant of RM24,846,000 which is conditional upon its construction of hatchery and nursery centres. The grant is being amortised over the useful life of the buildings. During the financial year, RM348,625 (2012: RMNil) has been amortised and recognised as other operating income in profit or loss.

26. Deferred tax liabilities

	Group 2013 RM	Group 2012 RM
At 1 April	3,176,231	3,047,863
Recognised in profit or loss	1,811,679	128,368
At 31 March	4,987,910	3,176,231
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	7,032,550	4,581,873
Deferred tax assets	(2,044,640)	(1,405,642)
	4,987,910	3,176,231

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group Deferred tax liabilities:	Broodstocks RM	Property, plant and equipment RM	Total RM
At 1 April 2012	702,683	3,879,190	4,581,873
Recognised in profit or loss	(206,695)	2,657,372	2,450,677
At 31 March 2013	495,988	6,536,562	7,032,550
At 1 April 2011	371,545	3,947,045	4,318,590
Recognised in profit or loss	331,138	(67,855)	263,283
At 31 March 2012	702,683	3,879,190	4,581,873

Group Deferred tax assets:	Unabsorbed capital and agriculture allowances RM	Unutilised tax losses RM	Total RM
At 1 April 2012	(1,272,672)	(132,970)	(1,405,642)
Recognised in profit or loss	(654,890)	15,892	(638,998)
At 31 March 2013	(1,927,562)	(117,078)	(2,044,640)
At 1 April 2011	(1,125,752)	(144,975)	(1,270,727)
Recognised in profit or loss	(146,920)	12,005	(134,915)
At 31 March 2012	(1,272,672)	(132,970)	(1,405,642)

The unabsorbed capital and agriculture allowances and unutilised tax losses of the Group amounting to RM1,942,642 (2012: RM2,192,334) and RM3,660,311 (2012: RM3,654,726) respectively are available for offsetting against future taxable profits of the respective subsidiaries for which no deferred asset is recognised due to uncertainty of its recoverability, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

27. Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM16,217,749 (2012: RM17,873,331) of which RMNil (2012: RM473,000) were financed by hire purchase arrangements.

28. Cash and cash equivalents

Cash and cash equivalents included in the Statements of Cash Flows comprise the followings:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash in hand	185,094	269,081	31	2
Cash at banks	361,862	29,410	2,038	4,347
Bank overdrafts	(11,361,352)	(17,620,140)	-	-
	(10,814,396)	(17,321,649)	2,069	4,349

29. Significant related party transactions

(a) The aggregate value of transactions and outstanding balances of the related parties of the Company were as follows:

Name of related party	Type of transaction	Transaction value 2013 RM	Transaction value 2012 RM	Balance outstanding as at 31 March 2013 RM	Balance outstanding as at 31 March 2012 RM
With subsidiary companies:					
Plentiful Harvest Sdn. Bhd.	-	-	-	13,079,141	9,709,234
Marine Terrace Sdn. Bhd.	-	-	-	751,828	550,592

The Directors are of the opinion that the terms and conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

(b) The remuneration of Directors and other members of key management during the financial year was as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term employee benefits	802,000	880,500	270,000	268,500
Other emoluments	64,589	73,920	11,000	12,000
Breeding commissions	150,397	141,796	-	-
Services received as an expense	5,071,580	-	1,611,051	-
	6,088,566	1,096,216	1,892,051	280,500
Included in the key management personnel are:				
Directors' remuneration	6,088,566	1,096,216	1,892,051	280,500

30. Financial guarantees

The fair value of financial guarantees provided by the Company to the banks to secure banking facilities granted to a subsidiary company as disclosed in Note 23 to the financial statements with nominal amount of RM20,650,000 (2012: RM22,000,000) are negligible as the probability of the financial guarantees being called upon is remote due to the outstanding loans and borrowings are adequately secured by a debenture incorporating fixed and floating, present and future assets of a subsidiary in which its market values upon realisation are higher than the outstanding loans and borrowings amounts.

31. Capital commitments

	Group	
Capital expenditure commitments:	**2013 RM**	**2012 RM**
Property, plant and equipment		
Authorised but not contracted for		
- Construction of pond and cages	43,465,425	37,695,047
- Construction of office building with training centre, fish fry packing and distribution centre and a jetty	35,106,597	35,123,133
- Construction of building	1,050,000	1,050,000
- Construction of fish net	379,951	-
- Construction of labour quarter	173,043	-
	80,175,016	73,868,180
Contracted but not provided for		
- Construction of fish net	-	46,990
- Construction of labour quarter	-	227,789
- Acquisition of a vessel	-	3,487,095
	-	3,761,874

32. Fair value of financial instruments

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable wiling parties in an arm's length transaction, other than in a force sale or liquidation.

The following summarises the methods used to determine the fair values of the financial instruments:

(i) The financial assets and financial liabilities maturing within the next Twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments; and

(ii) The fair value of hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period;

(iii) The carrying amount of the term loan approximated its fair value as the instrument bears interest at variable rates; and

(iv) The fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned using the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default

32. Fair value of financial instruments (continued)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

Group	2013		2012	
Financial liabilities - Non-current	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Hire purchase payables	79,337	68,875	244,069	208,599
Term loan	4,378,658	3,553,150	-	-
	4,457,995	3,622,025	244,069	208,599

33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group's finance department overseen by an Executive Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and non-trade receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of Managing Director.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the Statements of Financial Position; and
- A nominal amount of RM20,650,000 (2012: RM22,000,000) relating to corporate guarantees provided by the Company to the banks to secure banking facilities granted to a subsidiary.

As at the reporting date, the Group has significant concentration of credit risk in the form of outstanding balance due from 1 (2012: 1) overseas customer representing 90% (2012: 57%) of total trade receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

33. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group 2013	Weighted average effective rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	Over 5 years RM
Bank overdrafts	8.12	11,361,352	11,361,352	11,361,352	-	-
Hire purchase payables	7.57	244,069	257,935	177,012	80,923	-
Revolving credit	6.11	2,000,000	2,000,000	2,000,000	-	-
Term loan	6.00	5,261,054	6,237,860	1,227,120	4,908,480	102,260
Trade and non-trade payables	-	11,779,286	11,779,286	11,779,286	-	-
		30,645,761	31,636,433	26,544,770	4,989,403	102,260

Group 2012	Weighted average effective rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 5 years RM	Over 5 years RM
Bank overdrafts	8.17	17,620,140	17,620,140	17,620,140	-	-
Hire purchase payables	7.54	454,265	493,385	235,449	257,936	-
Term loan	6.00	6,273,244	6,273,244	6,273,244	-	-
Trade and non-trade payables	-	11,881,614	11,881,614	11,881,614	-	-
		36,229,263	36,268,383	36,010,447	257,936	-

Company

2013						
Trade and non-trade payables	-	756,925	756,925	756,925	-	-
2012						
Trade and non-trade payables	-	387,690	387,690	387,690	-	-

At the reporting date, the counterparty to the financial guarantees does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 *Financial Instruments: Recognition and Measurement* are not included in the above maturity profile analysis.

33. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

Group	**Increase/(Decrease)**	
	2013	**2012**
Effects on profit after taxation	**RM**	**RM**
Increase of 30 bp/25 bp	(32,604)	(37,084)
Decrease of 30 bp/25 bp	32,604	37,084

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate.

The Group is exposed to currency translation risk arising from its net investment in a Hong Kong subsidiary. The Group's net investment in Hong Kong is not hedged as currency position in Hong Kong Dollar (HKD) is considered to be long-term in nature.

The Group is also exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia (RM). The currencies giving rise to this risk are primarily Renminbi (RMB), Hong Kong Dollar (HKD), and United States Dollar (USD).

Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Group **2013** **Financial assets**	**Renminbi** **RM**	**Hong Kong Dollar** **RM**	**United States Dollar** **RM**	**Total** **RM**
Trade and non-trade receivables	6,163,141	657,788	-	6,820,929
Cash and bank balances	133,603	37,925	-	171,528
	6,296,744	695,713	-	6,992,457
Financial liabilities				
Trade and non-trade payables	(1,157,392)	(521,116)	(646,684)	(2,325,192)
Net financial assets/ (liabilities) held in non-functional currencies	5,139,352	174,597	(646,684)	4,667,265

33. Financial risk management objectives and policies (continued)

(d) Foreign currency risk (continued)

	Renminbi RM	Hong Kong Dollar RM	United States Dollar RM	Total RM
2012				
Financial assets				
Trade and non-trade receivables	1,443,665	601,288	-	2,044,953
Cash and bank balances	253,565	21,507	-	275,072
	1,697,230	622,795	-	2,320,025
Financial liabilities				
Trade and non-trade payables	(46,444)	(133,942)	(701,287)	(881,673)
Net financial assets/ (liabilities) held in non-functional currencies	1,650,786	488,853	(701,287)	1,438,352

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

Group	**Increase/(Decrease)**	
Effects on profit after taxation	**2013 RM**	**2012 RM**
RMB/RM		
Strengthened by 2.11% (2012: 5.30%)	81,523	65,585
Weakened by 2.11% (2012: 5.30%)	(81,523)	(65,585)
HKD/RM		
Strengthened by 0.68% (2012: 1.56%)	894	5,711
Weakened by 0.68% (2012: 1.56%)	(894)	(5,711)
USD/RM		
Strengthened by 0.67% (2012: 1.34%)	(3,241)	(7,054)
Weakened by 0.67% (2012: 1.34%)	3,241	7,054

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on gearing ratio. The Group's strategies were unchanged from the previous financial year. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus payables less cash and cash equivalents.

The gearing ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Loans and borrowings	18,866,475	24,347,649	-	-
Trade and non-trade payables	11,779,286	11,881,614	756,925	387,690
	30,645,761	36,229,263	756,925	387,690
Less: Cash and bank balances	(546,956)	(298,491)	(2,069)	(4,349)
Net debt	30,098,805	35,930,772	754,856	383,341
Equity attributable to owners of the Company	84,347,639	73,722,503	64,421,463	51,242,539
Total equity	84,347,639	73,722,503	64,421,463	51,242,539
Total capital	114,446,444	109,653,275	65,176,319	51,625,880
Gearing ratio	26%	33%	1%	1%

35. Segment information

(i) Operating segment

The Group has only one reportable operating segment which is sale of adult fish and fish fry.

(ii) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Malaysia	16,601,850	21,234,552	66,379,016	61,024,192
Hong Kong	10,981,010	7,566,394	249,121	379,547
China	3,046,122	2,758,223	-	2,724,210
	30,628,982	31,559,169	66,628,137	64,127,949

35. Segment information (continued)

(ii) Geographical information (continued)

Non-current assets information presented above consist of the following items as presented in the consolidated Statement of Financial Position:

	2013 RM	2012 RM
Property, plant and equipment	60,768,877	50,410,081
Land use rights	2,032,314	2,090,737
Intangible asset	1,750	20,799
Biological assets	3,825,196	4,865,492
Non-trade receivables	-	6,740,840
	66,628,137	64,127,949

(iii) Major customers

Revenue from 1 (2012: 3) major customers amounted to RM30,350,489 (2012: RM29,924,342) arising from sale of adult fish and fish fry.

36. Comparative figures

Certain comparative figures have been restated as follows:

Group	As restated	As previously stated
Statements of Comprehensive Income	RM	RM
Administrative expenses	(3,024,825)	(2,138,715)
Other expenses	-	(886,110)
Statements of Financial Position		
Current assets		
Trade and non-trade receivables	15,743,421	15,395,971
Prepayments	-	347,450

Company	As restated	As previously stated
Statements of Comprehensive Income	RM	RM
Administrative expenses	(2,726,667)	(426,667)
Other expenses	-	(2,300,000)
Statements of Financial Position		
Current assets		
Trade and non-trade receivables	55,001	10,260,326
Prepayments	-	54,501
Amounts due from subsidiary companies	10,259,826	-

37. Significant events and subsequent events

(i) Private placement of 35,000,000 new ordinary shares of RM0.10 each

The Company had on 26 April 2013 and 22 May 2013 issued 6,000,000 and 29,000,000 new ordinary shares of RM0.10 each through a private placement at an issue price of RM0.80 per share for cash, for capital expenditure and additional working capital purposes. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company except that the new ordinary shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid prior to the date of allotment of such new ordinary shares.

(ii) Co-operative agreement in the prospecting, exploration, extraction and commercialisation of mining business

On 21 June 2013, the Board of Directors of the Company announced in Bursa Malaysia Securities Berhad ("Bursa Malaysia") that the Company had on 21 June 2013 entered into a co-operative agreement with Southsea Gold Sdn. Bhd. ("SGSB") in relation to the prospecting, exploration and extraction of various minerals, namely, zinc, lead, copper, gold, silver and other base metals, and commercialisation of such minerals, in an area covering approximately Two Hundred (200) acres at Bukit Mantri, Daerah Tawau, Sabah, which forms part of the prospecting site.

SGSB had received a letter dated 17 January 2013 from Lands and Surveys Department, Kota Kinabalu, Sabah, Malaysia, granting approval and a prospecting license under Section 8 of the Mining Ordinance, 1960 for a period of Four (4) years commencing from 1 January 2013 to SGSB to prospect and explore minerals on the said prospecting site.

The Company will fund such prospecting and exploration works up to the limit of RM2,000,000 only within a period of Twelve (12) months from the date of the said agreement.

38. Supplementary financial information on the breakdown of realised and unrealised profits or losses

On 25 March 2010, Bursa Malaysia issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at 31 December, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

	Group		**Company**	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- Realised	3,029,992	7,643,279	(5,977,114)	(3,747,005)
- Unrealised	5,011,027	3,206,414	-	-
	8,041,019	10,849,693	(5,977,114)	(3,747,005)
Add: Consolidation adjustments	6,003,060	7,974,154	-	-
Total retained profits/ (accumulated losses) as per Statements of Financial Position	14,044,079	18,823,847	(5,977,114)	(3,747,005)

38. Supplementary financial information on the breakdown of realised and unrealised profits or losses (continued)

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

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

List of Properties

The summary of the information on landed properties owned by our Group is as follows:

Address	Description of Property/ Existing Use	Status/ Registered Owner	Audited Net Book Value as at 31 March 2013 RM	Approximate age of Building (Years)/ CF Status	Tenure/ Expiry Date of Lease	Approximate Land Area/ Approximate Total Built-up Area Sq. ft.
CL 075402256 Airport Road, District of Sandakan, Sandakan, Sabah	A parcel of aquaculture land which is currently hatchery operation	Owned/ Plentiful Harvest Sdn Bhd	67,734	Not applicable	99 years leasehold land expiring on 31.12.2080	3.69 acres
CL 075371087 Kampung Sungai Kayu, District of Sandakan, Sandakan Sabah	A parcel of aquaculture land which is currently used for hatchery operation	Owned/ Plentiful Harvest Sdn Bhd	505,583	Not applicable	99 years leasehold land expiring on 31.12.2078	13.38
NT 073026472 Kampung Sungai Kayu, District of Sandakan, Sandakan Sabah	A parcel of aquaculture land which is currently for hatchery operation	Subleased/ Datuk Lo Fui Ming	402,580	Not applicable	Sublease for 30 years expiring on 22.12.2035	13.00
CL 075487053 Kampung Sungai Kayu, District of Sandakan, Sandakan Sabah	A parcel of aquaculture land which is currently vacant	Owned/ Plentiful Harvest Sdn Bhd	202,009	Not applicable	99 years leasehold land expiring on 31.12.2095	10.14
CL 075382106 Kampung Sungai Kayu, District of Sandakan, Sandakan Sabah	A parcel of aquaculture land which is currently vacant	Owned/ Plentiful Harvest Sdn Bhd	296,618	Not applicable	99 years leasehold land expiring on 31.12.2079	15.15
CL 075375665 Kampung Sungai Kayu, District of Sandakan, Sandakan Sabah	A parcel of aquaculture land which is currently vacant	Owned/ Plentiful Harvest Sdn Bhd	103,888	Not applicable	99 years leasehold land expiring on 31.12.2077	5.32
TL 077537092 Lot 4, Block E, Bandar Nam Tung, Jalan Leila, 90000 Sandakan, Sabah.	An intermediate 4-storey shophouse which is currently used for Borneo Aqua's office	Owned/ Plentiful Harvest Sdn Bhd	181,928	32 Years	999 years freehold expiring on 02.09.2911	1,200 sq ft
NT113077026 KG. Terusan, District of Lahad Datu, Lahad Datu, Sabah	A parcel of aquaculture land which is currently used for nursery operation	Subleased/ Datuk Lo Fui Ming	250,000	Not applicable	Sublease for 30 years expiring on 30.11.2037	3.28 Acres
NT 073026150 Kampung Sungai Kayu, Distric of Sandakan, Sandakan, Sabah	A parcel of aquaculture land which is currently used for nursery operation	Sublease/ Jalini Bte Intang	371,091	Not applicable	Sublease for 30 years expiring on 31.07.2038	8,789

Analysis of Shareholdings

Authorised Capital	: RM 50,000,000
Issued and Fully Paid-Up Capital	: RM 39,440,200
Classes of shares	: Ordinary Shares of 10 sen each fully paid
Voting Rights	: One vote per share

ANALYSIS BY SIZE OF THE SHAREHOLDINGS AS AT 5 JULY 2013
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

			NO. OF SHAREHOLDINGS	%	NO. OF SHAREHOLDINGS	%
1	-	99	22	1.56	860	0.00
100	-	1,000	63	4.46	46,323	0.01
1,001	-	10,000	576	40.79	3,497,200	0.89
10,001	-	100,000	547	38.74	20,246,625	5.13
100,001	-	19,720,099 (*)	200	14.16	251,208,504	63.69
19,720,100 AND ABOVE (**)			4	0.28	119,402,488	30.27
TOTAL			1,412	100.00	394,402,000	100.00

REMARK : * - LESS THAN 5% OF ISSUED SHAREHOLDINGS
** - 5% AND ABOVE OF ISSUED SHAREHOLDINGS

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGSS AS AT 5 JULY 2013

	Shareholders Name	No. of Shares Direct	%	No. of Shares Indirect	%
1	Dato' Seri Md Kamal Bin Bilal	2,580,000	0.65	-	-
2	Datuk Lo Fui Ming	57,281,502	14.52	60,000(1)	0.01
3	Lo Teck Yong	3,291,330	0.83	-	-
4	Dora Chiu Kui Tzu	60,000	0.01	-	-
5	Chong Khing Chung	150,000	0.04	-	-
6	Akinori Hotani	610,000	0.15	-	-
7	YB Mejar (K) Datuk Samsudin Bin Yahya	57,000	0.01	-	-

Note :
(1) Deemed interest by virtue of his child's interest pursuant to Section 134 of the Companies Act, 1965

LIST OF DIRECTORS' OPTIONS HOLDINGS AS PER THE REGISTER OF DIRECTORS' OPTIONS HOLDINGS AS AT 5 JULY 2013

	Name of Director	No. of Option Direct	%	No. of Option Indirect	%
1	Dato' Seri Md Kamal Bin Bilal	2,100,000	2.00	-	-
2	Datuk Lo Fui Ming	9,000,000	8.57	8,000,000(1)	7.62
3	Lo Teck Yong	10,500,000	10.00	-	-
4	Dora Chiu Kui Tzu	940,000	0.89	-	-
5	Chong Khing Chung	6,890,000	6.56	-	-
6	Akinori Hotani	9,890,000	9.42	-	-
7	YB Mejar (K) Datuk Samsudin Bin Yahya	1,443,000	1.37	-	-

Note :
(1) Deemed interest by virtue of his child's interest pursuant to Section 134 of the Companies Act, 1965

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 5 JULY 2013

	Shareholders Name	No. of Shares Direct	%	No. of Shares Indirect	%
1	Datuk Lo Fui Ming	57,281,502	14.52	-	-
2	Leong Kam Heng	34,049,800	8.63	-	-
3	Lembaga Tabung Haji	33,603,300	8.52	-	-
4	Joymore Capital Investment Ltd	21,000,000	5.32	-	-

THE 30 LARGEST SECURITIES ACCOUNT SHAERHOLDERS AS AT 5 JULY 2013
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NO.	NAME OF SHAREHOLDERS	NO. OF SHAREHOLDINGS	PERCENTAGE
1	LEMBAGA TABUNG HAJI	33,603,300	8.52
2	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	33,000,000	8.37
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEONG KAM HENG*	27,660,000	7.01
4	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (A/C CLIENTS-F)*	25,139,188	6.37
5	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING (M&A)*	17,076,600	4.33
6	MARLEX TRADING LTD	15,000,000	3.80
7	NORIX OVERSEAS LIMITED	15,000,000	3.80
8	MOHD AMIR BIN MASRY	11,428,572	2.90
9	CROWNFIELD VENTURES CORP	10,000,000	2.54
10	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHUAH CHOONG HEONG (M&A)*	9,369,000	2.38
11	CHIA YET MEE	8,231,000	2.09
12	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)*	8,113,100	2.06
13	FOO EE WYN	8,000,000	2.03
14	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR FOO EE WYN (M&A)*	7,900,000	2.00
15	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *MAYBANK KIM ENG SECURITIES PTE LTD FOR YONG FEN YOO*	7,177,700	1.82
16	LIM NYUK SANG @ FREDDY LIM	4,968,500	1.26
17	NG YOKE LAN	4,292,000	1.09
18	LOKE LIN THAI	4,000,000	1.01
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEONG KAM HENG (473525)*	3,840,000	0.97
20	RHB NOMINEES (ASING) SDN BHD *EXEMPT AN (BP) FOR RHB OSK SECURITIES HONG KONG LIMITED A/C CLIENTS (RETAIL)*	3,612,000	0.92
21	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING (FEW)*	3,565,000	0.90
22	PUBLIC INVEST NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)*	3,291,000	0.83
23	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHIA YET MEE (M&A)*	3,172,600	0.80
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO TECK YONG (8040429)*	3,140,000	0.80

Analysis of Shareholdings
(continued)

THE 30 LARGEST SECURITIES ACCOUNT SHAERHOLDERS AS AT 5 JULY 2013
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)
(continued)

NO.	NAME OF SHAREHOLDERS	NO. OF SHAREHOLDINGS	PERCENTAGE
25	CITIGROUP NOMINEES (ASING) SDN BHD *EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)*	3,050,000	0.77
26	CHANG HUAN SOON	3,000,000	0.76
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (8071811)*	2,991,000	0.76
28	AFFIN NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LOKE LIN THAI (LOK0045C)*	2,911,200	0.74
29	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD *PLEDGED SECURITIES ACCOUNT FOR YONG LOONG CHEN (SFC)*	2,800,800	0.71
30	MD KAMAL BIN BILAL	2,580,000	0.65

TOTAL HOLDINGS : 287,912,560

TOTAL PERCENTAGE : 73.00

TOTAL ISSUED HOLDINGS : 394,402,000

Notice of the Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Sabah Hotel, Amadeus III, Level 2, KM1, Jalan Utara, P.O.Box 275, 90703 Sandakan, Sabah on Wednesday, 28 August 2013 at 1.30 p.m. to transact the following businesses:

AGENDA	**Ordinary Resolution No.**
1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon.	
2. To re-elect the following Directors retiring in accordance with Company's Articles of Association:	
a. Dato' Seri Md Kamal Bin Bilal (Article 93)	1
b. YB Mejar (K) Datuk Samsudin Bin Yahya (Article 93)	2
3. To appoint Auditors and to authorise the Directors to fix their remuneration.	3
4. As Special Business to consider and if thought fit, to pass the following resolution, with or without modifications:	
ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES	
"THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being.	4
5. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 1965.	

BY ORDER OF THE BOARD

CHONG TZU KHEN
KANG SHEW MENG
SEOW FEI SAN
Secretaries

Petaling Jaya
2 August 2013

Notes:-

(a) Only members whose names appear on the Record of Depositors as at 21 August 2013 shall be entitled to attend, speak and vote at the Ninth Annual General Meeting.

(b) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or at the hand of an officer or attorney duly authorised.

(c) Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

(d) Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account its holds.

(e) The instrument of proxy shall be deposited at the Company's Share Registrar's Office at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.

Explanatory Note on Special Business

- **ORDINARY RESOLUTION 4**

  The proposed Ordinary Resolution 4, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

  As at the date of this Notice, a total of 35,000,000 new shares in the Company were issued pursuant to the authority granted to the Directors at the Eighth Annual General Meeting held on 29 August 2012 via a private placement on 24 April 2013 and 20 May 2013 and the said authority will lapse at the conclusion of the Ninth Annual General Meeting.

  The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Form of Proxy

No of Shares Held

I/We .... (BLOCK LETTER)

NRIC No./Company No ....

of ....

being (a) Member(s) of BORNEO AQUA HARVEST BERHAD (649504-D) hereby appoint ....

....

of ....

or failing him, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Sabah Hotel, Amadeus III, Level 2, KM1, Jalan Utara, P.O.Box 275, 90703 Sandakan, Sabah on Wednesday, 28 August 2013 at 1.30 p.m. and at any adjournment thereof and to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of ...., 2013

Signature / Seal of Member

Notes:

(a) *Only members whose names appear on the Record of Depositors as at 21 August 2013 shall be entitled to attend, speak and vote at the Ninth Annual General Meeting.*

(b) *A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or at the hand of an officer or attorney duly authorised.*

(c) *Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

(d) *Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account its holds.*

(e) *The instrument of proxy shall be deposited at the Company's Share Registrar's Office at Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting.*

fold here

Affix
stamp
here

BORNEO AQUA HARVEST BERHAD
(649504-D)
c/o Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur

fold here

Borneo
Aqua Harvest Berhad

Lot 4, Block E, Bandar Nam Tung,
Jalan Leila, P. O Box No. 2112,
90724 Sandakan, Sabah, Malaysia

Tel : 089-611133 / 089-611633 / 089-612633
Fax : 089-613633 / 089-618633