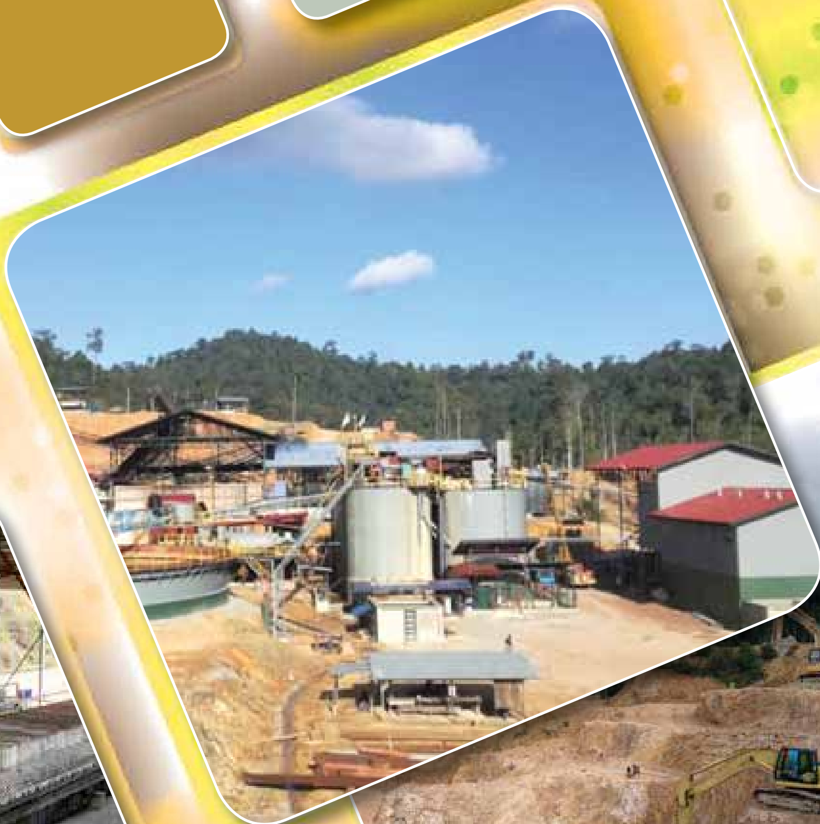
BAHVEST RESOURCES BERHAD

Registration no. 200401011001(649504-D)
(Incorporated in Malaysia)

ANNUAL REPORT 2021



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Dr. Md Kamal Bin Bilal
Non-Independent Non-Executive Chairman

Datuk Lo Fui Ming
Managing Director / Chief Executive Officer

Lo Teck Yong
Executive Director

Akinori Hotani
Executive Director (resigned w.e.f 21 December 2020)

Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman
Senior Independent Non-Executive Director

Sim Kay Wah
Independent Non-Executive Director

COMPANY SECRETARIES

Kang Shew Meng
(Resigned w.e.f 28 September 2020)
Seow Fei San
(Resigned w.e.f 28 September 2020)
Chong Tzu Khen
(Resigned w.e.f 28 September 2020)
Wong Youn Kim
(Appointed w.e.f 28 September 2020)
Sim Oie Ten
(Appointed w.e.f 8 March 2021)
Hiew Vun Pui
(Appointed w.e.f 8 April 2021)

AUDIT COMMITTEE

Sim Kay Wah
Chairman

Dato' Sri Dr. Md Kamal Bin Bilal
Member

Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman
Member

NOMINATING COMMITTEE

Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman
Chairman

Dato' Sri Dr. Md Kamal Bin Bilal
Member

Sim Kay Wah
Member

REMUNERATION COMMITTEE

Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman
Chairman

Dato' Sri Dr. Md Kamal Bin Bilal
Member

Sim Kay Wah
Member

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
W.P. Kuala Lumpur.
Tel: 03-22415800
Fax: 03-22825022

HEAD OFFICE

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

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Tel: 03-20849000
Fax: 03-20949940/
03-20950292

PRINCIPAL BANKERS

RHB Bank Berhad
Block 7, Lot 64, 65 & 66,
1st Floor Phase 1,
Prima Square Mile 4, Jalan Utara,
90000 Sandakan, Sabah.

RHB Bank Berhad
Ground & First Floor, Lot 5,
Block 27 Fajar Complex,
Jalan Mahkamah,
Town Extension II, 91000 Tawau,
Sabah.

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

Malayan Banking Berhad
Lot 262-264, Fajar Complex,
Jalan Mahkamah, 91000 Tawau,
Sabah.

AUDITORS

Baker Tilly Monteiro Heng PLT
(LLP0019411-LCA) (AF 0117)
Chartered Accountants
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
Malaysia.

STOCK EXCHANGE LISTING

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

WEBSITE

http://bahvest.com.my

CORPORATE PROFILE

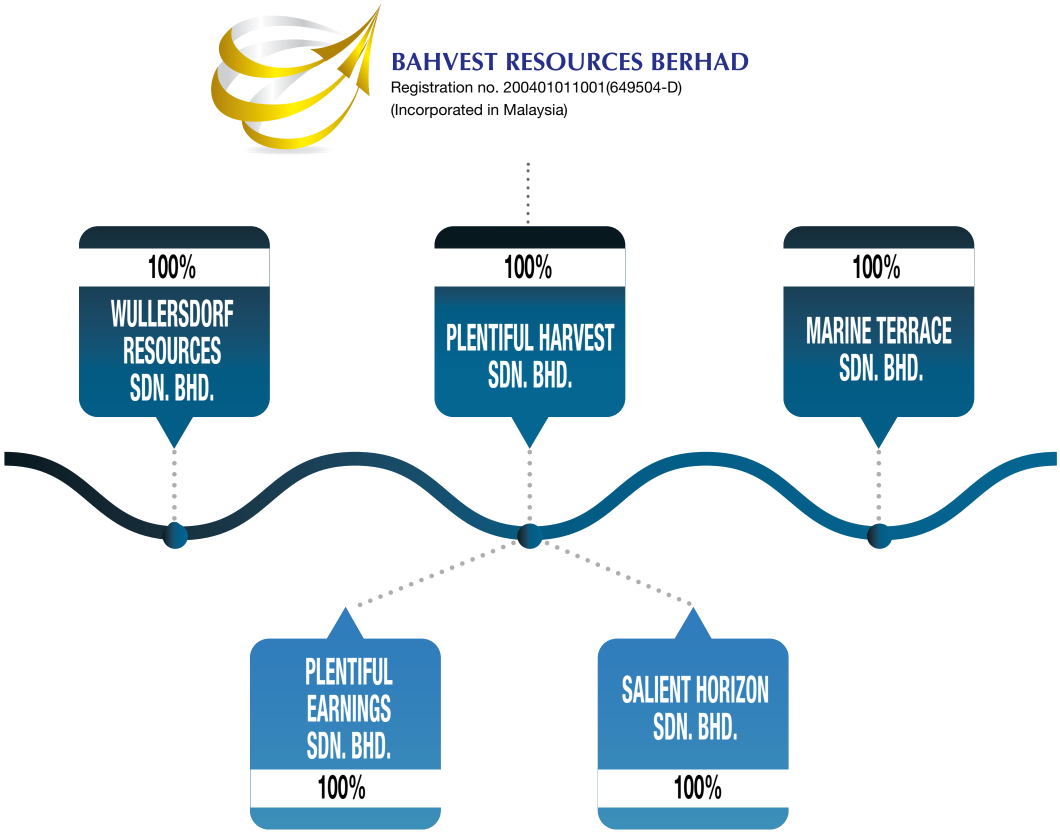
Given the diversification of the business operations of the Group and commencement of the gold mining production, the Company proposed to change its name from Borneo Aqua Harvest Berhad to Bahvest Resources Berhad ("Bahvest" or "Company"), to be in line with the Group's business nature, which its shareholders had approved on 22 November 2018, subsequently approved by Suruhanjaya Syarikat Malaysia (SSM) on 27 November 2018.

Bahvest was incorporated on 16 April 2004 in Malaysia as a private limited company and later converted into a public company on 20 May 2004. Bahvest was listed on the ACE Market of Bursa Malaysia Securities Berhad on 5 September 2005. Bahvest has five wholly-owned subsidiaries, namely Wullersdorf Resources Sdn. Bhd. ("Wullersdorf"), Plentiful Harvest Sdn. Bhd. ("Plentiful"), Marine Terrace Sdn. Bhd. ("Marine"), Salient Horizon Sdn. Bhd. ("Salient") and Plentiful Earnings Sdn. Bhd. ("Plentiful Earnings") (collectively referred to as "Bahvest Group" or "Group").

In 2017, Bahvest further diversified its core business through the acquisition of Wullersdorf, to include mineral exploration, mining and other mining business related to mineral tenements. The mining development area covers 317.7 hectares at Bukit Mantri, Tawau District of Sabah with a lease period expiring on 31 December 2048.

Aquaculture business, one of the core businesses of Bahvest Group, which was previously operated by its subsidiaries Plentiful, Marine and Plentiful Earnings, ceased its operation in September 2020. Plant and equipment, sea cages and biological assets relating to the aquaculture business were disposed of during the financial year.

CORPORATE STRUCTURE



VISION & MISSION

Wullersdorf Resources Sdn Bhd (“Wullersdorf”), one of the wholly owned subsidiaries of Bahvest Resources Berhad (“BAHVEST”), strives to assist the Sabah State Government in developing the state’s mining industry by importing latest high-tech mining technologies, training and recruiting local mining talents to contribute to the state’s economy, while at all times ensuring that only eco-friendly mining techniques are employed.

BAHVEST and Wullerdorf are committed in discharging their duty as a responsible gold miner, and uphold the following principles in its daily business operation:

- Diligent practice of storing, treating and recycling of mining waste;
- Providing a conducive working environment for our community of more than 300 employees; and
- Fully compliant with rules and regulations set by relevant authorities.

The Group’s will ensure that the following measures are undertaken in order to achieve vision set forth above:

- Ensure a work environment where everyone goes home safe and healthy every day;
- Operating and developing mines in line with strong environmental, social governance practices;
- Developing a diverse workforce; and
- Developing and maintaining strong relationships with our communities and governments.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), it is with great honor that I present to you the Annual Report and Audited Financial Statements of Bahvest and its subsidiaries for the financial year ended 31 March 2021 ("FYE 2021").

FINANCIAL REVIEW

FYE 2021, the Bahvest Group continues to the challenges of the coronavirus disease 2019 (Covid-19) pandemic and its impact on the global economy. Malaysia Government has also imposed several movement control orders that halted the business of Bahvest Group of mining operation, a non-essential industry.

During the FYE 2021, the Group generated higher revenue of RM95.86 million (FYE 2020: RM95.13 million); this was mainly due to Wullersdorf generated higher total sales of RM91.82 million (FYE 2020: RM85.84 million), represents approximately 375.63 kgs of net gold sold and 170.56 kgs of silver sold during the year. The aquaculture operations generated lower revenue of RM4.04 million (FYE 2020: RM9.29 million) during the year was mainly due to the decrease in sales of aquaculture products because of the impact of Covid-19 pandemic on the domestic market also the export market by several restriction orders imposed by Malaysia Government.

In consideration of the cost efficiency of the Group, in September 2020, the Board of Directors of Bahvest has divested its aquaculture business which could incur losses continuously for Bahvest Group. The Group generated a lower gross profit of RM19.16 million in FYE 2021 (FYE 2020: RM30.63 million) was mainly due to an increase in total operation cost incurred by Wullersdorf to carry out gold mining operation from RM62.81 million in FYE 2020 to RM74.61 million during the year.

The Group recorded a loss after taxation of RM14.13 million in FYE 2021 as compared to loss after taxation of RM181.90 million in FYE 2020 was mainly due to the decrease in fair value loss on biological assets from RM161.05 million in FYE 2020 to RM5.84 million in FYE 2021 and decrease on impairment on financial instruments from RM21.27 million in FYE 2020 to RM0.77 million in FYE 2021. The abovementioned fair value loss on biological assets was set off against the Group's profit for the year and did not impact the Group's cash flow. Nevertheless, Wullersdorf had generated higher revenue of RM 91.82 million in FYE 2021 (FYE 2020: RM85.84 million) as the Group focuses on the main core business, mining operation, which could generate more revenue in the future.

BUSINESS REVIEW

MINING OPERATION

In 2017, Bahvest further diversified its core business through the acquisition of Wullersdorf, to include mineral exploration, mining and other mining business related to mineral tenements. The mining development area covers 317.7 hectares at Bukit Mantri, Tawau District of Sabah with a lease period expiring on 31 December 2048.

Wullersdorf operates a portfolio of well-established mines characterized by efficient use of modern equipment, low-cost, large-scale processes and a minimum reliance on third-party infrastructure. Bahvest also focuses on maximization of the potential of its existing producing assets and is well-positioned to capitalize on low-risk cost-efficient expansion opportunities on mines operations.

PROSPECTS AND OUTLOOK

After the divested of the aquaculture business, Bahvest is now focusing on mines operation. The Group is one of the few gold mining sites in Malaysia and Sabah's only active mine site. The Board is confident that this new gold mining business can enhance Group's revenue stream and broaden its earning base to achieve sustainable growth and add value to the shareholders. The Group expects the gold mining business to contribute more future earnings. Its gold production is expected to improve further as it focuses on its production from the epithermal veins as its grades are higher than those extracted from the topsoil. The good trend of the market value of gold is expected to tend to a higher gold price in the future.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our sincere appreciation to our valued shareholders, customers, suppliers, business partners, advisors, bankers, and regulatory authorities for their unwavering support and confidence. I would also like to express our deepest gratitude to the management and the staff for their hard work, commitments, and dedication in executing the management and operational strategies of the Group throughout FYE 2021.

Finally, I would like to take this opportunity to express my heartfelt appreciation to all the Board members for their vision, advice and ongoing support rendered to the Group.

Dato' Sri Dr. Md Kamal Bin Bilal
Non-Executive Chairman of the Board of Bahvest Resources Berhad.

DIRECTORS' PROFILE

DATO' SRI DR. MD KAMAL BIN BILAL

Malaysian Male, aged 59, is a Non-Independent Non-Executive Chairman since 28 August 2015, Dato' Sri Dr. Md Kamal was appointed to the Board of Directors on 9 May 2005 as an Independent Non-Executive Chairman. He is also a member of the Nominating Committee, Remuneration Committee and Audit Committee.

He has over 20 years of experience in the government sector, serving as a Community Development Officer in the Ministry of National and Rural Development. After that, he ventured into the automobile industry as a Proton Edar dealer in Penang. He has been the Division Treasurer of UMNO for Kapala Batas Division and also a Division Committee Member of Barisan National for Kapala Batas Since 2000. He was appointed as Independent Non-Executive Chairman of EKA Noodle Berhad (Formerly known as KBB Resources Berhad) on 25 February 2021 until present. Dato' Sri Kamal was conferred as Honorary Doctorate of Philosophy (Entrepreneurship) by Golden State University, USA.

Dato' Sri Dr. Md Kamal Bin Bilal does not have any family relationship with any other directors or major shareholders of the Company and has no conflict of interest with the Company. Other than traffic offences, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

He attended all six (6) Board Meetings of the Company held during the financial year.

DATUK LO FUI MING

Malaysian Male, aged 65, is the Managing Director and Chief Executive Officer of Bahvest and was appointed to the Board of Directors on 9 May 2005.

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 aspects 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 when he was appointed as the Non-Executive Deputy Chairman until 21 July 2005.

As the Managing Director and Chief Executive Officer of Bahvest, he is primarily responsible for overseeing the overall business operations and development as well as formulation and implementation of the Group's corporate strategies. With over 30 years of experience in the business sector, he is the driving force of the Group.

Datuk Lo Fui Ming is the father of Mr. Lo Teck Yong and Ms. Lo Choon Fung @ Michelle. He has no conflict of interest with the Company. Other than traffic offences, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

He is a substantial shareholder of the Company. He also sits on the Board of several private companies as well as shareholder of several private companies.

He attended all six (6) Board Meetings of the Company held during the financial year.

Directors' Profile
(Cont'd)

LO TECK YONG

Malaysian Male, aged 40, is an Executive Director of Bahvest and was appointed to the Board of Directors on 9 May 2005. Previously, he was the director in charge of the daily operations of the Group's aquaculture operation site. Currently, Mr. Lo has designated to overseeing administrative, sales and marketing and operation of mining business of the Group.

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. During his business career with aquaculture sector, Mr. Lo was participated in National Aquaculture Certification Seminar organized by World Wild Fund for Nature ("WWF") Malaysia and Marine Fish Farmers Association Malaysia ("MFFAM"). He also actively participated as speaker for conferences held by Fishery Department of Sabah. He also has been appointed as one of the panelist on the CTI Regional Business Forum conference 2011.

Mr. Lo Teck Yong is the son of Datuk Lo Fui Ming and brother of Ms. Lo Choon Fung @ Michelle. He has no conflict of interest with the Company. Other than traffic offences, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

He attended four (4) out of six (6) Board Meetings of the Company held during the financial year.

TAN SRI DATO' NIK HASHIM BIN NIK AB. RAHMAN

Malaysian Male, aged 78, is the Senior Independent Non-Executive Director of Bahvest and was appointed to the Board of Directors on 15 December 2015. On 25 February 2016, Tan Sri Dato' Nik Hashim was appointed as member of Nominating, Remuneration and Audit Committees. He was redesignated as chairman of both Nominating and Remuneration Committees on 25 May 2018.

Tan Sri Dato' Nik Hashim started his career in the Government service in 1963 as a Clerical Officer and later as Police Inspector until 1968 when he studied law at the Inner Temple London as a Barrister-at-law. In 1970, he joined the Judicial and Legal Service where he served 25 years in various post: Magistrate, President of Sessions Court, Deputy Director of Legal Aid Bureau, Deputy Public Prosecutor, State Legal Advisor Terengganu, Senior Federal Counsel, Judge Advocate, Deputy Parliamentary Draftsman, Director General, Judicial and Legal Training Institute and Chairman, Advisory Board. From 1995 to 2009 he served as a Judicial Commissioner and a Judge of the High Court, Court of Appeal and the Federal Court until his retirement on 1 July 2009.

Tan Sri Dato' Nik Hashim was a member of the Royal Police Force Commission from 2004 to 2008. He has been a member of the Syariah Appeal Court Kelantan since 1998 and was an adjunct Professor in the Faculty of Law and International Relations University Sultan Zainal Abidin from 1 February 2009 to January 2013. In July 2010, Tan Sri Dato' Nik Hashim attended and successfully completed an Executive Education program at Harvard Business School, Boston U.S.A. In July 2016, he has been appointed as Pro Chancellor of Meritus University, Malaysia.

Tan Sri Dato' Nik Hashim was appointed as Independent Non Executive Director of Tropicana Golf & Country Resort Berhad and also sits on the Board of Olympia Industries Berhad and he resigned on 23 June 2021.

Tan Sri Dato' Nik Hashim does not have any family relationship with any other directors or major shareholders of the Company and has no conflict of interest with the Company. Other than traffic offences, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

He attended five (5) out of six (6) Board Meetings of the Company held during the financial year.

SIM KAY WAH

Malaysian Male, aged 45, is an Independent Non-Executive Director. He was appointed to the Board of Director on 20 November 2015. He is the Chairman of Audit Committee and member of Nominating and Remuneration Committees.

Mr. Sim is a Chartered Accountant of the Malaysian Institute of Accountants, a Certified Public Accountant of CPA Australia and a Chartered Global Management Accountant with the Chartered Institute of Management Accountants (CIMA). He obtained his bachelor degree in Accountancy and master degree in Finance from the Royal Melbourne Institute of Technology, Australia. Mr. Sim had over twelve years' experience in corporate finance, investment management and banking, where he served in various capacities including as Chief Financial Officer, Executive Director and Financial Controller of public listed companies.

Mr. Sim does not have any family relationship with any other directors or major shareholders of the Company. He had no conflict of interest with the Company. Other than traffic offence, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

He attended all six (6) Board Meetings of the Company held during the financial year.

KEY SENIOR MANAGEMENT PROFILE

CHONG TZU KHEN

Malaysian Male, aged 64, is the Director of Wullersdorf, a wholly owned subsidiary of Bahvest. He is also the Finance Manager of Bahvest and its Group of companies. He is a director of Wullersdorf Resources II Sdn. Bhd. and Teguh Niagamaju Sdn. Bhd. He was appointed as a Committee to the Advisory Board of Polytechnic Sandakan, Sabah for a term of two years on 12 October 2017. He obtained a Post-Graduate Certificate in Sustainable Aquaculture (Vertebrates) and an Undergraduate Certificate in Sustainable Aquaculture from University of St. Andrews, Scotland, UK on 10 April 2018 and 1 May 2014 respectively and the degree of Master of Financial Planning ("MFP") from University of Sunshine Coast, Queensland on 18 May 2007. He is a Fellow member of Malaysian Association of Company Secretaries ("MACS") and he was granted a certificate of practice by MACS on 10 October 2017. He was attached to P.L.Yap & Co., a firm of Public Accountants from 1976 to 1980 as an Audit Assistant. In 1980, he joined Jetniyo Sdn. Bhd. as an Accounts Executive. In 1985, he set up his own Company under the name of T.K.Chong Commercial Services, a firm of providing bookkeeping service to Companies in Sandakan. In 1995, he joined Cepatwawasan Sdn. Bhd. as a Company Secretary and Account in charge for the group of companies. From 2001 to February 2004, he was promoted to the Personal Assistant to the Managing Director of Cepatwawasan Group Berhad. He joined Bahvest in 2004 till present.

Mr. Chong does not have any family relationship with any other directors or major shareholders of the Company. He had no conflict of interest with the Company. Other than traffic offence, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

CHONG KHING CHUNG

Malaysian Male, aged 54, is a Director of Wullersdorf since May 2017. He is a Chartered Member of the Malaysian Institute of Accountants ("CA") and a Fellow Member of CPA Australia ("FCPA"). He holds a Bachelor of Commerce Degree from University of Western Australia. He has been involved in the finance and accounting fields, holding various senior positions, including as Executive Director of a stockbroking firm in Sabah. He has also held positions as Executive Director, Finance Director and Chief Financial Officer of various public listed companies in Malaysia, Singapore, Hong Kong and the United Kingdom. He is currently an Independent Non-Executive Director of Anzo Holdings Berhad and Country Heights Holding Berhad.

Mr. Chong does not have any family relationship with any directors or major shareholders of the Company and has no conflict of interest with the Company. Other than traffic offences, he has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

LO CHOON FUNG @ MICHELLE

Malaysian Female, aged 41, is the Corporate and Risk Management Manager of Bahvest as well as Wullersdorf. In July 2002, she graduated from Royal Holloway University of London with a Bachelor in Economics and Management. In May 2004, she graduated from CASS Business School of City University, London with a Master degree in Insurance and Risk Management. She was appointed as director and member of the EXCO committee of Cepatwawasan Group Berhad from August 2004 to July 2005. After she resigned from Cepatwawasan Group Berhad, she joined Bahvest in 2008. She is also director of several private companies as well as shareholders of private company.

Ms. Lo is daughter of Datuk Lo Fui Ming and sister of Mr. Lo Teck Yong. She had no conflict of interest with the Company. Other than traffic offence, she has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

HIEW VUN PUI

Malaysian Female, aged 45, is Group Accountant of Bahvest. She is a Chartered Member of the Malaysian Institute of Accountants ("CA") and a Fellow Member of ACCA, UK ("FCCA"). She started her career in Ernst & Young PLT, an international public accounting firm in Sandakan, Sabah from June 2000 to August 2001. In June 2004, she joined Plentiful, a subsidiary of Bahvest as an Accounts Executive. Later she was promoted as Group Accountant of Bahvest in April 2008 till present.

Ms. Hiew does not have any family relationship with any other directors or major shareholders of the Company. She had no conflict of interest with the Company. Other than traffic offence, she has not been convicted of any offence within the past five (5) years and has no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Bahvest was incorporated on 16 April 2004 in Malaysia as a private limited company and was subsequently converted into a public company on 20 May 2004. The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 5 September 2005. In view of diversification of business operations into gold mining production, the Company has changed name from Borneo Aqua Harvest Berhad to Bahvest Resources Berhad with effective from 27 November 2018.

Bahvest is an investment holding company, and it has five wholly-owned direct and indirect subsidiaries, namely Wullersdorf, Plentiful, Plentiful Earnings, Marine and Salient which are principally involved in two operational segments as follows:

1. MINING OPERATION

The original Mantri Pit elevation is 510 mRL and so far the pit is designed at 242 meter depth. Recent Mantri pit elevation is at 413 mRL which means the progress pit depth is 97 meter and remaining of 268 depth to be mined out on remaining mine life. However, the pit elevation continuity to be determined by another resources drilling campaign to indicate potential further pit extension in the future.

2. FISHERY OPERATION

Bahvest, together with its subsidiaries Plentiful, Marine and Plentiful Earnings were established with the main focus of breeding, hatching and rearing of high value marine fishes.

On September 2020, the Group has ceased its aquaculture operation. Plant and equipment, seacages and biological assets were disposed off during the financial year.

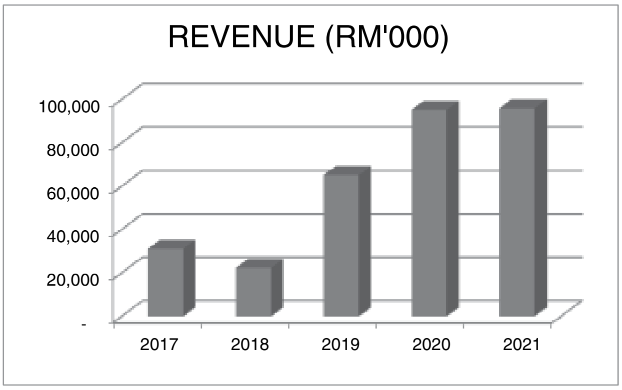
FINANCIAL REVIEW

Five Years Financial Highlights

Amount (RM'000)	2017	2018 (Restated)	2019 (Restated)	2020 (Restated)	2021
Income Statement					
Revenue	31,091	22,219	65,052	95,131	95,855
Profit/(Loss) before taxation	19,364	30,516	4,381	(197,543)	(10,562)
Taxation	(8,398)	(11,968)	1,320	15,642	(3,572)
Profit/(Loss) for the financial year	10,966	18,542	5,701	(181,901)	(14,134)
Assets					
Property,plant and equipment	39,390	62,196	67,420	71,289	61,726
Intangible assets	96,134	96,134	92,906	72,759	70,197
Non-current asset held for sale	–	1,506	–	–	–
Non-current and current biological assets	102,103	156,837	157,111	2,428	–
Inventories	932	1,359	2,538	3,443	4,555
Trade and other receivable	39,006	26,306	27,350	4,232	10,776
Tax recoverable	148	127	86	1,341	1,458
Cash and bank balances	36,973	5,905	11,293	9,143	2,284
Total assets	314,686	350,370	358,704	164,635	150,996
Equity and liabilities					
Share capital and premium	274,189	278,873	287,844	288,796	292,127
Other reserve	10,718	10,815	6,554	6,332	5,477
(Accumulated losses)/retained profits	(7,584)	28	5,729	(176,172)	(190,305)
Total equity	277,323	289,716	300,127	118,956	107,298
Loans and borrowings (Non-current)	192	7,661	7,020	11,142	12,820
Deferred income	4,889	4,013	3,137	2,262	–
Deferred tax liabilities	13,726	25,701	22,300	971	1,350
Loans and borrowings	12,680	15,583	14,564	11,010	8,627
Trade and other payables	5,876	7,696	9,476	20,294	20,901
Taxation	–	–	2,080	–	–
	37,363	60,654	58,577	45,679	43,698
Total equity and liabilities	314,686	350,370	358,704	164,635	150,996
Profit/(loss) per share (sen)	2.38	3.09	0.72	(14.85)	(1.15)
Total asset per share (sen)	52.58	58.35	45.01	13.44	12.26

FINANCIAL REVIEW (CONT'D)

Revenue



The Group recorded revenue of RM95.86 million for FYE 2021 (FYE 2020: RM95.13 million), revenue has slightly increased by 0.76% compared with the revenue in FYE 2020. Wullersdorf generated total sales of RM91.82 million (FYE 2020: RM85.84 million) despite of quantity of gold production has decreased to 375.63 kgs (FYE 2020: 440.58 kgs) of net gold and 170.56kgs (FYE 2020: 66.40 kgs) of silver during the year. Commodity price (i.e. gold) trends for past 5 years have been on the rise and this is in favour to the Group.

Covid-19 outbreak has emerged since December 2019 and subsequently has escalated to global pandemic. In combating the Covid-19 outbreak, Malaysia Government has imposed several movement restriction orders which halted the business operation of non-essential industry.

Other than movement restriction order, there are also restrictions on export / import imposed globally. These have affected Bahvest Group's aquaculture business which its products mainly trade in Hong Kong and China. During the FYE 2021, total revenue has decreased by 56.51% to RM4.04 million (FYE 2020: RM9.29 million) of the Group's aquaculture business.

Profit/(Loss) before taxation

Other Income & Expenses before taxation

Amount (RM'000)	Financial Year ended 31 March				
	2017	2018 (Restated)	2019	2020 (Restated)	2021
Other Income					
Othe operating income	3,280	2,699	2,789	1,894	5,549
Fair value gain on biological assets	39,031	55,549	–	–	–
Expenses					
Cost of sales	36,156	22,402	33,139	64,497	76,698
Fair value loss on biological assets	–	–	10,960	161,052	5,839
Impairment on financial instruments	–	7,554	126	21,271	766
Impairment on plant and equipments	–	–	–	4,392	12,109
Other operating expenses	–	–	5,768	33,192	4,156
Selling and distribution expenses	7,833	6,632	6,155	1,724	332
Administrative expenses	9,030	12,260	5,409	6,766	10,773
Finance cost	1,018	1,103	1,903	1,673	1,293

FINANCIAL REVIEW (CONT'D)

1) The increase in other operating income from RM1.89 million to RM5.55 million was mainly due to the followings reasons:

	2021 RM'000	2020 RM'000
Reversal of impairment loss on property, plant and equipment	1,034	–
Reversal of Impairment loss on trade receivable	184	–
Net realised and unrealised gain on foreign exchange	744	–
Amortisation of government grant income	2,262	876
Total	4,224	876

(a) Government grant was received for aquaculture business purposes. As such, total remaining government grant income of RM2.262 million has full amortization in parallel with cessation of aquaculture business during the year.

2) The slight increase in cost of sales from RM64.50 million to RM76.70 million was mainly due to increase on total operation cost which incurred for gold mining operation by Wullersdorf from RM62.81 million in FYE 2020 to RM74.61 million in FYE 2021. There are increase on total operation cost such as chemical, fuel & oil and repair and maintenance for carrying out gold mining operation.

3) The significant decrease in fair value loss on biological assets from RM161.05 million in FYE 2020 to RM5.84 million in FYE 2021. Covid-19 outbreak has emerged since December 2019 and subsequently has escalated to global pandemic. The Group's aquaculture business was trade its products in Hong Kong and China which export market was affected due to stringent restriction imposed by country to country. In consideration of financial concern not to incur further losses, the Group has ceased its aquaculture business in September 2020.

4) The decrease in impairment on financial instruments from RM21.27 million to RM0.77 million was mainly due to decrease in allowance for impairment on trade receivables incurred by Plentiful and Plentiful Earnings during the year, which also in line with the decrease in sales revenue from aquaculture business.

5) The impairment loss on plant and equipments mainly related to impairment loss on vessel, property, plant and equipment of the Group's aquaculture business, details as shown below:

	RM'000
Hatchery and nursery building	5,285
Floating platform and net cages	1,700
Hatchery pond	379
Fish pond equipment, furniture, fittings and equipment	697
Vessel	3,847
Heavy equipment and motor vehicle	3
Right-of-use - Fish pond equipment	198
Total	12,109

Management Discussion And Analysis
(Cont'd)

FINANCIAL REVIEW (CONT'D)

6) The decrease in other operating expenses from RM33.19 million to RM4.16 million mainly due to amortisation cost and fatalities cost on fishery/crab, details of operating expenses as shown below:

	2021 RM'000	**2020 RM'000**
Amortisation of mineral rights	2,530	20,147
Amortisation, fatalities cost, impairment loss on broodstocks	67	787
Fatalities cost on fishery/crab	738	11,740
Fair value Adjustment in receivables measured at amortised cost	772	–
Impairment loss on goodwill	32	–
Inventories written off	17	–
Impairment of slow-moving inventories	–	481
Property, plant and equipment written off	–	37
Total	4,156	33,192

(a) Amortisation of mineral rights has decrease mainly due to change of amortisation method and estimation basis from units-of-production method based on estimated proven and probable ore reserve to straight line method over the remaining lease term of the mining area.

(b) Due to cessation of aquaculture business, there is approximately RM11.72 million cost reduction on amortisation and fatalities cost on biological assets.

7) The decrease in selling and distribution expenses from RM1.72 million to RM0.33 million was in line with decrease in export sales revenue from aquaculture business.

8) The increase in administrative expenses from RM6.77 million to RM10.77 million was mainly due to increase in employees' remuneration (i.e. salaries and wages, EPF contribution, SOCSO contribution and EIS contribution). The increase was due to change of cost allocation. In previous years part of the employees' remuneration was capitalised as construction cost of the processing plant and mine pit at mining operation. In view of construction has been completed, employees' remuneration are now classified as mining operating and administrative expenses.

9) The decrease in finance cost from RM1.67 million to RM1.29 million was mainly due to lesser/full repayment of lease liabilities during the year compared with FYE 2020.

Taxation

During the financial year, there was total income tax expense of RM3.57 million payable for net income generated from Wullersdorf.

During FYE 2020, there was total tax credit of RM15.64 million, mainly due to the decrease in deferred tax liabilities after the fair value adjustment on biological assets.

FINANCIAL REVIEW (CONT'D)

Cash flow

During the year, net cash and cash equivalents has decreased from RM1.57 million to overdraft of RM0.54 million, the net changes are shown below:

	2021 RM'000	2020 RM'000
Cash from operating activities	4,741	16,953
Cash used in investing activities	(3,340)	(9,845)
Cash used in financing activities	(3,517)	(9,167)
Net decrease in cash and cash equivalents	(2,116)	(2,059)
Cash and cash equivalents at the beginning of the financial year	1,573	3,632
Cash and cash equivalents at the end of the financial year	(543)	1,573

Assets, Equity and Liabilities

1. Property, plant and equipment decreased by RM9.56 million from RM71.29 million in FYE 2020 to RM61.73 million during the year was mainly due to the disposal of plant & equipment and net impairment on property, plant and equipment due to cessation of aquaculture business amounted to RM1.40 million and RM11.07 million respectively. Total acquisition cost of property, plant and equipment has also decreased from RM20.56 million in FYE 2020 to RM14.99 million during the year.

2. Intangible assets decreased from RM72.76 million in FYE 2020 to RM70.20 million in FYE 2021 was mainly due to amortization of mining rights which amounted to RM2.53 million charged during the year.

3. Inventories increased from RM3.44 million (restated) in FYE 2020 to RM4.56 million in FYE 2021 was mainly due to increase in spare parts stocks, chemical stocks, fuel, lubricants and oil for the Group's gold mining operation at Bukit Mantri, Tawau, Sabah.

4. The trade and other receivables of RM8.43 million (FYE 2020: RM4.23 million) increased was mainly due to amount due from trade receivable of Wullersdorf amounted to RM5.53 million during the year.

5. The Group's total equity has decreased by RM11.66 million from RM118.96 million in FYE 2020 to RM107.30 million in FYE 2021 mainly due to financial loss during the year.

6. The net decrease in total borrowings of RM0.70 million from RM22.15 million in FYE 2020 to RM21.45 million in FYE 2020 was mainly due to the following reasons:

   (a) Full repayment of working capital financing amounting to RM3 million to Bank Pertanian Malaysia Berhad (Agro Bank).
   (b) Increase in hire purchase facilities of RM2.28 million for the purchase of heavy machineries and equipments net of repayment of hire purchase liabilities by Wullersdorf to carry out the group's gold mining operation at Bukit Mantri, Tawau, Sabah.

7. The trade and other payables has slight increased by 2.99% to RM20.90 million (FYE 2020: RM20.29 million) mainly due to outstanding balances owing to creditors for the purchase of spare parts, chemicals and materials for repair and maintenance incurred on gold mining and aquaculture operation during the year.

CORPORATE PROPOSAL

The Company had on 3 December 2020 announced that the Company proposes to undertake the Proposed Capital Reduction ("The Proposal") by reducing and cancelling part of the issued share capital of the Company pursuant to Section 116 of the Act.

The Proposal was duly passed by way of poll at the EGM of Bahvest held on 29 January 2021. The Company had on 5 April 2021 announced that the High Court of Malaya granted an offer confirming the Proposal and sealed order of the High Court has been lodged with the Registrar of Companies on 13 April 2021.

The effects of the Proposal, if adjusted to the consolidated financial statements as at 31 March 2021, are shown as follows: -

	Issued Share Capital RM'000	Employees Share Options Reserves RM'000	Distributable Retained Earnings / (Accumulated Losses) RM'000	Total RM'000
As at 31 March 2021	292,127	5,477	(190,305)	107,298
Capital Reduction	(225,000)	-	225,000	-
After completion of Capital Reduction	67,127	5,477	34,695	107,298

COMPANY'S PROSPECTS

For FYE 2021, Bahvest expects its core business of gold production to improve further as it focuses on its production from the epithermal veins as their grades are higher than those extracted from the topsoil.

The Group continues to expand and improve its mining production facilities and refining method. The enhancement will drive up gold production and bring positive results to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance defines corporate governance as: "the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, while taking into account the interest of the other stakeholders."

The Board of Directors (Board) remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Group and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Group.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance ("MCCG 2017") known as Board Leadership and Effectiveness (Principal A), Effective Audit And Risk Management (Principal B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principal C) throughout the financial year ended 31 March 2021.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board takes full responsibility for the performance of the Group and guides the Company on its short and long-terms goals, providing advices and directions on strategy as well as business development matters while at the same time, providing a balance view to the management of the Group. All Board members bring with them independent judgment on issues of strategic, performance, resources and standard of conduct. During the financial year, the Company has an experienced Board comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board's responsibilities includes, but not limited to the following:-

- Reviews and adopts strategic plans for the Group;
- Oversees the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifies principal risks and ensures the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Develops and implements investor relation program or shareholders' communication policy for the Group; and
- Reviews the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has adopted a Board Charter which among others, provide guidance to the Board in discharging its responsibilities and duties. The Charter also inter-alia outlines the composition and balance of the Board, the authorities of the Board, the setting-up of various Board Committees to assist the Board, as well as the processes and procedures while convening Board Meetings.

The key matters which are reserved for the Board's approval include business plan, annual budget, dividend policy, business continuity plan, new issuance of securities, business restructuring and disposal and acquisition of assets/investments.

The Board Charter was reviewed by the Board during the financial year.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

The Board had appropriately delegated specific tasks to three (3) Board Committees; namely Audit Committee, Nomination Committee and Remuneration Committee. All the Board Committees have its own terms of reference and has the authority to act on behalf of the Board within the authority as lay out in the terms of reference and to report to the board with the necessary recommendation. The Committees comprise of Non-Independent and Independent Non-Executive Directors whom collectively possess rich experience and bring varied commercial experience to the Board. The Board receives minutes and reports of the Committees' proceedings and deliberations.

The Board Committees established are as follows:-

(i) Audit Committee ("AC")

a. The Audit Committee comprises entirely Non-Executive Directors as follows:

- Chairman : Mr Sim Kay Wah
- Members : Dato' Sri Dr. Md Kamal bin Bilal
  : Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman

b. Full details of the Audit Committee Term of Reference can be found at the Company's website at https://bahvest.com.my

c. The Audit Committee Report is presented on pages 28 to 31 of this Annual Report.

(ii) Nomination Committee ("NC")

a. The Nomination Committee comprises entirely Non-Executive Directors as follows:

- Chairman : Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman
- Members : Mr Sim Kay Wah
  : Dato' Sri Dr. Md Kamal bin Bilal

b. Primary Responsibilities and Functions:-

- Recommends to the Board the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);
- Recommends to the Board, Directors to fill the seats on Board Committees;
- Assesses the effectiveness of the Board as a whole, the Committees of the Board and contribution of each existing individual Director and thereafter, recommends its findings to the Board;
- Reviews on annual basis the term of office and performance of the Audit Committee and each of its members;
- Reviews the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommends its findings to the Board; and
- Based on the yearly assessment conducted, recommends to the Board and shareholders the director(s) who are subject to re-election at the next Annual General Meeting.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Board Committees established are as follows:- (Cont'd)

(ii) Nomination Committee ("NC") (Cont'd)

c. Primary The current Chairman of the Nomination Committee is Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman, the Senior Independent Non-Executive Director of the Company.

d. The assessment of the Nominating Committee is conducted by the Board as a whole.

e. Full details of the nomination and election process of Board members can be found at the Company's website at https://bahvest.com.my.

f. The activities of the Nomination Committee carried out during the year were as follows:-

- Reviewed the mix of skill and experience and other qualities of the Board;
- Reviewed the assessment of the effectiveness of the Board as a whole, the board of Committees and the Directors;
- Reviewed and recommended to the Board on the re-election of Directors retiring at the Annual General Meeting; and
- Reviewed the term of office and performance of the Audit Committee and each of its members.

(iii) Remuneration Committee ("RC")

a. The Remuneration Committee comprises entirely Non-Executive Directors as follows:

- Chairman : Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman
- Members : Mr Sim Kay Wah
  : Dato' Sri Dr. Md Kamal bin Bilal

b. Primary Responsibilities and Functions:-

- Establishes remuneration policy and procedures. This policy and procedures can be found at the Company's website at https://bahvest.com.my;
- Reviews and recommends to the Board the remuneration packages of the Executive Directors; and
- Assesses the remuneration packages of Non-Executive Directors based on their experience and level of responsibilities undertaken by them before recommending to the Board and shareholders.

The Remuneration Committee is responsible to recommend to the Board a remuneration framework for Directors with the objective of ensuring that the Company attracts and retains the Directors needed to manage the Group successfully. It is the ultimate responsibility of the full Board to approve the remuneration of the Executive Directors with the respective Directors abstaining from decisions in respect of their own remuneration.

The determination of the remuneration of the Non-Executive Directors is a matter for the Board with the individual Directors abstaining from decision in respect of their own remuneration before recommending to the shareholders.

During FYE 2021, the Remuneration Committee has reviewed the remuneration package of the Executive Directors.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Board Committees established are as follows:- (Cont'd)

(iii) Remuneration Committee ("RC") (Cont'd)

c. The Employee Share Option Scheme ("ESOS") Committee was established to administer the ESOS of the Group in accordance with the objectives, Rules and Regulations thereof and to determine the participation eligibility, option offers and shares allocation and to attend to such other matters as may be required. The Committee comprises of the Group Managing Directors / Chief Executive Officer, the Finance Manager and the Group Accountant.

To ensure balance of power and authority, accountability and independent decision making, the roles of the Chairman and the Managing Director are distinct and separated.

The Company has a clear distinction and separation of roles between the Chairman and the Managing Director/CEO, with clear division of responsibilities. The Board of Directors is headed by Dato' Sri Dr. Md Kamal bin Bilal, the Non-Independent Non-Executive Chairman, who has broad exposure and extensive experience in the international trade and investment arena. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.

The Board has delegated to the Group Managing Director/ Chief Executive Officer, Datuk Lo Fui Ming, the authority and responsibility for implementing policies, strategies and decisions adopted by the Board. The CEO and the management team are responsible for implementing the plans chartered out and the day to day management of the Group, with clear authority delegated by the Board.

The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia.

The Board will periodically review the Board Charter and make changes wherever necessary. The Board Charter is published on the Company's corporate website at https://bahvest.com.my.

A formal Whistleblowing Policy has been established to assist in ensuring that the Group's business and operations are conducted in an ethical, moral and legal manner. The Whistleblowing Policy is designed to encourage employees or external parties to disclose suspected malpractice or misconduct and to provide protection to employees or external parties who report allegations of such practices. The Whistleblowing Policy is published on the Company's corporate website at https://bahvest.com.my.

The Board is supported by qualified and competent Company Secretary who are responsible for ensuring that the Company's constitutions, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the Listing requirements are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretary on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharge of their functions.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

None of the directors of the Company hold more than five directorships of listed companies as provided under Rule 15.06 of the ACE Market Listing Requirements.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the Ace Market Listing Requirements of Bursa Malaysia. The Board met on six occasions during the year ended 31 March 2021 and the details of attendance at Board Meetings is set out below.

	Number of Meetings Attended	Total Number of Meetings
Non-Executive Directors		
Dato' Sri Dr. Md Kamal bin Bilal	6	6
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	5	6
Sim Kay Wah	6	6
Executive Directors		
Datuk Lo Fui Ming	6	6
Lo Teck Yong	4	6
Akinori Hotani *(resigned w.e.f. 21 December 2020)*	5	5

All new appointees to the Board are given an introduction to familiarize themselves with the Group's operations so as to assist them in discharging their duties and responsibilities. They are required to attend the Mandatory Accreditation Programme by Bursa Malaysia and thereafter to continually upgrade their knowledge and exposure through in-house training programmes as well as courses conducted by external parties. All Directors have completed the Mandatory Accreditation Programme stipulated by Bursa Malaysia.

Training programmes and seminars attended by the Directors of the Company during the financial year ended 31 March 2021 are as follows:

Name of Directors	Date	Seminar / Training Course Title
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	16 November 2020	Fraud risk
Sim Kay Wah	15 & 16 March 2021	Audit Committee Conference 2021

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II Board Composition

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

The Company has an experienced Board comprising two (2) Executive Directors and two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Non-Executive Directors are not employees of the Company and do not participate in the day to day management of the Company. All three (3) Non-Executive Directors, are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. Should any director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter. The NC has reviewed the performance of the independent directors and is satisfied that they have discharged their responsibilities in an independent manner.

The Constitution of the Company provides that all Directors of the Company shall retire from office at least once every three years but shall be eligible for re-election. At least one third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office at each AGM. A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates.

The MCCG 2017 stipulates that the tenure of an Independent Director of the Company should not exceed a cumulative term of nine years. An Independent Director may continue to serve the Board subject to re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director after serving a cumulative term of nine years, shareholders' approval will be sought. The Board believes that valuable contributions can be obtained from directors who have, over a period of time, developed valuable insight of the Company and its business. Their experience enables them to discharge their duties and responsibilities independently and effectively in the decision making processes of the Board, notwithstanding their tenure on the Board.

III Remuneration

The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The Company's NC reviews the remuneration of the Board and Senior Management from time to time with a view to ensuring the Company offers fair compensation and is able to attract and retain talent who can add value to the Company. Fees paid to Non-Executive Directors are tabled at the Company's AGM for approval.

Stakeholders are able to assess whether the remuneration of Directors and Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III Remuneration (Cont'd)

The Details of the Directors' remuneration comprising remuneration received from the Company and its subsidiaries in the financial year ended 31 March 2021 are as follows:-

Company

	RM'000			
	Salaries	**Fees**	**Other Remuneration**	**Total**
Non-Executive Directors				
Dato' Sri Dr. Md Kamal bin Bilal	–	180	–	180
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	–	60	5	65
Sim Kay Wah	–	36	6	42
Executive Directors				
Datuk Lo Fui Ming	50	–	6	56
Lo Teck Yong	16	–	2	18
Total	**66**	**276**	**19**	**361**

Group

	RM'000			
	Salaries	**Fees**	**Other Remuneration**	**Total**
Non-Executive Directors				
Dato' Sri Dr. Md Kamal bin Bilal	–	180	–	180
Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman	–	60	5	65
Sim Kay Wah	–	36	6	42
Executive Directors				
Datuk Lo Fui Ming	600	–	69	669
Lo Teck Yong	240	–	31	271
Akinori Hotani *(resigned w.e.f. 21 December 2020)*	48	–	11	59
Total	**888**	**276**	**122**	**1,286**

Senior Management's remuneration of the Company and its subsidiaries disclosed below are on an aggregate basis due to confidentiality and security concerns. The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company, with due consideration to attract, retain and motivate Senior Management to lead and run the Group successfully.

Range of remuneration	Group	Company
RM50,001 – RM200,000	2	–
RM200,001 – RM350,000	–	–
RM350,001– RM500,000	2	–

Corporate Governance Overview Statement
(Cont'd)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee ("AC")

There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The Company's financial statements is a reliable source of information.

The Audit Committee oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls. The Committee had six (6) meetings during financial year ended 31 March 2021 and comprises:-

i. Sim Kay Wah *(Chairman)*
ii. Dato' Sri Dr. Md Kamal bin Bilal
iii. Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman

The Board strives to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the applicable approved accounting standards by Malaysia Accounting Standard Board ("MASB") and relevant regulatory requirements.

The AC exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The AC also provides assurance to the Board with clarifications from the external auditors that the financial statements & reports presented are in compliance with applicable laws and accounting standards and give a true and fair view of the Group's financial performance and financial position.

The Board has a formal and transparent relationship with the external auditors. The AC recommends to the Board on the appointment of the external auditors which is subject to the approval of shareholders at the AGM whilst their remuneration is determined by the Board. The role of the AC is further set out in their Report.

It is the practice of the AC to conduct annual assessment of the external auditor. Areas of assessment include among others, the external auditors objectivity and independence, size and competency of the audit team, audit strategy, audit reporting, partner involvement and audit fees. In support of the assessment on independence, the external auditors provide the AC with assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Premised on the assessment result, the AC will make recommendation for re-appointment of external auditors accordingly.

The AC ensures that the external auditors are independent of the activities they audit and reviews the contracts for non-audit services by the external auditors. During the financial year, the amount of non-audit fees paid to external auditors was RM 5,000.

The AC comprises Independent Non-Executive Directors and at least one member fulfills qualifications prescribed by Bursa via Rule 15.09(1)(c) and Rule 7.1 of Guidance Note 9 of the ACE Market Listing Requirements.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II Risk Management and Internal Control Framework

Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with a reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

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 Group's Sustainability Policy can be found at the Company's website at https://bahvest.com.my.

The Sustainability Statement is reviewed by the board, is on pages 36 to 56 of this Annual Report.

Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Group has established an internal audit function within the Group which is currently outsourced to an independent internal audit consulting firm, S.Lim & Co, Chartered Accountant, an independent professional firm ("Internal Auditors") who reports directly to the AC.

The Board has the responsibility for maintaining a sound system of internal controls which provides reasonable assessments of the effectiveness and efficiency of 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 recognises 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 furnished on pages 32 to 35 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

AUDIT COMMITTEE REPORT

The Board of Directors of the Group is pleased to present the Audit Committee ("AC") Report for the financial year ended ("FYE") 31st March 2021.

MEMBERSHIP

The AC of the Group comprises the following members:

Chairman

Sim Kay Wah
Independent Non-Executive Director

Members

Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman
Senior Independent Non-Executive Director

Dato' Sri Dr. Md Kamal Bin Bilal
Non-Independent Non-Executive Director

The AC comprises three (3) Non-Executive Directors during FYE 2021, majority of whom are Independent Directors. The Chairman of AC, Mr Sim Kay Wah is a member of CPA Australia and the Malaysian Institute of Accountants.

The composition of the AC and the qualification of the members comply with Rule 15.09 (1) of the ACE Market Listing Requirement of Bursa Securities ("ACE LR").

The Committee carries out its duties and responsibilities in accordance with its Terms of Reference which is available on the Company's website at https://bahvest.com.my.

AC has the authority to investigate any matter within its Terms of Reference. In this regard, AC has full and unrestricted access to any information pertaining to the Group, co-operation from Management, direct communication channels with the external and internal auditors and reasonable resources to enable it to discharge its functions appropriately.

MEETINGS AND MINUTES

During the FYE 2021, the AC held a total of six (6) meetings. The Company Secretary was in attendance during the meetings and the Executive Directors ("EDs"), senior management personnel, Internal Auditors and External Auditors, where necessary, were invited to the meetings to deliberate on matters within their purview.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting. After each AC meeting, the AC Chairman reported on matters deliberated to the Board for their notation including matters of significant concern as and when raised by the External Auditors or Internal Auditors. Matters reserved for Board approvals are tabled at Board meetings, and decisions by the Board and actions required are forwarded to the management for their action. AC may also take action by way of circular resolutions in lieu of convening a formal meeting.

The details of attendance of the AC members are as follows:

Committee Members	Meeting Attendance
Sim Kay Wah	6/6
Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman	5/6
Dato' Sri Dr. Md Kamal Bin Bilal	4/6

SUMMARY OF ACTIVITIES OF THE AC

The AC's activities for the financial year under review comprise the followings:-

1. Financial Reporting

    - In overseeing the Group's financial reporting processes, AC reviewed and discussed the Group's unaudited quarterly financial results and final draft audited financial statements with the management and external auditors at the AC meetings, to ensure compliance with the applicable financial reporting standards and relevant regulatory requirements, as well as discussing the performance of the Group, before presentation to the Board for consideration and approval.

    - AC also reviewed and discussed on the impact of any changes/adoption of new accounting standards, auditing and regulatory issues and the impact to the Group's financial reporting processes such as the adoption of MFRS 16-Leases.

    - AC obtained confirmations from the financial controller that adequate processes and controls were in place for effective and efficient financial reporting and that reasonable estimates had been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards, and that at every AC meeting held during the FYE 2021, unusual transactions including related party transactions, if any, had been reported to the AC.

2. Related Party Transaction and Conflict Of Interest

    - At each quarterly meeting, the AC reviewed the related party transactions ("RPT") and conflict of interest situation ("COI") that may arise within the Company and its Group.

    - AC reviewed and ensured that adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction. At the same time ensure the RPTs had been conducted on the Group's normal commercial terms and were not detrimental to the Group's minority shareholders, and any disclosures (if any) that is required to be made are made in accordance with the ACE LR.

3. External Auditors

    - Reviewed and discussed with the external auditors, prior to the commencement of audit, the audit planning memorandum which include matters pertaining to the audit service team, scope of the work, significant risks and areas of key audit focus, basis in which the external auditors assess materiality, internal control plan, technical updates, independent policies and procedures, timeline, fraud responsibilities etc.

    - Reviewed and discussed with external auditors major audit findings arising from the external audit and resolution of the findings, including key audit matters (KAM) raised by the external auditors in their auditors' report. In the deliberation of KAM, AC was satisfied that sufficient control mechanisms have been implemented and that management has assessed and addressed the above said matters appropriately.

    - Met with the external auditors without the presence of executive Board members and management personnel.

    - Reviewed the audit fees before recommending to the Board for approval.

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

The AC's activities for the financial year under review comprise the followings:- (Cont'd)

3. External Auditors (Cont'd)

- AC has reviewed the competency, resource capacity, objectivity, professionalism and the independence of the external auditors. AC has also reviewed the independence and suitability of the external auditors in the provision of non-audit services to the Company and the Group. In considering the nature and scope of non-audit services and related fees, AC was satisfied that they were not likely to impair their independence. Baker Tilly Monteiro Heng PLT has also given their independence assurance throughout their audit works for FYE 2021. Pursuant thereto, AC has recommended to the Board for the re-appointment of Baker Tilly Monteiro Heng PLT as external auditors of the Company at the forthcoming Annual General Meeting based on the suitability, performance, objectivity, professionalism and independence of the external auditors.

4. Internal Auditors

- AC reviewed and approved the internal audit plan for year 2021 from the outsourced internal auditors to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and major risk areas are audited accordingly in line with the latest development of the Group and the business environment.

- The outsourced internal auditors presented the internal audit reports and the AC considered the findings highlighted by the internal auditors and the responses from management. There were no major controls weaknesses noted from the internal audit reports.

5. Risk Management

- During the FYE 2021, a professional firm is appointed to perform reassessment and update to existing Risk Management Framework and the associated risks mapping. Workshop was carried out to identify and asses of significant risk and consideration of controls put into effect by the Management of Bahvest Group to mitigate the identified significant risks,

- During FYE 2021, the AC reviewed the risk map associated with low to high impact potential risks to the Group. The AC also reviewed the adequacy and effectiveness of the policies and procedures and system of internal controls to monitor and manage risks in specific areas, based on the outsourced Internal Auditors' reports on specific business functions within the Group.

6. Others

- Reviewed the following prior to recommending to the Board for approval for inclusion in this Annual Report:

  - ➢ Statement of Management Discussion and Analysis;
  - ➢ Corporate Governance Overview Statement;
  - ➢ Audit & Risk Management Committee Report;
  - ➢ Statement on Risk Management and Internal control; and
  - ➢ Sustainability Statement

INTERNAL AUDIT FUNCTION

The Audit Committee is aware of the fact that an adequately resourced internal audit function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the Audit Committee and thereafter to the Management.

The Group has outsourced the internal audit. The audit was performed and reviewed all operating units within the Group, with emphasis on principal risks areas. Risk based approach was adopted towards planning and conducts of audits which are partly guided by the Corporate Risk Management framework. The scope of work is as follows:-

- To evaluate the system of internal control based upon the Group's standard operational manuals and put forward recommendations to the Audit Committee and Senior Management;
- To assess the Group's Risk Management Framework and Corporate Governance Policy;
- To establish an overview of the adequacy and effectiveness of the system of Internal Control within the Group in order to provide reasonable assurance regarding the effectiveness and efficiency of operations and compliance with established policies, procedures, applicable laws and regulations.
- To address issues or concerns as requested by Audit Committee or Senior Management and review existing operations or internal audit programs to determine whether they are consistent with the Audit Committee's and/or Senior Management's expectation; and
- To review new system of internal controls implemented by the Group so as to determine the progress of the said system is consistent with the goals and objectives of the Group.

The AC Chairman then briefed the Board on the internal audit reports on any major findings.

The total fee paid to the outsourced Internal Auditors during FYE 2021 amounted to RM30,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code on Corporate Governance 2017 and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed issuers, the Board of Directors ("The Board") of Bahvest Resources Berhad ("BAHVEST" or "the Company") is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 March 2021, which outlines the nature and scope of risk management and internal control of BAHVEST and its subsidiary companies (collectively referred to as "BAHVEST Group" or "the Group") during the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility for maintaining a sound risk management and internal control system for BAHVEST Group to safeguard shareholders' investment and the Group's assets. The Board, in maintaining its commitment towards a sound risk management and effective internal control system, continuously reviews and evaluates the adequacy and integrity of the Group's risk management and internal control system. In discharging their stewardship responsibilities, the Board is actively overseeing the risk identification and evaluation process as well as ensuring the implementation of appropriate internal control system to manage the Group's business risks.

Notwithstanding the above, the Board recognises that such system has inherent limitations as it is designed to manage, rather than eliminate the risks that impedes the achievement of the Group's business objectives. Therefore, such system can provide only reasonable and not absolute assurance against material misstatement, loss or contingencies.

RISK MANAGEMENT FRAMEWORK

The Board understands the principal risks of the business that the Group is involved in and accepts that business decisions require balancing of risk and return in order to facilitate the achievement of business objectives. The Group's risk management framework remains an integral part of the Group's business practices and philosophy to risks, especially in the assessment, mitigation and monitoring of inherent and emerging risks to safeguard the interests of the Group. BAHVEST Group continue to apply the Enterprise Risk Management ("ERM") Framework that was adopted in the previous year. Within the framework, the Group has outlined the risk governance structure and has established structured processes for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls at the entity and operational levels. The risk management processes are guided by the global risk management standard, AS ISO31000:2018 Risk Management – Principles and Guidelines.

The Board continues to set the strategic direction for risk management, roles and responsibilities as well as risk reporting structures for the Group. The Board risk oversight role is assisted by the Risk Management Committee ("RMC"), including inter-alia monitoring the implementation and enforcement of risk management policies, reviewing risk management policies and frameworks, reviewing risk exposures, and ensuring adequate infrastructure and resources are put in place for effective risk management oversight. The periodic reporting to both the RMC and the Board on risk management activities undertaken by management keeps the RMC and the Board informed and updated on all aspects of risk of the business.

The risk management process implemented within the Group continues to define, highlight, report and manage the key business and operational risks faced by the businesses within the Group. The risk management process applied to all levels of activity in the Group, with the objective of establishing accountability for both risk identification and mitigation at the sources of risk.

RISK MANAGEMENT FRAMEWORK (CONT'D)

During FYE 2021, the Board has engaged an outsourced professional service provider to facilitate the Enterprise Risk Assessment ("ERA") updates. Result of ERA updates and the updated key risk profiles were presented to the RMC and subsequently brought to the attention of the Board. The Group's top key risks identified and reported for the year are provided below:

Impact of Covid-19

Covid-19 outbreak has emerged since December 2019 and subsequently has escalated to a global pandemic. In combating the Covid-19 outbreaks, Malaysia government has imposed several movement control orders which have halted business operations of non-essential industry. In addition, strict standard operating procedures were introduced by Ministry of Health ("MOH") to curb the escalation of Covid infections.

The Group, in complying to MOH requirements and to safeguard health and safety of employees as well as ensuring business continuity of its operations, has put in place the following:

- Stringent controls on access to its mine (i.e. swab test results is required prior to entering its mine);
- Mandatory daily body temperature check and strict compliance to safe distancing;
- Continuous monitoring on government imposition of movement control order; and
- Timely application of permit from authorities to ensure business continuity.

Liquidity risk (Cash flow constraint/ Inadequate working capital to support business operation)

Cash flow is essential to sustain daily business activities of the Group's operations. In order to effectively monitor the cash position and requirements of the Group, cash flow model and financial projections are used to manage cash inflows and cash outflows from time to time. Furthermore, financial support can be sought from the relevant financial institutions in the event that additional working capital is required.

Breakdown of critical equipment and machineries

Critical equipment and machineries such as excavators, earth movers, augers, bore mill grinder, Carbon-In-Leach("CIL") tank, electrowinning tank etc are crucial to its daily mining operations. Proper equipment and machinery monitoring is in place to ensure that scheduled preventive maintenance activities are being carried out on a timely basis. Experienced engineering personnel are recruited to enable equipment and machinery breakdown are attended to on a timely basis to minimise operational downtime.

Loss of key personnel in WRSB

Loss of key personnel in the Group may severely impact operations as there is a lack of replacement for experienced personnel in mining operations. The Group has maintained close working relationship with all employees and is constantly promoting informal knowledge transfer from experienced personnel to the relevant subordinates.

The Board is cognisant of the need for periodic evaluation of its risk management framework so as to ensure that the risk management processes remain adequate and relevant to the Group's requirements as well as to promote continuous improvement to existing risk management processes. Therefore, on a periodic basis, the Board with assistance of the external service provider, reviews the Group's enterprise risk management framework, system and processes with a view to ensure continuous effectiveness of the Group's risk management activities.

INTERNAL AUDIT FUNCTION

The Group's internal audit function ("IAF") is outsourced to professional services firm to assist the Board and the Audit Committee ("AC") in undertaking independent review on the adequacy, efficiency and effectiveness of the Group's system of internal control. The IAF activities are conducted in accordance with the scope of work specified in the engagement letter, which is approved by the Audit Committee.

The Board recognises the importance of internal control system which is designed to manage and reduce risks that will hinder the Group from achieving its business objectives. The internal control system is embedded within the Group's operations and incorporated for effective control and monitoring.

During the financial year, the IAF conducted two (2) audit reviews of key business areas in accordance with the internal audit plan approved by the AC. Details of areas of review include the Group's purchases and property, plant and equipment. Results of the reviews were reported directly to the Audit Committee thereby highlighting significant internal audit deficiencies, recommendations for improvements, Management's response and proposed action plans. Follow-up reviews on the implementation of action plans are carried out to ensure that any deficiency highlighted have subsequently been addressed.

Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

In addition to the internal audit function, the AC also receives Audit Committee Memorandum from the external auditors that primarily communicates audit results on financial controls. Where there are incidents of non-compliances, appropriate corrective actions have been taken to rectify them.

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS

In addition to the risk management and internal audit function, other key elements of the Group's internal control system and environment are described below:

LINES OF RESPONSIBILITY

The Board and its various committees are collectively responsible to oversee the conduct of the Group's business in ensuring long-term success of the Group and delivering sustainable value to its stakeholders. The Board and various committees are governed by clearly defined terms of reference. In addition, the Group has a formal organisational structure with clear lines of reporting and hierarchy, as well as proper delegation of responsibilities and accountability, which enable effective check and balances within BAHVEST Group.

INTEGRITY AND ETHICAL VALUE

The Group strives to uphold strong culture of integrity and ethical values in its business dealings. As part of the Group's commitment in cultivating integrity and ethical value in the organisation, the Code of Ethics and Conduct was established and enforced to ensure all employees maintain the required standards of integrity, ethics, responsibility and professionalism in all business dealings. In addition, the Group has zero-tolerance towards any form of bribery and corruption. An Anti-Corruption Framework, in line with the Guideline on Adequate Procedures has been put in place and communicated to various stakeholders to demonstrate the Group's commitment toward combating corruption and bribery.

WHISTLEBLOWING POLICY

In promoting good corporate governance, the Group has established a whistleblowing policy which provides an avenue for its employees or third parties to report and raise genuine concerns on potential/ known misconduct, wrongdoings, corruption, fraud, waste or abuse. The Group encourages the use of whistleblowing and is committed to investigate and ensure that appropriate actions are taken to resolve reported misconduct or corruption effectively. The Group further commits to protect the whistle-blower from any retaliation from the Group or its employees.

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Board has received assurance from the Chief Executive Officer/ Managing Director and the Finance Manager stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, for the financial year ended 31 March 2021 and up to the date of this Statement.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants.

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding in all material aspects that the Board has adopted in the review of the adequacy and integrity of the internal control system of the Group, or is factually inaccurate.

CONCLUSION

The Board is not aware of any significant risk management and internal control deficiency or weakness which had directly resulted in any material misstatement, losses or contingencies to the Group for the financial year under review. The Board is of the view that the risk management framework and internal control system of the Group are effective and adequate in view of current operating environment. The Board shall remain committed in ensuring that appropriate initiatives are taken to enhance this system in order to safeguard stakeholders' interest and the Group's assets.

This statement is made in accordance with a resolution of the Board dated 4 August 2021.

SUSTAINABILITY STATEMENT

1. INTRODUCTION

1.1 SUSTAINABILITY REPORTING

We are pleased to present our sustainability statement prepared in accordance with Sustainability Reporting Guide ("SRG") issued by the Bursa Malaysia Securities Berhad ("Bursa Securities").

Bahvest Resources Berhad ("BAHVEST" or "the Company") and its subsidiary companies (collectively referred to as "BAHVEST Group" or "the Group") recognises the importance of embedding sustainability practices throughout the Group's operations and is committed towards creating long-term sustainable value for all stakeholders. In line with such aspirations, the Group has dedicated efforts in creating awareness on sustainability development amongst employees and embedded such philosophy into the Group's corporate culture. In the journey towards sustainable value creation, the Group continuously identify various initiatives in supporting the Group's sustainability aspirations whilst ensuring adequate considerations are placed on responding to the economic, environmental and social risks and opportunities arising.

This Sustainability Statement ("Statement") sets out BAHVEST's approach towards sustainable development and management of economic, environmental and social risks and opportunities, after considering the impact of its business endeavours on the economic, environmental and social facets the Group interacts with.

1.2 SCOPE

This Statement describes the Group's sustainability activities covering both the key financial and non-financial for the period from 1 April 2020 to 31 March 2021. The Group has considered key sustainability matters as guided and defined by both the Global Reporting Initiative ("GRI") Sustainability Standards and Bursa Malaysia's SRG.

1.3 GOVERNANCE STRUCTURE

As there is no "one size fits all" approach, the Board of Directors ("the Board") of BAHVEST adopts a sustainability governance approach that is fit for the Group's purpose considering amongst others, its culture, needs, sustainability-related risks and opportunities and level of maturity of its sustainability intellect and readiness.

The Board oversees and governs the Group's sustainability agenda and strategy. In supporting the Board in the implementation of sustainability-related strategies, the Board has empowered the Management to drive and monitor the implementation of such strategies as well as to measure and report progress towards achieving the Group's sustainability goals as set by the Board.

The Management discusses all relevant sustainability matters, programs and activities in various management meetings. The Management is responsible for identifying, evaluating, monitoring and oversees the implementation of the Group's sustainability policies, processes and approach to ensure key sustainability objectives are met. Thereafter, the Board of Directors are also briefed on key sustainability matters.

BAHVEST Group have always conducted its business activities ethically and in compliance with prevailing laws and regulations. In doing so, the Group's actions reflect accountability and social responsibility whilst ensuring the Group's initiatives continue to drive sustainable development by creating value through the identification, evaluation, monitoring and managing risks and opportunities across the Economic, Environmental and Social ("EES") areas.

2. MATERIALITY ASSESSMENT PROCESS

2.1 OBJECTIVES

Objectives of the materiality assessment process is to allow BAHVEST to optimise the Group's identification of material sustainability matters with a view to enhance the Group's strategic planning, implementation and business decision-making and to enable stakeholders to make better informed decisions.

The Board considers it appropriate in this regard to limit the scope of materiality assessment and by extension the sustainability disclosure to the active companies within the Group. As the Group endeavours to enhance socio-economic benefits and create a positive social impact on the immediate communities surrounding its operations in Tawau, the geographical boundary of the Group's materiality assessment is confined within Sabah only. The scope within which materiality applies as far as operations are concerned is limited to its mining operations.

2. MATERIALITY ASSESSMENT PROCESS (CONT'D)

2.2 STAKEHOLDER ENGAGEMENT

With the objective of identifying and prioritising material sustainability matters, BAHVEST recognises the importance of stakeholder engagement and is therefore committed towards regular engagements with various stakeholders as such engagements are crucial in identifying, prioritising and addressing material sustainability matters. The table below sets out the various types of stakeholder engagements as well as theareas of interest identified together with the appropriate responses to address such interests arising:

Stakeholder	Platforms of Engagement	Frequency	Areas of Interest	Forum of Response
Investors and Shareholders	• Corporate website • Annual General Meeting ("AGM") • Bursa announcement • Financial and other reports • Press conferences and media releases	Annually / Quarterly / As Appropriate	• Business performance • Business directions • Prospect and strategies • Return of Investment • Business continuity • Business risks • Shares liquidity	• Quarterly reporting and regular audit • Financial performance results • Bursa announcements • Press conferences and media releases • Annual reports • Annual General Meeting
Customers	• Corporate website • Email, phone call • Formal and informal meetings	As Appropriate	• Gold commodity prices • Volume of extraction and supply	• Price quotation • Bulk supply & delivery • Regular communication and constant engagement
Suppliers	• Performance review meetings • Audits and site visits • Policies	Occasionally	• Procurement process, payment terms and practices • Business conduct, integrity and ethics	• Regular communication and constant engagement • Process improvement • Engage and share concerns with relevant parties
Community	• Corporate website and social media • Community engagement events and activities • Charitable activities and programme • Environmental events and activities	Occasionally	• Financial support and aid • Social responsibility • Environmental awareness and education • Lifestyle support • Business opportunity • Employment support • Livelihood support	• Financial assistance and donation • Corporate Social Responsibility ("CSR") events and programmes with community • Job opportunity

2. MATERIALITY ASSESSMENT PROCESS (CONT'D)

2.2 STAKEHOLDER ENGAGEMENT (CONT'D)

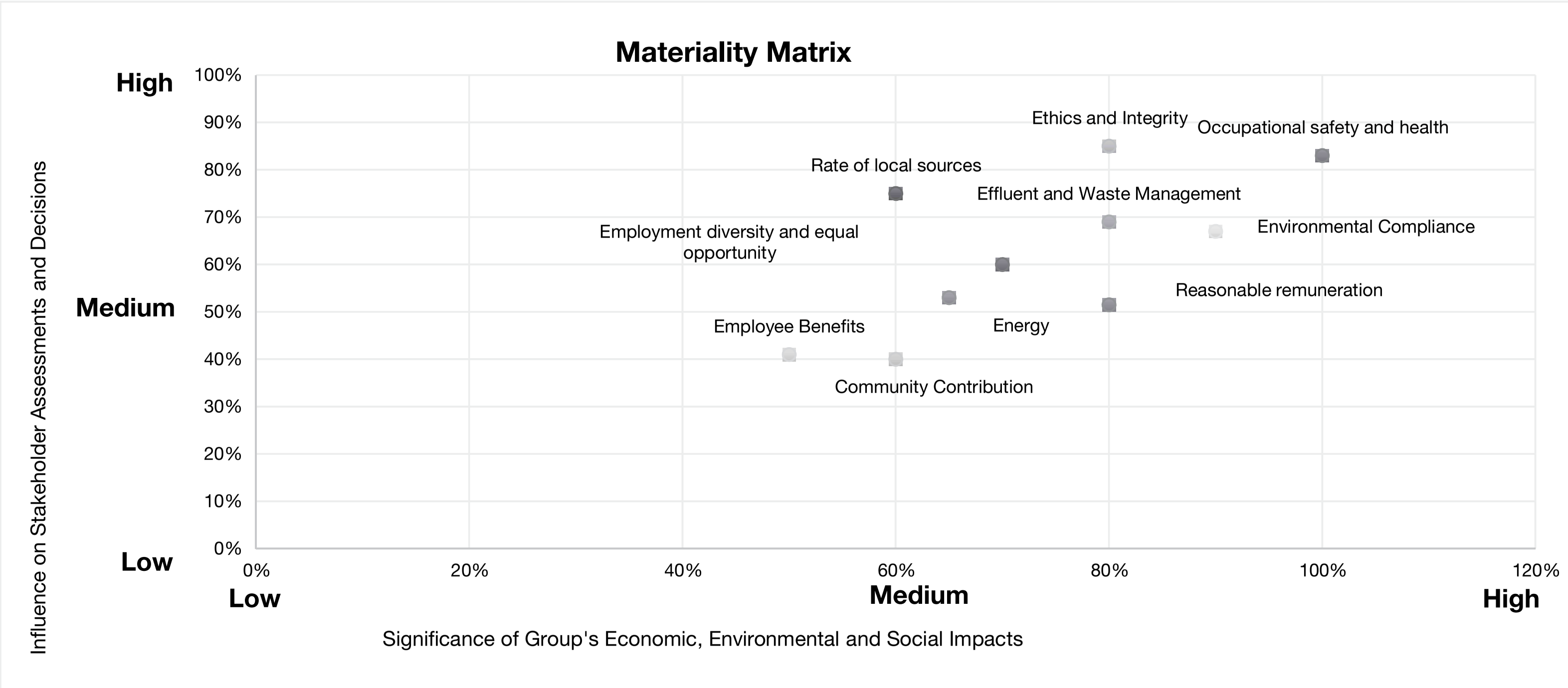
With the objective of identifying and prioritising material sustainability matters, BAHVEST recognises the importance of stakeholder engagement and is therefore committed towards regular engagements with various stakeholders as such engagements are crucial in identifying, prioritising and addressing material sustainability matters. The table below sets out the various types of stakeholder engagements as well as theareas of interest identified together with the appropriate responses to address such interests arising: (Cont'd)

Stakeholder	Platforms of Engagement	Frequency	Areas of Interest	Forum of Response
Government and Regulators	• Corporate website, social media • Meetings, briefings • Formal events • Plant visits • Periodical monitoring & reporting	Ad-hoc	• Regulations, governance and compliance to law, requirements and standards • Accuracy, transparency and disclosure	• Reporting and communications • Monitoring of compliance (e.g. legal checklist)
Employee	• Training • Formal and informal meetings, briefing and assembly • Written policies and procedures • Events and activities	Ongoing	• Career development • Compensation, welfare and benefits • Employment equality • Working environment • Safety • Job performance evaluation / assessment • Ethics, disciplinary and misconducts	• Internal and external training • Staff welfare meetings • Employee activities and events • Performance management system • Whistleblowing channel

Based on the interest indication as well as feedback received from BAHVEST's stakeholder groups during the engagement process, the Group identifies and prioritises issues and matters which are most relevant to each of the stakeholder groups. Each stakeholder group is assessed by the Board based on their influence on the achievement of BAHVEST Group's strategic objectives and their impact on the Group's businesses and operations. With reference to the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and in the context of BAHVEST Group, the prioritised sustainability matters that have been identified are provided overleaf.

2.3 PRIORITISATION OF SUSTAINABILITY MATTERS (MATERIALITY ASSESSMENT)

BAHVEST Group's businesses come under the mining industry. Sustainability matters are considered material if they materially impact BAHVEST's EES sustainability areas or significantly influence the assessments and decisions of stakeholders. Pursuant to the stakeholders' engagement as mentioned above, a materiality assessment has been undertaken to identify and prioritise sustainability matters affecting BAHVEST sustainability aspirations. The material sustainability matters affecting BAHVEST are illustrated in the diagram below:



Therefore, the areas of focus on the Group's sustainability initiatives revolves around the matters identified above. The activities undertaken in respect of such matters are set out in the section overleaf:

3. SUSTAINABILITY ACTIVITIES

3.1 ECONOMIC

3.1.1 Rate of Local Sources

Procurement

BAHVEST Group is steadfast in promoting local economic growth. The Group always source from local vendors if local supply is able to meet requirements.

As at 31 March 2021, BAHVEST has a total of 205 local vendors registered with companies within BAHVEST Group (including Wullersdorf Resources Sdn Bhd, Plentiful Harvest Sdn Bhd, Plentiful Earnings Sdn Bhd, Marine Terrace Sdn Bhd, Salient Horizon Sdn Bhd). Comparisons over the past 4 financial years are as below:

(i) Number of Vendors by Local and Non-Local

Number of Vendors	FY2018	FY2019	FY2020	FY2021
Local	182	199	193	205
Non-Local	5	7	7	2
Total	187	206	200	207
Percentage (Local / Total)	97%	97%	97%	99%

(ii) Purchase Value by Local and Non-Local (RM)

Purchase Amounts (RM)	FY2018	FY2019	FY2020	FY2021
Local	13,395,869.58	37,805,960.85	68,367,238.27	67,496,873.80
Non-Local	554,832.18	5,448,264.93	2,913,313.47	306,545.44
Total	13,950,701.76	43,254,225.78	71,280,551.74	67,803,419.24
Percentage (Local / Total)	96%	87%	96%	99.5%

The number of local vendors has increased from 193 (FYE 2020) to 205 (FYE 2021) whilst a decrease in purchase value is experienced from RM68,367,238 to RM67,496,874 (approximately 1%).

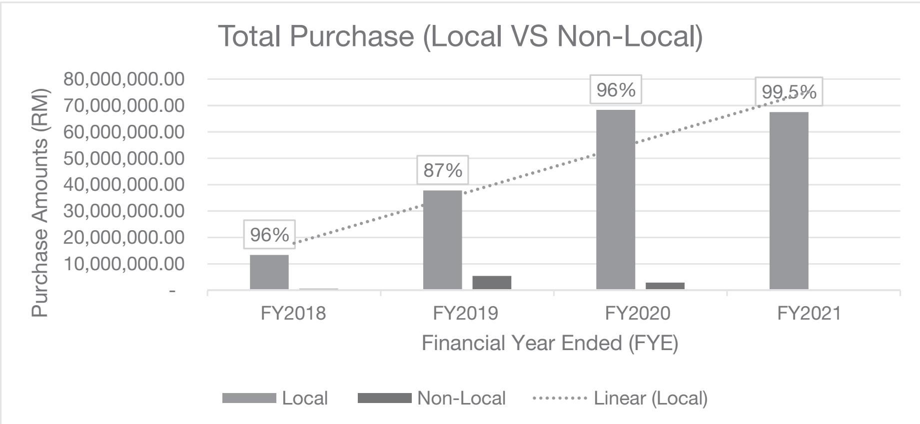
On the other hand, the number of non-local vendors has decreased from 7 (FYE 2020) to 2 (FYE 2021) and this is accompanied by a significant decrease in purchase value from RM2,913,313 to RM306,545 (approximately 89%).

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.1 ECONOMIC (CONT'D)

3.1.1 Rate of Local Sources (Cont'd)

Procurement (Cont'd)



Significant decrease in the purchase value from Non-Local Vendors has led to the Group achieving a Local/Total Percentage of 99.5% in FYE2021, which is the highest purchase percentage from Local Vendor during the past 4 financial years period.

3.1.2 Ethics and Integrity

Code of Conduct and Ethics

BAHVEST fervently uphold its Code of Conduct and Ethics amongst its employees so as to ensure a clean, transparent and ethical business operations.

The Group's efforts in cultivating corporate accountability at each individual organisational level ensures ethical corporate environment can flourish and to enable the Group to consistently maintain high standards of corporate governance, transparency and ethics.

Anti-Bribery and Corruption

BAHVEST Group is committed to conduct its business in accordance with the highest standards of integrity, accountability and responsibility. Pursuant to these commitment BAHVEST Group has adopted a stand of zero tolerance towards all forms of corruption, especially in respect of bribery, malpractices and illegal acts. In line with such standards, BAHVEST Group is committed to uphold anti-corruption policy that promulgates principles and standards on anti-corruption as well as maintenance of business documentation and financial records for reasons of accountability and transparency.

Pursuant to the above and the heightening of BAHVEST Group corporate governance standards, the Board and Management of BAHVEST have engaged an anti-corruption framework pursuant to subsection (5) of Section 17A of Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), as provided in section 4 of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Amendment Act 2018"). The provision of section 17A under MACC Act 2009 establishes the principle of corporate liability for the corrupt practices undertaken by its employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

The underlying agendas of this framework are to assist BAHVEST Group in deterring bribery in any form and in implementing and enforcing effective systems to counter bribery and corruption. No employee should directly or indirectly, accept any kind of bribes, kickbacks or any other unlawful or unethical benefit from any third party that may be construed to be activity or behaviour that could give rise to the perception or suspicion of such conduct or attempt thereof.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.1 ECONOMIC (CONT'D)

3.1.2 Ethics and Integrity (Cont'd)

Whistleblowing

BAHVEST Group has established a structured mechanism and avenue for stakeholders to raise or report concerns through appropriate channels about any improper conduct or wrongful activities or acts of corruption in a private and confidential manner that accords protection to whistle-blower from any risk of reprisal or retaliation.

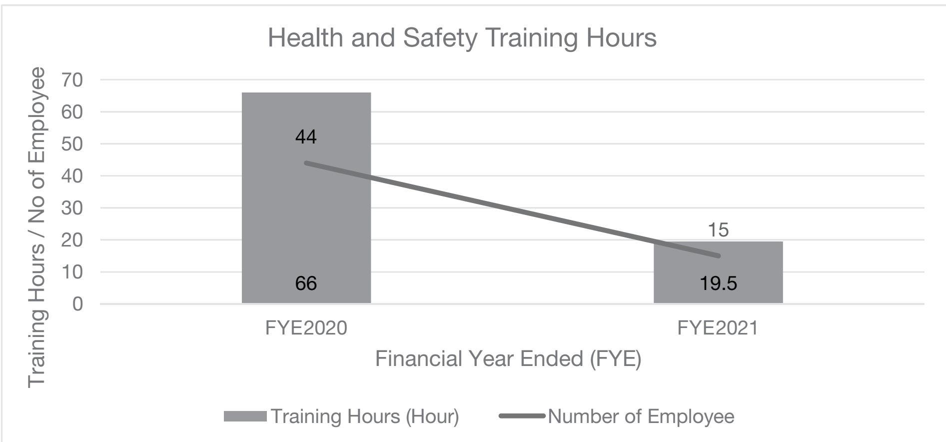
Currently, concerned stakeholders are encouraged to report any suspected misconduct, wrongdoing or illegal acts to the Finance Manager or the Chief Executive Officer through established reporting channels.

3.2 SOCIAL

3.2.1 Occupational Safety and Health ("OSH")

BAHVEST considers occupational safety and health seriously as the safety and wellbeing of the Group's employees remain a top priority in ensuring they can work in safe and conducive environment. Various programmes and initiatives are established to ensure employees and public safety at the mining operations. Amongst the principal initiatives undertaken by Management is the constant training provided to employees

As at 31 March 2021, there are total 19.5 training hours provided to 15 employees by the Group.



Source: List of Health and Safety Training and Induction Training conducted at Wullersdorf Resources Sdn Bhd for the period from 1 April 2019 to 31 March 2021.

The reduction in training hours for employees are mainly due to the number of participants registered for training is restricted to a limited number of people from April 2020 onwards due to the safety measures instituted to combat the spread of COVID-19 infections.

Due to unforeseen circumstances, there was three (3) minor Loss Time Injury ("LTI") cases reported during FYE 31 March 2021 (FYE 31 March 2020: Nil).

The Group remains committed towards preventing any occurrence of accidents/incidents and aims to keep the number of accidents or incidents to zero (0).

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.2 SOCIAL (CONT'D)

3.2.1 Occupational Safety and Health ("OSH") (Cont'd)

<u>Additional Safety Measure Imposed related to Covid-19</u>

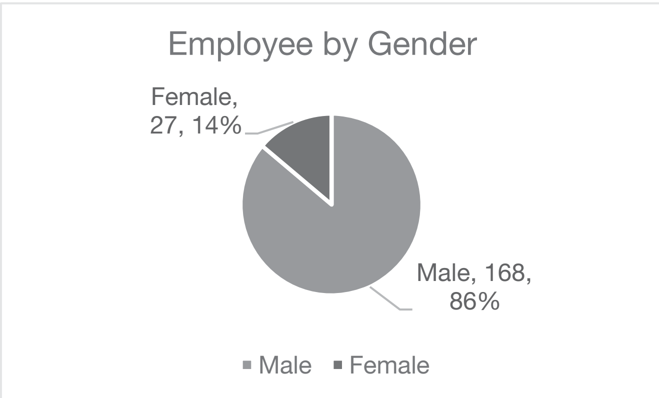
In protecting employees at work, additional safety measures have been imposed by the Group to prevent the spread of COVID-19 virus at the workplace. The Group has taken the initiative to purchase and supply sanitizers and face masks to employees at work.

As part of the Group's preventive safety measures, employees are required to report to Management if they experience any symptom such as fever or cough. In addition, employees are required to quarantine at home if they have close contact with any positive Covid-19 patient or "Person Under Investigation" for Covid-19.

As at 31 March 2021, there was no positive COVID-19 cases reported amongst employees under the Group or detected at the workplace.

3.2.2 Employment Diversity and Equal Opportunity

The Group encourages employee diversity and promote equal employment opportunities for career advancement in the Group.



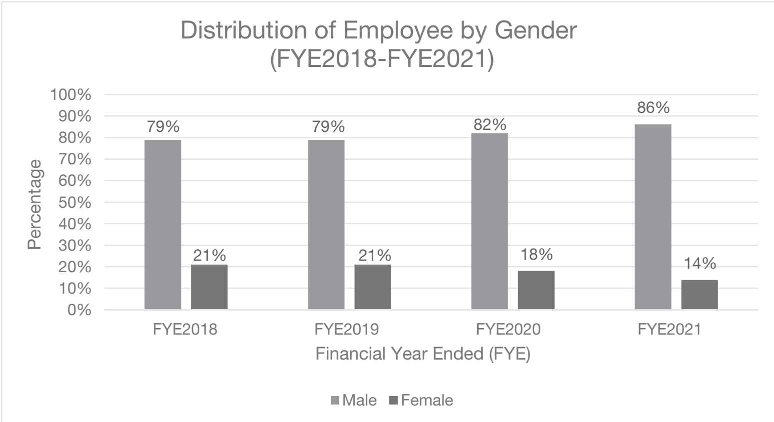
As at 31 March 2021, the Group's workforce comprising 168 male employees and 27 female employees, which represents 86% and 14% of total employees respectively.

The gender diversity ratio of male employees has increased by 4% as represented by the 86% male gender profile in FYE2021.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.2 SOCIAL (CONT'D)

3.2.2 Employment Diversity and Equal Opportunity (Cont'd)



The gender diversity plan in increasing female participants remains a challenge considering the Group's activity in mining which is located in the remote areas of Sabah. Moving forward, the Group will work towards having a better gender balance and diversity.

3.2.3 Reasonable Remuneration

BAHVEST remunerates its employees at a standard wage rate, which in accordance with the prevailing labour law that is applicable to both genders at entry level. In addition, the Group rewards its employees based on merit and talent without any discrimination of gender or race or nationality.

The Group is committed to provide equal employment opportunities to all employees. Consequently, wage equality and common standard benefits are provided to all employees regardless of gender or race or nationality throughout the Group.

3.2.4 Employee Benefit

<u>Training and Development</u>

The Group recognises that employees are the most important assets and human development is one of the Group's primary goal. Thus, the Group will provide both internal or external training to employees on a regular basis to enhance their skills and competencies. As at 31 March 2021, there are total 44 training hours provided to 5 employees of the Group.

Financial Year Ended (FYE)	FYE2019	FYE2020	FYE2021
Training Hours (Hour)	248	120	44
Number of Employee	19	8	5
Amounts (RM)	6,820.00	6,986.94	2,382.54

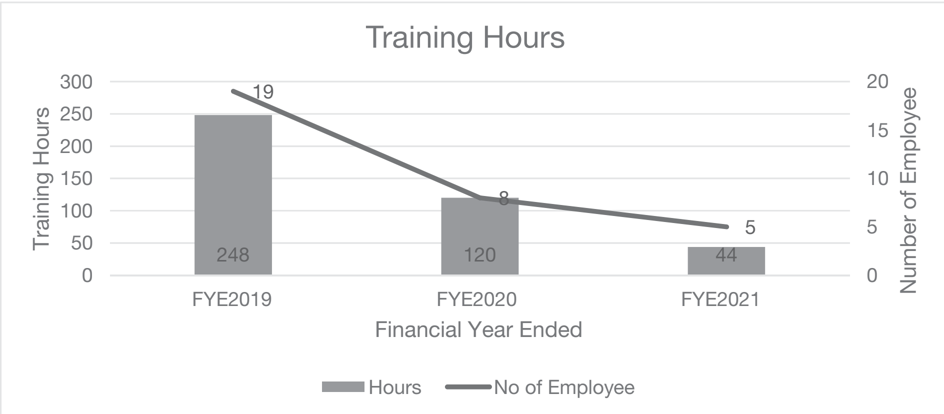
Source: List of Training conducted for the period from 1 April 2018 to 31 March 2021.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.2 SOCIAL (CONT'D)

3.2.4 Employee Benefit (Cont'd)

Training and Development (Cont'd)



The reduction in training hours and employee participation in training are mainly due to the restriction in the number of participants in training from April 2020 onwards as part of the safety measures imposed to prevent the potential spread of COVID-19 infections.

However, employees are also taking initiative to attend online webinar provided by professional bodies (i.e.: ACCA, MIA, CPA & etc.) while the conduct of physical training is prohibitive during this period of time when the government has implemented movement control orders to curb the spread of Covid-19 infections.

Work-Life Balance

BAHVEST strives to foster a culture of work-life balance. The Group recognises that the availability of paid marriage and maternity leave have great benefits on family and talent development.

All employees are granted 3 days of paid leave for their first legal marriage, and all female employees are entitled to paid maternity leave for a period of no less than 60 consecutive days for each pregnancy.

3.2.5 Community Contribution

BAHVEST is cognisant of the responsibility of preserving the well-being of local communities where the Group operates in. Various Corporate Social Responsibility ("CSR") activities are undertaken as part of efforts to create positive impact to the society at large. Contributions made towards the community are in the form of donation, sponsorship and medical support to schools, places of worship and Covid-19 relief in FYE2019, FYE2020 and FYE2021. Details are as below:

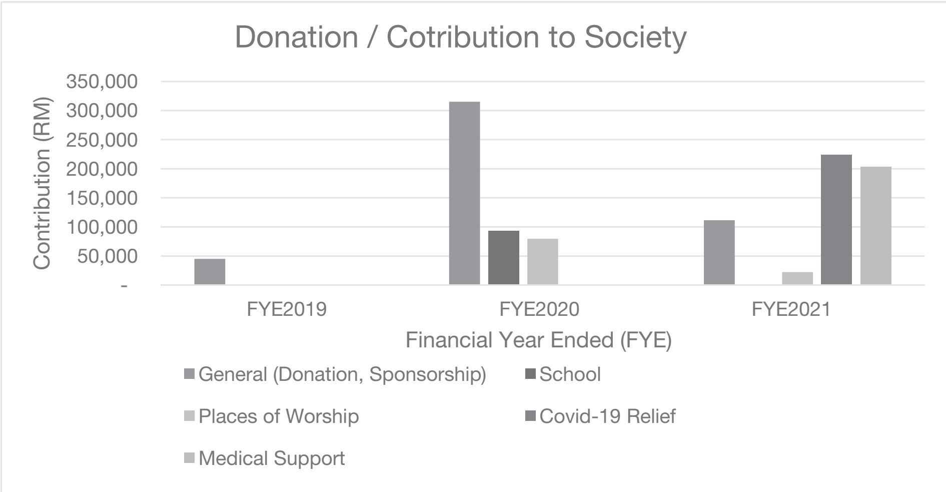
Contribution (RM)	FYE2019	FYE2020	FYE2021
General (Donation, Sponsorship)	45,200.00	315,091.41	111,634.12
School	-	93,347.48	-
Places of Worship	-	79,768.40	22,354.20
Covid-19 Relief	-	-	223,939.00
Medical Support	-	-	203,129.40
Total (RM)	**45,200.00**	**488,207.29**	**561,056.72**

Source: List of donation and contribution by Wullersdorf Resources Sdn Bhd for the period from 1 April 2018 to 31 March 2021.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.2 SOCIAL (CONT'D)

3.2.5 Community Contribution (Cont'd)



Covid-19 pandemic does not only affect businesses but also impacts on local society and community at large. In fulfilling the Group's corporate social responsibility, efforts are being placed in providing Covid-19 relief to the local society and community, especially during FYE2021 where most people are affected by the pandemic.

During FYE2021, approximately 40% of the Group's social contribution is allocated and contributed towards Covid-19 relief, such as donation of food, groceries, glove and sanitizer to local community. Out of RM223,939, a total amount of RM100,000 contribution is in the form of donation in groceries to Adun Apas, Adun Balung, Adun Tg Bt, Masjid Kg Balung Cocos, in providing relief to the local community's daily livelihood.

The Group believes in adopting good corporate social responsibility and will continuously endeavour to create values in the lives of the community the Group interacts with.

3.3 ENVIRONMENT

3.3.1 Effluent and Waste Management

Our sustainability objectives are to preserve the environment and maintain a sustainability ecosystem where we operate in. We continuously identify opportunities for improvement in managing the effluent and waste generated from our mining operational activities. Our efforts include:

(i) <u>Effective Tailing Management</u>

The leftover waste material from processing plant is called tailings. The waste from the processing plant is finally transferred to the vacuum filter press machine which separates the solid and water. The Solid then is sun dried and stacked in the TSF containment area whilst the water containing remaining chemical is 100% recycled back to processing plant. This green technology is proven can minimising an environmental effect and beneficial for some operational cost saving. All 4 units of filter press are fully utilised simultaneously with only minor unscheduled maintenance undertaken throughout the year.

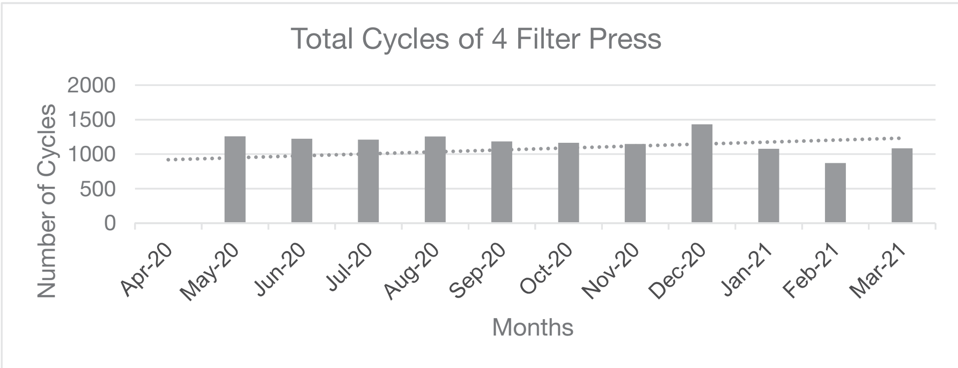
3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.1 Effluent and Waste Management (Cont'd)

Our sustainability objectives are to preserve the environment and maintain a sustainability ecosystem where we operate in. We continuously identify opportunities for improvement in managing the effluent and waste generated from our mining operational activities. Our efforts include: (Cont'd)

(i) Effective Tailing Management (Cont'd)



* *Note: No movement in April 2020 as operation cease under Movement Control Order imposed in Malaysia.*

(ii) Storage of Chemical and Diesel

The Group's mining operations require storage of diesel and chemical in a protective casing and in appropriate bunkers and enclosures to prevent spillage. These bunkers provide protective layer that prevents any diesel and chemical spillages that could lead to contamination of the soil and flowing into the water catchment areas and water sources. Oil sumps are constructed to filter diesel wastes before diverting the wastes into constructed drain that leads to the tailing storage facility.

3.3.2 Energy

The Group's mining operation at Bukit Mantri is an energy-intensive operations. Due to its remote location, supply of electricity via transmission lines is not available. As at 31 March 2021, there are ten (10) units of diesel generators in operations to provide electricity for the entire mining area, covering the processing plant, offices, accommodation areas, other equipment and facilities areas.

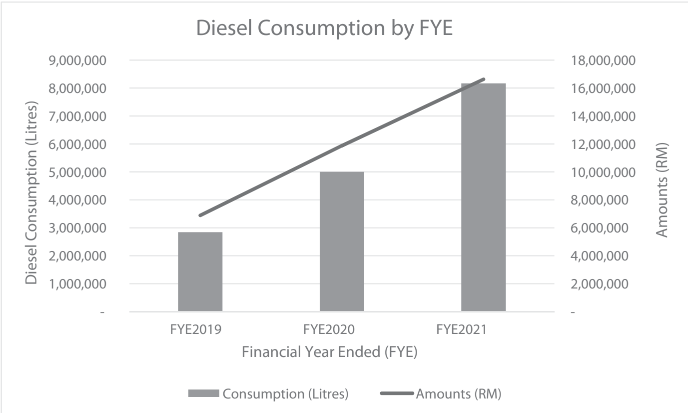
3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.2 Energy (Cont'd)

The diesel consumption analysis by the respective financial years (FYE) are as below:

Diesel Consumption	FYE2019	FYE2020	FYE2021
Consumption (Litres)	2,842,501	5,001,000	8,171,000
Amounts (RM)	6,889,534	11,877,515	16,629,085



Mining operations is a high energy-intensive operation which is mainly driven by the volume of activity. The total tonnage in movement of materials (including ore and waste) is recorded and use as an indicator on volume of activity to monitor diesel consumption levels.

The diesel consumption levels in comparison with the total movement in the mining operations during FYE2021 are as below:

Months	Diesel Consumption (Litres)	Total Movement (Ton)	Consumption per Movement Rate
Apr-20	479,000	-	N/A*
May-20	547,000	296,474	1.85
Jun-20	451,000	273,147	1.65
Jul-20	531,000	264,039	2.01
Aug-20	590,000	510,648	1.16
Sep-20	539,000	530,557	1.02
Oct-20	680,000	421,944	1.61
Nov-20	797,000	510,865	1.56
Dec-20	1,008,000	584,600	1.72
Jan-21	844,000	412,245	2.05
Feb-21	854,000	382,740	2.23
Mar-21	851,000	566,685	1.50
Total	**8,171,000**	**4,753,944**	**1.72**

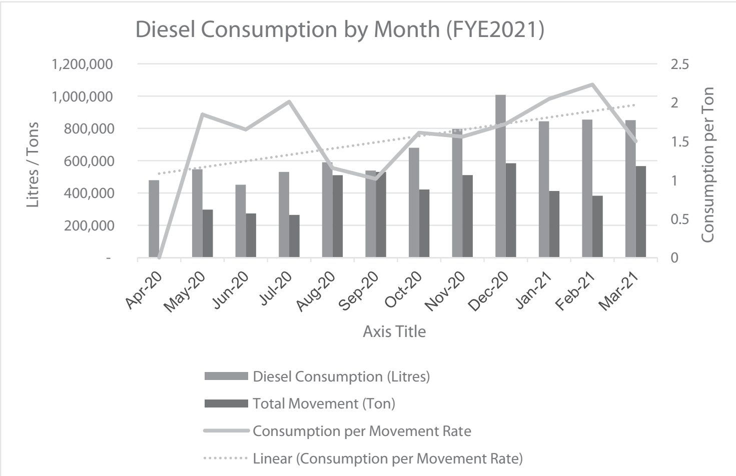
Source: Quarterly Site Progress Report and list of Diesel Consumption during FYE2021.

* *Note: Not applicable. No movement in April 2020 as operation cease under Movement Control Order imposed in Malaysia.*

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.2 Energy (Cont'd)



The average consumption per ton during FYE 31 March 2021 is at 1.72. Most of the months in FYE2021 achieved a consumption rate lower than the average of 1.72, except for the month of May 2020, July 2020, January 2021 and February 2021. The higher consumption rate recorded in these months are mainly due to lower activity volume when compared to other months.

In addition to the above, there is no activity recorded in April 2020 due to Full Movement Control Order imposed by the Government of Malaysia. Economic activities are restricted during this period of time due to safety measures implemented by the government to prevent the spread of Covid-19 virus.

3.3.3 Environmental Compliance

BAHVEST Group is pleased to highlight that no incident of non-compliances with environmental laws and regulations have been experienced in FYE 31 March 2021 (FYE 31 March 2020: NIL cases).

The Group regularly reviews any risks and potential issues related to the environment connected to its mining operation. Actions and measures are taken to ensure all environmental factors, especially Water Quality, Air Quality and Noise Level are within the regulatory requirements, including monitoring the environmental parameters relating to the mining operations.

Water Quality

The Group recognise that mining activities have several consequences to water mainstreams and water sources. In order not to adversely impact the environment, the Group have implemented several measures in our mining area such as sedimentation ponds, water quality tests and retention ponds.

(i) Sedimentation Ponds

Five (5) sedimentation ponds, earth and slit trap had been constructed under Special Environmental Impact Assessment ("EIA") requirements and in accordance with Erosion and Sediment Control Plan dimension approved by the Department of Irrigation and Drainage.

The sedimentation ponds are used to capture surface runoffs due to mining development activities and during severe weather conditions. Accumulated sediments and silts have been removed and diverted to the tailing storage facilities.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.3 Environmental Compliance (Cont'd)

Water Quality (Cont'd)

(ii) Water Quality Tests

Daily analysis for surface water quality is conducted at there (3) different sampling points within the tenement boundary. Water samples are tested for its pH level, temperature, dissolved oxygen total dissolved solid and conductivity amongst others.

In addition, nine (9) groundwater points have been identified for testing and for measurement of groundwater level. Test results for surface water quality indicated that the mining operations has complied with the permissible limits specified by Mineral Development (Effluent) Regulations 2016 and National Water Quality Standard (Malaysia). Details are set out overleaf:

Parameter	Compliance Parameter[1]	W1[2]	W2[2]	W6[2]
pH Level	Range 6-9	7	7	7
Temperature (°C)	Below 40°C	28	27	27
Dissolve Oxygen (%)	Range 5-7	6	7	7
Total Dissolve Solid (ppm)	Not specific	81	70	73
Conductivity (μS/cm)	Not specific	116	84	89

Notes:

1. Compliance Parameter as per Mineral Development (Effluent) Regulations 2016 and National Water Quality Standard (Malaysia)

2. Parameter for 3 sampling points are the average results for the FYE2021 from May 2020 to March 2021. No results recorded for April 2020 as mining operations temporarily ceased due to Full Movement Control Order imposed by Malaysia government during that period of time.

3. Sampling Point W1, W2, & W6 are specific onsite surface water discharge locations to monitor industry effluent. As per the conditions set out in the Special Environmental Impact Assessment ("SEIA"), surface water discharge is collected, tested and monitored on behalf of Environment Consultant (who will collect sample at these locations on a monthly basis) as instructed by Environment Protection Department ("EPD").

Sustainability Statement
(Cont'd)

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

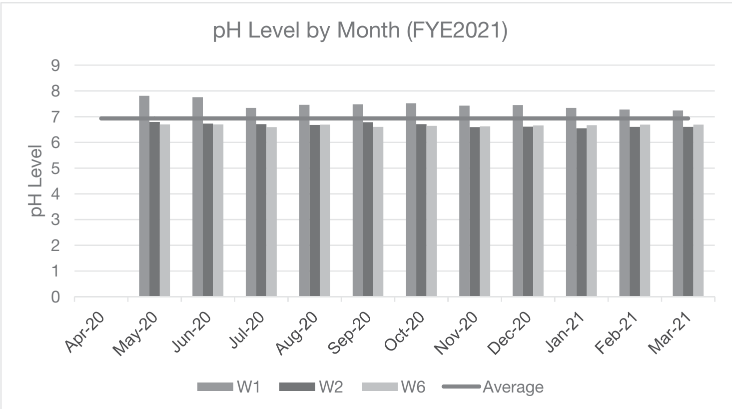
3.3.3 Environmental Compliance (Cont'd)

Water Quality (Cont'd)

(ii) Water Quality Tests (Cont'd)

Detailed results of parameter by months when compared to the average parameter for 3 sampling points (W1, W2 and W6) in FYE2021 are as below:

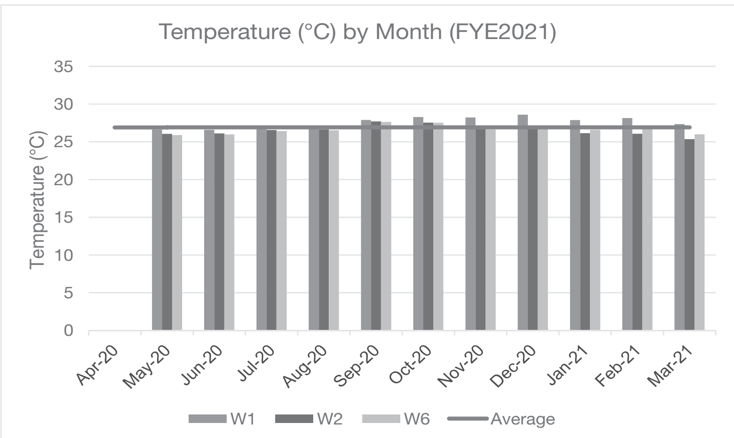
a. pH Level by Month – Average at 6.9 pH level



Source: Quarterly Site Progress Report during FYE2021.

Despite Surface Water Sampling Point 1 (W1) having a pH level higher than average of 6.9 pH level, the pH levels recorded are still within the compliance parameter (pH 6 to 9) as specified under the Mineral Development (Effluent) Regulations 2016.

b. Temperature (°C) by Month – Average at 26.9°C



Source: Quarterly Site Progress Report during FYE2021.

In certain months, the Surface Water Sampling Points (W1, W2, and W6) are having a higher temperature than average of 26.9°C. However, this temperature is still much lower than the compliance parameter of 40°C as specified under the Mineral Development (Effluent) Regulations 2016.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

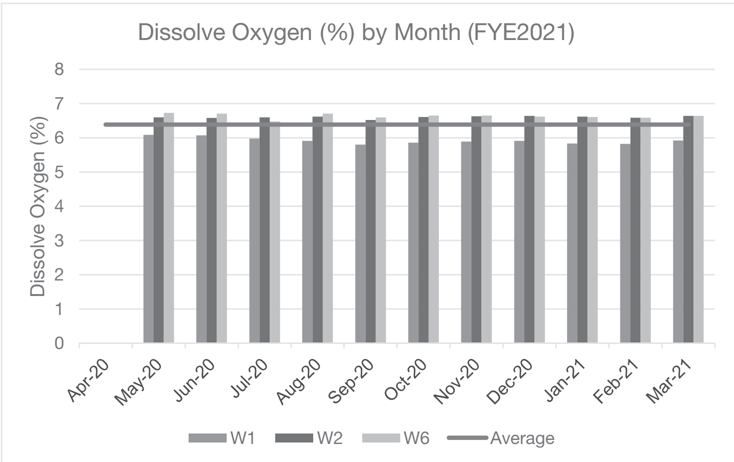
3.3.3 Environmental Compliance (Cont'd)

Water Quality (Cont'd)

(ii) Water Quality Tests (Cont'd)

Detailed results of parameter by months when compared to the average parameter for 3 sampling points (W1, W2 and W6) in FYE2021 are as below: (Cont'd)

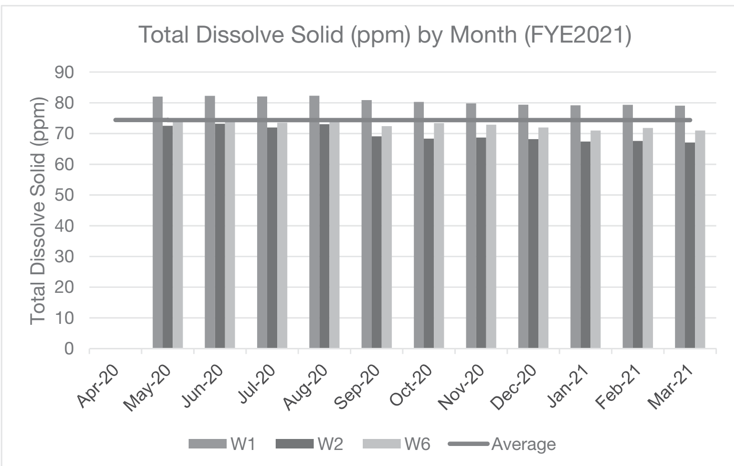
c. Dissolve Oxygen (%) by Month – Average Dissolve Oxygen at 6.4%



Source: Quarterly Site Progress Report during FYE2021.

In certain months, the Surface Water Sampling Points (W2, and W6) are having a higher dissolved oxygen percentage than the average of 6.4%. However, the dissolved oxygen percentage is still within the compliance parameter (5% to 7%) as specified under the National Water Quality Standard (Malaysia).

d. Total Dissolve Solid (ppm) by Month – Average at 74.4ppm



Source: Quarterly Site Progress Report during FYE2021.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.3 Environmental Compliance (Cont'd)

Water Quality (Cont'd)

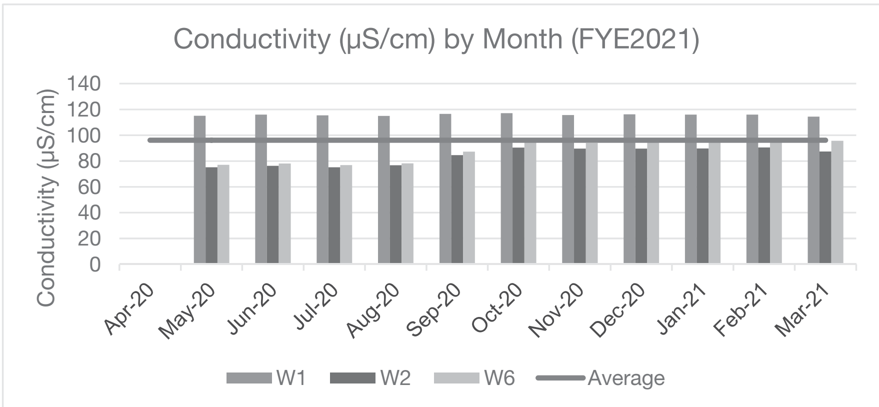
(ii) Water Quality Tests (Cont'd)

Detailed results of parameter by months when compared to the average parameter for 3 sampling points (W1, W2 and W6) in FYE2021 are as below: (Cont'd)

d. Total Dissolve Solid (ppm) by Month – Average at 74.4ppm (Cont'd)

Surface Water Sampling Point 1 (W1) is having a higher total dissolved solid (ppm) than the average of 74.4ppm when compared against the other two (2) Surface Water Sampling Point (W2 and W6). However, the required ppm is not specified under the National Water Quality Standard (Malaysia), and there is no non-compliance identified or highlighted by our Environment Consultant during FYE2021.

e. Conductivity (µS/cm) by Month – Average at 96.2 µS/cm



Source: Quarterly Site Progress Report during FYE2021.

Surface Water Sampling Point 1 (W1) is having a higher conductivity (µS/cm) than average of 96.2 µS/cm when compared against the other two (2) Surface Water Sampling Point (W2 and W6). However, the required µS/cm is not specified under the National Water Quality Standard (Malaysia), and there is no non-compliance identified or highlighted by our Environment Consultant during FYE2021.

(iii) Retention Ponds

Retention ponds are used to collect rainwater and rock stream water. These waters will then be processed and recycled for use at the processing plant as well as treated for safe consumption.

3. SUSTAINABILITY ACTIVITIES (CONT'D)

3.3 ENVIRONMENT (CONT'D)

3.3.3 Environmental Compliance (Cont'd)

Air Quality

The Group mining activities has impact on the air quality. In order to minimise the impact to the environment, a regular monitoring on Particulate Matter (PM_{10}) in ambient air is conducted through air sampling at predetermined locations as specified by the Environment Consultant.

The PM_{10} sampling obtained at the sample location near to the workers quarters at the mining site by Environment Consultant on 2 to 3 September 2020 yielded a concentration of 18.27 μg/m3, which is much lower than the permissible limit of 100 μg/m3 prescribed under the Malaysian Ambient Air Quality Guidelines.

Noise Level

The Group is aware that drilling and mining of hard rock (i.e.: sulphide and oxide ore) causes excessive noise to the environment. Ambient Noise Quality level monitoring are regularly conducted by a registered consultant to assess the noise levels throughout the mining area and ensure noise levels are kept within the maximum permissible noise level.

The assessment results indicated noise levels detected at all monitoring stations are below the recommended limit under the Schedule 2 of the Planning Guidelines for Environmental Noise Limits and Control published by the Department of Environment.

Among measures implemented to manage noise levels and to protect employees' hearing include:

- Regular preventive maintenance of vehicles and machinery used;
- All operation employees undergo audiometric testing;
- Operation activities are carried out within the allowable working hours;
- Generator sets storage area are stored at enclosed area;
- Mandatory used of ear cups / covers at certain locations within the mining area; and
- Provision of training and awareness to workers in relation to noise monitoring.

4. KEY PERFORMANCE INDICATOR ("KPI")

As part of BAHVEST's sustainability efforts, below are the benchmarks to be created/enacted in order to enable the Group to achieve its internal sustainability goals:

Indicators	Contents	Unit of Measure	Related Goals
Economic			
Rate of local sources	Rate of local sources/origins among vendors	%	Non-specific
Social			
Reasonable Remuneration System	The entry income level / the percentage rate of the workers who earn a minimum wage and breakdown by gender / difference between female and male payments and bonuses	%	Non-specific
Employment diversity and equal opportunity	Number of employees by gender	%	Non-specific
Incidents and Accidents at Workplace	Number of incidents and accidents at the workplace	Number	Non-specific
Environment			
Air Quality Monitoring	Air quality within the limit as prescribed in the Malaysian Ambient Air Quality Guidelines	Micrograms per cubic meter (µg/m3)	Lower than 100 µg/m3
Noise Level Monitoring	Noise level within the limit during daytime and night-time	Decibels (dB)	Daytime: Lower 63.3+10 dB Night-time: Lower 59.9+5 dB
Water Quality Monitoring	Water parameter tested for surface water and effluent complied with the National Water Quality Standards for Malaysia (NWQSM) Class IIB and Regulation 4 of Mineral Development (Effluent) Regulation 2016	Acidity (pH)	6.0 pH- 9.0 pH
Energy	Diesel Consumption	Litres	Non-specific

CONCLUSION

The above initiatives are lead indicators on BAHVEST's commitment towards sustainability and for the betterment of our economy, environment and social aspects of the community we operate in. The journey towards attaining sustainable growth and long-term profitability is a continuous and energy-sapping one and the principles of sustainability have been incorporated into the Group's culture, value system, aspirations and business approach.

ADDITIONAL COMPLIANCE INFORMATION

1. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

1.1 The movement of ESOS Options during the financial ended 31 March 2021 as follows:

Date of offer	Exercise price	Exercise price after bonus issue	Number of options over ordinary shares of RM0.10 each		
			At 1.4.2020	Exercised	At 31.3.2021
15.01.2013	RM0.70	RM0.35	48,717,800	(6,228,400)	42,489,400
25.08.2016	RM1.00	RM0.50	200,000	–	200,000
11.03.2017	RM0.75	RM0.37	1,824,600	–	1,824,600
20.09.2017	RM0.70	RM0.35	250,000	(250,000)	–
02.07.2018	RM1.05	RM0.52	1,940,060	(400,000)	1,540,060
			52,932,460	(6,878,400)	46,054,060

Further details of the options granted to directors and senior management during the financial year ended 31 March 2021 and since commencement of the ESOS are as follow:

	Aggregate maximum allocation in percentage to Directors and senior management	Actual percentage granted to Directors & Senior Management
Since commencement of the ESOS and during the financial year ended 31 March 2021	85% of ordinary shares of RM0.10 each available under the ESOS	70% of ordinary shares of RM0.10 each available under the ESOS

Further breakdown of the options granted to Executive Director and Non-Executive Directors since the commencement of the ESOS and during the financial year ended 31 March 2021 are as follow:

	Number of options over ordinary shares of RM0.10 each			
	Since Commencement	Bonus issued	Exercised as at the Financial Year Ended 31 March 2021	Balance
Dato' Sri Dr. Md Kamal Bin Bilal	2,500,000	–	(2,500,000)	–
Datuk Lo Fui Ming	10,500,000	–	(10,500,000)	–
Lo Teck Yong	10,500,000	5,376,000	(5,519,500)	10,356,500

2. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 31 March 2021.

3. AUDIT AND NON-AUDIT FEES

The audit and non-audit fee paid or payable to the External Auditors, Baker Tilly Monteiro Heng PLT for the financial year ended 31 March 2021 as follows:

Company	Audit Fees (RM)	Non-Audit Fees (RM)
Bahvest Resources Berhad ("BAHVEST")	100,000	5,000
BAHVEST's Subsidiaries	120,000	-
Total	220,000	5,000

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

There are no other recurrent related party transaction of a revenue or trading nature which had been entered by the Group during the financial year ended 31 March 2021, except for transactions disclosed in the financial statements on pages 147 to 148 of this Annual Report.

5. CONTRACT RELATING TO LOAN BY THE COMPANY

There was no contract relating to loan by the Company.

6. MATERIAL CONTRACT

There was no material contract entered into by the Company and / or its subsidiary during the financial year ended 31 March 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(14,133,601)	(4,707,026)
Attributable to:		
Owners of the Company	(14,133,601)	(4,707,026)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31 March 2021.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances 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.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 6,878,400 new ordinary shares from the exercise of the Company's Employees Shares Option Scheme ("ESOS") as disclosed in Note 12 to the financial statements which amounted to RM3,330,784.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the Employee's Share Option Scheme ("ESOS").

The salient features and other details of the ESOS are disclosed in Note 13 to the financial statements.

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Date of offer	Exercise price before bonus issue	Exercise price after bonus issue	Number of options over ordinary shares At 1.4.2020	Granted	Exercised	At 31.3.2021
15 January 2013	0.70	0.35	48,717,800	-	(6,228,400)	42,489,400
25 August 2016	1.00	0.50	200,000	-	-	200,000
11 March 2017	0.75	0.37	1,824,600	-	-	1,824,600
20 September 2017	0.70	0.35	250,000	-	(250,000)	-
2 July 2018	1.05	0.52	1,940,060	-	(400,000)	1,540,060
			52,932,460	-	(6,878,400)	46,054,060

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Dato' Nik Hashim bin Nik Ab. Rahman
Dato' Sri Dr. Md Kamal Bin Bilal
Datuk Lo Fui Ming*
Lo Teck Yong*
Sim Kay Wah
Akinori Hotani* (Resigned on 21 December 2020)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Chong Khing Chung
Chong Tzu Khen

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1.4.2020	**Bought**	**Sold**	**At 31.3.2021**
Direct interests:				
Dato' Sri Dr. Md Kamal Bin Bilal	9,361,000	-	-	9,361,000
Datuk Lo Fui Ming	188,166,290	11,791,400	(2,900,000)	197,057,690
Lo Teck Yong	10,486,160	290,000	-	10,776,160
Indirect interest:				
Datuk Lo Fui Ming*	88,000	500,000	-	588,000

Interests in the Company (continued)

	Number of options over ordinary shares			
	At 1.4.2020	**Granted**	**Exercised**	**At 31.3.2021**
Direct interest:				
Lo Teck Yong	10,646,500	-	(290,000)	10,356,500
Indirect interest:				
Datuk Lo Fui Ming*	10,152,000	-	(500,000)	9,652,000

	Number of warrants 2017/2024 issued pursuant to the Deed Poll dated 2 August 2017 exercisable at any time from 21 August 2017 to 20 August 2024			
	At 1.4.2020	**Bought**	**Sold**	**At 31.3.2021**
Direct interests:				
Dato' Sri Dr. Md Kamal Bin Bilal	3,129,460	-	-	3,129,460
Datuk Lo Fui Ming	91,680,394	-	-	91,680,394
Lo Teck Yong	6,409,330	-	-	6,409,330
Indirect interest:				
Datuk Lo Fui Ming*	70,000	-	-	70,000

* Shares held through his child

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 24 to the financial statements) 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.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, there were no indemnity given to or insurance effected for any directors and officers of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event during the financial year and subsequent to the end of the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 23 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

………………………………
DATUK LO FUI MING
Director

………………………………
LO TECK YONG
Director

Date: 4 August 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM (Restated)	Group 1.4.2019 RM (Restated)	Company 31.3.2021 RM	Company 31.3.2020 RM (Restated)	Company 1.4.2019 RM (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	5	61,726,157	71,289,538	67,419,709	6,434	5,818	1,183
Intangible assets	6	70,196,765	72,758,555	92,905,593	70,115,330	72,642,009	92,765,674
Investment in subsidiaries	7	-	-	-	5,051,034	5,051,034	7,804,167
Biological assets	8	-	53,258	651,876	-	-	-
Trade receivables	10	2,345,995	-	-	-	-	-
Total non-current assets		134,268,917	144,101,351	160,977,178	75,172,798	77,698,861	100,571,024
Current assets							
Biological assets	8	-	2,374,565	156,459,576	-	-	-
Inventories	9	4,555,148	3,443,153	2,538,384	-	-	-
Trade and other receivables	10	8,430,738	4,231,573	27,350,149	-	21,500	9,863,529
Current tax assets		1,458,047	1,341,490	85,579	3,427	2,724	2,944
Cash and bank balances	11	2,283,713	9,143,479	11,293,483	112,797	3,283	488,867
Total current assets		16,727,646	20,534,260	197,727,171	116,224	27,507	10,355,340
TOTAL ASSETS		150,996,563	164,635,611	358,704,349	75,289,022	77,726,368	110,926,364

Statements Of Financial Position
(Cont'd)

		Group			Company		
	Note	31.3.2021 RM	31.3.2020 RM (Restated)	1.4.2019 RM (Restated)	31.3.2021 RM	31.3.2020 RM (Restated)	1.4.2019 RM (Restated)
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	12	292,126,966	288,796,182	287,843,713	292,126,966	288,796,182	287,843,713
Other reserve	13	5,476,886	6,332,230	6,553,779	5,476,886	6,332,230	6,553,779
(Accumulated losses)/Retained earnings		(190,305,455)	(176,171,854)	5,729,203	(227,166,429)	(222,459,403)	(188,964,467)
TOTAL EQUITY		107,298,397	118,956,558	300,126,695	70,437,423	72,669,009	105,433,025
Non-current liabilities							
Loans and borrowings	14	12,819,759	11,141,819	7,020,226	-	-	-
Deferred income	15	-	2,262,044	3,137,674	-	-	-
Deferred tax liabilities	16	1,350,302	971,269	22,300,009	-	-	-
Total non-current liabilities		14,170,061	14,375,132	32,457,909	-	-	-
Current liabilities							
Loans and borrowings	14	8,627,507	11,009,981	14,563,735	-	-	-
Trade and other payables	17	20,900,598	20,293,940	9,475,761	4,851,599	5,057,359	5,493,339
Current tax liabilities		-	-	2,080,249	-	-	-
Total current liabilities		29,528,105	31,303,921	26,119,745	4,851,599	5,057,359	5,493,339
TOTAL LIABILITIES		43,698,166	45,679,053	58,577,654	4,851,599	5,057,359	5,493,339
TOTAL EQUITY AND LIABILITIES		150,996,563	164,635,611	358,704,349	75,289,022	77,726,368	110,926,364

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Group		Company	
	Note	31.3.2021 RM	31.3.2020 RM (Restated)	31.3.2021 RM	31.3.2020 RM
Revenue	18	95,855,428	95,130,622	-	-
Cost of sales		(76,698,390)	(64,497,352)	-	-
Gross profit		19,157,038	30,633,270	-	-
Other income	19	5,548,634	1,893,958	6,018,835	127,862
Fair value loss on biological assets		(5,838,819)	(161,052,072)	-	-
Impairment loss on investment in subsidiaries		-	-	-	(2,753,133)
Impairment on financial instruments	20	(765,714)	(21,271,196)	(7,251,620)	(9,836,661)
Impairment loss on property, plant and equipment		(12,108,576)	(4,392,263)	-	-
Other operating expenses	21	(4,156,274)	(33,192,045)	(2,526,679)	(20,123,668)
Selling and distribution expenses		(331,735)	(1,723,702)	-	-
Administrative expenses		(10,772,973)	(6,766,284)	(947,562)	(909,336)
Loss from operations		(9,268,419)	(195,870,334)	(4,707,026)	(33,494,936)
Finance costs	22	(1,293,392)	(1,672,635)	-	-
Loss before taxation	23	(10,561,811)	(197,542,969)	(4,707,026)	(33,494,936)
Income tax (expense)/ credit	25	(3,571,790)	15,641,912	-	-
Loss for the financial year, representing total comprehensive loss for the financial year		(14,133,601)	(181,901,057)	(4,707,026)	(33,494,936)
Loss per share attributable to owners of the Company (sen per share)					
Basic loss per share	26	(1.15)	(14.85)		
Diluted loss per share	26	(1.15)	(14.85)		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		← Attributable to owners of the Company →			
Group	**Note**	**Share capital RM**	**Other reserve RM**	**Retained earnings/ (Accumulated losses) RM**	**Total equity RM**
At 1 April 2019					
- As previously reported		283,582,635	10,814,857	5,729,203	300,126,695
- Effect of restropective adjustments	33(b)	4,261,078	(4,261,078)	-	-
Restated balance at 1 April 2019		287,843,713	6,553,779	5,729,203	300,126,695
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(181,901,057)	(181,901,057)
Transactions with owners					
Issued of ordinary shares pursuant to ESOS, representing total transactions with owners	12	952,469	(221,549)	-	730,920
At 31 March 2020 (Restated)		288,796,182	6,332,230	(176,171,854)	118,956,558

Statements Of Changes In Equity
(Cont'd)

Group	Note	← Attributable to owners of the Company → Share capital RM	Other reserve RM	Accumulated losses RM	Total equity RM
At 1 April 2020					
- As previously reported		288,796,182	6,332,230	(175,252,036)	119,876,376
- Effect of restropective adjustment	33(b)	-	-	(919,818)	(919,818)
Restated balance at 1 April 2020		288,796,182	6,332,230	(176,171,854)	118,956,558
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(14,133,601)	(14,133,601)
Transactions with owners					
Issued of ordinary shares pursuant to ESOS, representing total transactions with owners	12	3,330,784	(855,344)	-	2,475,440
At 31 March 2021		292,126,966	5,476,886	(190,305,455)	107,298,397

Statements Of Changes In Equity
(Cont'd)

Company	Note	← Attributable to owners of the Company → Share capital RM	Other reserve RM	Accumulated losses RM	Total equity RM
At 1 April 2019					
- As previously reported		283,582,635	10,814,857	(188,964,467)	105,433,025
- Effect of restropective adjustments	33(b)	4,261,078	(4,261,078)	-	-
Restated balance at 1 April 2019		287,843,713	6,553,779	(188,964,467)	105,433,025
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(33,494,936)	(33,494,936)
Transactions with owners					
Issued of ordinary shares pursuant to ESOS, representing total transactions with owners	12	952,469	(221,549)	-	730,920
At 31 March 2020 (Restated)		288,796,182	6,332,230	(222,459,403)	72,669,009

Company	Note	← Attributable to owners of the Company → Share capital RM	Other reserve RM	Accumulated losses RM	Total equity RM
At 1 April 2020		288,796,182	6,332,230	(222,459,403)	72,669,009
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		-	-	(4,707,026)	(4,707,026)
Transactions with owners					
Issued of ordinary shares pursuant to ESOS, representing total transactions with owners	12	3,330,784	(855,344)	-	2,475,440
At 31 March 2021		292,126,966	5,476,886	(227,166,429)	70,437,423

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Group		Company	
		31.3.2021	31.3.2020	31.3.2021	31.3.2020
	Note	RM	RM	RM	RM
Cash flows from operating activities:					
Loss before tax		(10,561,811)	(197,542,969)	(4,707,026)	(33,494,936)
Adjustments for:					
Amortisation of broodstocks	8	3,740	405,203	-	-
Amortisation of government grant	15	(2,262,044)	(875,630)	-	-
Amortisation of intangible assets	6	2,529,614	20,147,038	2,526,679	20,123,665
Depreciation of property, plant and equipment	5	11,918,952	12,023,382	754	422
Fair value adjustment on receivables measured at amortised cost		771,656	-	-	-
Fair value loss on biological assets	8	5,838,819	161,052,072	-	-
Fatalities charge on broodstocks	8	63,781	331,010	-	-
Fatalities charge on fishfry	8	737,841	11,739,600	-	-
(Gain)/Loss on disposal of property, plant and equipment	5	(121,041)	4,500	-	-
Gain on lease modification		(10,927)	-	-	-
Impairment loss on investment in subsidiaries	7	-	-	-	2,753,133
Impairment loss on broodstocks	8	-	51,082	-	-
Impairment on financial instruments	20	765,714	21,271,196	7,251,620	9,836,661
Impairment loss on goodwill	6	32,176	-	-	-
Impairment of slow-moving inventories		-	480,831	-	-
Inventories written off		17,466	-	-	-
Interest expenses		1,293,392	1,672,635	-	-
Interest income		(221,433)	(112,847)	-	-
Net impairment loss on property, plant and equipment		11,074,341	4,392,263	-	-
Prepayment written off		-	31,567	-	-
Property, plant and equipment written off		-	37,281	-	3
Reversal of impairment loss on amount owing by a subsidiary		-	-	(6,018,835)	-
Reversal of impairment loss on trade receivables		(183,896)	-	-	-
Unrealised foreign exchange gain		(719,515)	-	-	-
Unrealised foreign exchange loss		14,542	5,590	-	-
Operating profit/(loss) before changes in working capital, carried forward		20,981,367	35,113,804	(946,808)	(781,052)

Statements Of Cash Flows
(Cont'd)

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM	Company 31.3.2021 RM	Company 31.3.2020 RM
Cash flows from operating activities: (continued)					
Operating profit/(loss) before changes in working capital, brought forward		20,981,367	35,113,804	(946,808)	(781,052)
Changes in working capital:					
Biological assets		(4,216,358)	(18,895,338)	-	-
Receivables		(7,188,411)	1,812,885	21,500	5,368
Inventories		(1,129,461)	(1,385,600)	-	-
Payables		675,337	10,890,110	92,281	(67,191)
Net cash generated from/(used in) operations		9,122,474	27,535,861	(833,027)	(842,875)
Net income tax (paid)/refunded		(3,309,314)	(9,022,988)	(703)	220
Interest paid		(1,293,392)	(1,672,635)	-	-
Interest received		221,433	112,847	-	-
Net cash from/(used in) operating activities		4,741,201	16,953,085	(833,730)	(842,655)
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(6,539,668)	(9,825,208)	(1,370)	(5,060)
Change in pledged deposits		1,600,000	(100,000)	-	-
Advances to a subsidiary		-	-	(1,232,785)	-
Proceeds from disposal of property, plant and equipment		1,599,761	80,000	-	-
Net cash used in investing activities		(3,339,907)	(9,845,208)	(1,234,155)	(5,060)
Cash flows from financing activities:	(b)				
Proceeds from exercise of employees share options		2,475,440	730,920	2,475,440	730,920
(Repayment to)/Advances from directors		(73,929)	81,995	-	-
Repayment to a subsidiary		-	-	(298,041)	(368,789)
Repayment of lease liabilities		(5,918,709)	(4,448,288)	-	-
Repayment of revolving credit		-	(500,000)	-	-
Repayment of term loan		-	(5,031,620)	-	-
Net cash (used in)/from financing activities		(3,517,198)	(9,166,993)	2,177,399	362,131
Net (decrease)/increase in cash and cash equivalents		(2,115,904)	(2,059,116)	109,514	(485,584)
Cash and cash equivalents at the beginning of the financial year		1,572,723	3,631,839	3,283	488,867
Cash and cash equivalents at the end of the financial year		(543,181)	1,572,723	112,797	3,283

Statements Of Cash Flows
(Cont'd)

(a) Purchase of property, plant and equipment:

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Purchase of property, plant and equipment	14,992,394	20,563,843	1,370	5,060
Finance by way of lease arrangements	(8,452,726)	(10,738,635)	-	-
Cash payments on purchase of property, plant and equipment	6,539,668	9,825,208	1,370	5,060

(b) Reconciliation of liabilities arising from financing activities:

			<---------Non-cash--------->		
	1.4.2020 RM	Cash flows RM	Acquisition RM	Lease modification RM	31.3.2021 RM
Group					
Amounts owing to directors	369,808	(73,929)	-	-	295,879
Lease liabilities	16,273,044	(5,918,709)	8,452,726	(94,689)	18,712,372
	16,642,852	(5,992,638)	8,452,726	(94,689)	19,008,251
Company					
Amount owing to a subsidiary	4,890,010	(298,041)	-	-	4,591,969

	1.4.2019 RM	Effects of adoption of MFRS 16 RM	Cash flows RM	Non-cash Acquisition RM	31.3.2020 RM
Group					
Amounts owing to directors	287,813	-	81,995	-	369,808
Lease liabilities	9,982,697	961,176	(4,448,288)	9,777,459	16,273,044
Revolving credit	500,000	-	(500,000)	-	-
Term loan	5,031,620	-	(5,031,620)	-	-
	15,802,130	961,176	(9,897,913)	9,777,459	16,642,852
Company					
Amount owing to a subsidiary	5,258,799	-	(368,789)	-	4,890,010

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM6,787,957.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Bahvest Resources Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Ace Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at Lot 4, 3rd Floor, Block E, Bandar Nam Tung, Jalan Leila, 90000 Sandakan, Sabah, Malaysia.

The principal activities of the Company are investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 4 August 2021.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020
 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period ; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below. (continued)

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Change in method of computation for amortisation of intangible assets

In the previous financial years, amortisation of mineral rights was computed based on units-of-production method based on estimated proven and probable Ore Reserve. The proven and probable Ore Reserve reflects estimated quantities of reserves which can be recovered economically in the future from known mineral deposits. With effect from 1 April 2020, amortisation of this mineral rights has been computed based on the straight-line basis over the remaining lease term of the mining area. This change in method reflects more accurately the consumption or use of the intangible asset. The effect of the change in method of computation has been applied prospectively, commencing in the current financial year ended 31 March 2021. This change has resulted in a decrease in amortisation expense of RM17,596,986 for the current financial year. It is impracticable to estimate the effect of this change in estimate in future financial years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. 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. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Group and the Company classify their debt instruments is as follow:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

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

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses in accordance with Note 3.12(b) to the financial statements.

Cost of assets, other than bearer plants, includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.19 to the financial statements.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Exploration and evaluation assets incurred after the commencement of production, that are capitalised, are depreciated using the units-of-production method based on estimated proven and probable ore reserve.

Leasehold land is amortised over the period of the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

(c) Depreciation (continued)

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings	10%
Road and drainage	5%
Mine processing plant	10%
Tailing damn and filter press	10%
Floating platforms, net and cages	10%
Hatchery ponds	10%
Heavy equipment	20%
Vessels	7%
Motor vehicles	20%
Fish pond equipment, furniture, fittings and equipment	10%
Renovation	10%

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

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the assets is recognised in profit or loss.

3.6 Exploration, evaluation and development expenditure

(a) Exploration

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits.

Exploration expenditures typically include costs associated with the acquisition of mineral licenses, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

All expenditures relating to exploration activities are expensed as incurred except for the costs associated with the acquisition of mineral rights which are capitalised.

(b) Evaluation

Evaluation expenditures reflect costs incurred at projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Exploration, evaluation and development expenditure (continued)

(b) Evaluation (continued)

Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralised material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Evaluation expenditures are capitalised if management determines that there is evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected the technical feasibility and commercial viability of extraction of the mineral resource is demonstrable considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

- there is a probable future benefit that will contribute to future cash inflows;
- the Group can obtain the benefit and control access to it; and
- the transaction or event giving rise to the benefit has already occurred.

The evaluation phase is complete once technical feasibility of the extraction of the mineral deposit has been determined through preparation of a reserve and resource statement, including a mining plan as well as receipt of required permits and approval of the Board of Directors to proceed with development of the mine.

(c) Development

Development expenditures are those that are incurred during the phase of preparing a mineral deposit for extraction and processing. These include pre-stripping costs and underground development costs to gain access to the ore that is suitable for sustaining commercial mining, preparing land, construction of plant, equipment and buildings and costs of commissioning the mine and mill.

Expenditures incurred on development projects continue to be capitalised until the mine and mill moves into the production stage. The Group assesses each mine construction project to determine when a mine moves into production stage.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Exploration, evaluation and development expenditure (continued)

(c) Development (continued)

The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant or its location. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. Some of the criteria considered would include, but are not limited to, the following:

(i) the level of capital expenditures compared to construction cost estimates;
(ii) the completion of a reasonable period of testing of mine plant and equipment;
(iii) the ability to produce minerals in saleable form (within specification); and
(iv) the ability to sustain ongoing production of minerals.

Alternatively, if the factors that impact the technical feasibility and commercial viability of a project change and no longer support the probability of generating positive economic returns in the future, expenditures will no longer be capitalised.

3.7 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets in Note 5 to the financial statements and lease liabilities in Note 14 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Leases (continued)

(b) Lessee accounting (continued)

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value asset

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value asset. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(b) Mineral rights

Capitalised mine development costs includes expenditure incurred to develop new orebodies, to define further mineralisation in existing orebodies and to expand the capacity of a mine. Mine development costs includes the acquisition cost of mineral rights and exploration properties.

These costs are amortised from the date on which commercial production begins. Depreciation, depletion and amortisation of mine development costs are computed by the straight-line basis over the remaining lease term of the mining area.

3.9 Biological assets

Biological assets represent broodstocks, fishery livestocks, fish fry and crab.

(a) Broodstocks

Broodstocks are measured at cost less accumulated amortisation and impairment losses as the quoted market prices are not available and for which alternative estimates of fair value measurements are determined to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell.

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/crab, cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads. Maintenance costs of broodstocks after commencement of breeding are recognised in profit or loss.

Broodstocks are fishes/crab held for reproduction purpose, not intended for sale and classified as non-current asset. The costs of broodstocks are amortised over the expected reproductive lifespan of the respective fish/crab, as follows:

Fishes	8 to 10 years depending on species
Crab	2 years

Upon disposal of the broodstocks, the difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Biological assets (continued)

(b) Fishery livestocks

Fishery livestocks are measured at fair value less costs to sell, based on market prices of livestock of similar age, species, genetic merit with adjustments, where necessary, to reflect the differences. Market prices are obtained from observable market prices (where available), contracted prices or estimated future prices. The costs to sell include the incremental selling costs, including fees and commission paid to dealers and estimated costs of transport to market. Changes in fair value of livestock are recognised in profit or loss.

In measuring the fair value of fishery livestocks, various management estimates and judgements are required. Estimates and judgements in determining the fair value of fishery livestocks relate to the market prices, average weight, tails of fishes, quality of the fishery livestocks and mortality rates.

(c) Fish fry and crab

Fish fry and crab is measured at cost less impairment losses as the fair value cannot be measured reliably and there is little biological transformation. The cost of fish fry is measured based on monthly weighted average cost formula, and includes cost of purchase plus transportation charges (if any), feed and medication, direct labour cost and and an appropriate proportion of farm operating overheads accumulated on a project basis.

3.10 Inventories

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

The cost of consumable stocks 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 of completion and the estimated costs necessary to make the sale.

3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are presented net of bank overdrafts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and biological assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced 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.

Impairment losses are recognised in profit or loss.

Impairment losses in respect of goodwill are not reversed. For other assets, 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. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.15 Share-based payments

Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model. Details regarding the determination of the fair value of equity-settled share-based payments are set out in Note 13 to the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Company obtains the goods or the counterparty renders the service.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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 economic resources will be required to settle the obligation, the provision is reversed.

3.17 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue and other income (continued)

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the expected cost plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Sales of goods

Revenue from contracts with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration.

(b) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(c) Interest income

Interest income is recognised using the effective interest method.

3.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of “other income”, on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.20 Income tax

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

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.23 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 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 event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Funding requirements and ability to meet short-term obligations

The Group applies judgement in determining the funding requirements and its ability to meet short-term obligations. The Group considers the facts and circumstances and makes assumptions about the future, including the cash flows to be generated from the operations of the Group and the available financing facilities.

The details of funding requirements and ability to meet short-term obligations are disclosed in Note 27(b)(ii).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) Useful lives of mineral rights

The Group estimates the useful lives to amortise mineral rights based on the management's judgement of the period over which economic benefits will be derived from the mineral rights. The estimated useful lives of mineral rights are reviewed periodically. The amount and timing of recorded expenses for any period would be affected by changes in the estimates.

The carrying amounts of the mineral rights are disclosed in Note 6 to the financial statements.

(c) Fair value of fishery livestocks

The Group uses a discount rate to present value future cash flows. Significant judgement is required in determining the appropriate rate to be used, which is based on the weighted average cost of capital of the holding company. This weighted average cost of capital is observed from Bloomberg and is at 10.05% at 31 March 2020. Estimates are also involved in determining the fair value of fishery livestocks relating to market prices, average weight, tails of fishes, quality of the fishes and mortality rates. There is no effective market for fishery livestocks, so market prices is derived from observable market prices (when available), contracted prices or estimated future prices based on historical data. Weight of the fishes is determined based on the estimated number of fishes at the period end less expected mortality rate multiplied by the estimated average weight of the fishes. The fishes grow at different rates and there can be a considerable spread in the quality and weight of the fishes that affects the price achieved.

Notes To The Financial Statements
(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM	Road and drainage RM	Mine processing plant RM	Tailing dam and filter process RM	Exploration and evaluation assets 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	Renovation RM	Construction work-in-progress RM	Right-of-use RM	Total RM
31.3.2021															
Cost															
At 1 April 2020	42,244,272	9,928,631	13,933,756	7,342,348	2,856,574	18,474,276	10,429,630	5,553,376	8,244,585	845,140	8,729,600	75,577	5,627,882	21,954,848	156,240,495
Additions	17,394	-	2,284	-	-	3,240	-	870,296	-	20,000	174,080	-	7,960,961	5,944,139	14,992,394
Disposals	-	-	-	-	-	(17,698,161)	-	(310,557)	-	-	(4,660,944)	-	-	(165,514)	(22,835,176)
Reclassification	1,490,349	-	2,172,649	-	-	1,740,772	-	5,055,440	-	215,836	-	-	(5,403,770)	(5,271,276)	-
At 31 March 2021	43,752,015	9,928,631	16,108,689	7,342,348	2,856,574	2,520,127	10,429,630	11,168,555	8,244,585	1,080,976	4,242,736	75,577	8,185,073	22,462,197	148,397,713

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Buildings RM	Road and drainage RM	Mine processing plant RM	Tailing dam and filter process RM	Exploration and evaluation assets 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	Renovation RM	Construction work-in-progress RM	Right-of-use RM	Total RM
31.3.2021															
Accumulated depreciation															
At 1 April 2020	29,191,194	1,070,528	2,350,820	194,713	799,177	17,278,704	9,914,010	1,445,181	3,984,881	390,947	7,113,213	12,596	-	6,768,963	80,514,927
Depreciation charge for the financial year	2,736,401	496,432	1,487,342	723,081	285,031	43,546	120,856	347,326	412,231	105,193	278,559	7,558	-	4,875,396	11,918,952
Disposals	-	-	-	-	-	(16,663,926)	-	(175,873)	-	-	(4,376,060)	-	-	(56,835)	(21,272,694)
Reclassification	-	-	-	-	-	-	-	3,845,504	-	213,429	-	-	-	(4,058,933)	-
At 31 March 2021	31,927,595	1,566,960	3,838,162	917,794	1,084,208	658,324	10,034,866	5,462,138	4,397,112	709,569	3,015,712	20,154	-	7,528,591	71,161,185
Accumulated impairment loss															
At 1 April 2020	5,020	-	-	-	-	1,195,570	15,454	-	-	-	55,811	-	3,164,175	-	4,436,030
Charge for the financial year	5,284,982	-	-	-	-	1,700,468	379,310	3	3,847,473	729	697,211	-	-	198,400	12,108,576
Reversal	-	-	-	-	-	(1,034,235)	-	-	-	-	-	-	-	-	(1,034,235)
At 31 March 2021	5,290,002	-	-	-	-	1,861,803	394,764	3	3,847,473	729	753,022	-	3,164,175	198,400	15,510,371
Carrying amount															
At 31 March 2021	6,534,418	8,361,671	12,270,527	6,424,554	1,772,366	-	-	5,706,414	-	370,678	474,002	55,423	5,020,898	14,735,206	61,726,157

Notes To The Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Leasehold land RM	Buildings RM	Road and drainage RM	Mine processing plant RM	Tailing dam and filter process RM	Exploration and evaluation assets 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	Renovation RM	Construction work-in-progress RM	Right-of-use RM	Total RM
31.3.2020																
Cost																
At 1 April 2019																
- As previously stated	2,979,292	41,511,719	9,928,231	13,507,734	-	1,452,149	18,382,242	10,429,630	10,887,492	8,244,585	1,761,275	8,796,997	75,577	8,201,279	-	136,158,202
- Effect of adoption of MFRS 16	(2,979,292)	-	-	-	-	-	-	-	(8,559,650)	-	(1,297,485)	(248,000)	-	-	13,084,427	-
Adjusted balance at 1 April 2019	-	41,511,719	9,928,231	13,507,734	-	1,452,149	18,382,242	10,429,630	2,327,842	8,244,585	463,790	8,548,997	75,577	8,201,279	13,084,427	136,158,202
Additions	-	262,690	400	-	-	-	92,034	-	3,355,534	-	490,000	185,098	-	7,307,666	8,870,421	20,563,843
Disposals	-	-	-	-	-	-	-	-	(130,000)	-	-	-	-	-	-	(130,000)
Written off	-	(81,817)	-	-	-	-	-	-	-	-	(108,650)	(4,495)	-	-	-	(194,962)
Reclassification	-	551,680	-	582,610	7,342,348	1,404,425	-	-	-	-	-	-	-	(9,881,063)	-	-
Adjustment	-	-	-	(156,588)	-	-	-	-	-	-	-	-	-	-	-	(156,588)
At 31 March 2020	-	42,244,272	9,928,631	13,933,756	7,342,348	2,856,574	18,474,276	10,429,630	5,553,376	8,244,585	845,140	8,729,600	75,577	5,627,882	21,954,848	156,240,495

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 31.3.2020	Leasehold land RM	Buildings RM	Road and drainage RM	Mine processing plant RM	Tailing dam and filter process RM	Exploration and evaluation assets 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	Renovation RM	Construction work-in-progress RM	Right-of-use RM	Total RM
Accumulated depreciation																
At 1 April 2019																
- As previously stated	762,247	25,763,234	574,103	1,003,174	-	12,101	16,509,059	9,654,169	3,303,958	3,435,242	988,117	6,684,284	5,038	-	-	68,694,726
- Effect of adoption of MFRS 16	(762,247)	-	-	-	-	-	-	-	(2,484,175)	-	(548,508)	(24,800)	-	-	3,819,730	-
Adjusted balance at 1 April 2019	-	25,763,234	574,103	1,003,174	-	12,101	16,509,059	9,654,169	819,783	3,435,242	439,609	6,659,484	5,038	-	3,819,730	68,694,726
Depreciation charge for the financial year	-	3,472,999	496,425	1,347,646	194,713	787,076	769,645	259,841	670,898	549,639	59,987	457,722	7,558	-	2,949,233	12,023,382
Disposals	-	-	-	-	-	-	-	-	(45,500)	-	-	-	-	-	-	(45,500)
Written off	-	(45,039)	-	-	-	-	-	-	-	-	(108,649)	(3,993)	-	-	-	(157,681)
At 31 March 2020	-	29,191,194	1,070,528	2,350,820	194,713	799,177	17,278,704	9,914,010	1,445,181	3,984,881	390,947	7,113,213	12,596	-	6,768,963	80,514,927
Accumulated impairment loss																
At 1 April 2019	-	5,020	-	-	-	-	1	15,454	-	-	-	23,292	-	-	-	43,767
Charge for the financial year	-	-	-	-	-	-	1,195,569	-	-	-	-	32,519	-	3,164,175	-	4,392,263
At 31 March 2020	-	5,020	-	-	-	-	1,195,570	15,454	-	-	-	55,811	-	3,164,175	-	4,436,030
Carrying amount																
At 31 March 2020	-	13,048,058	8,858,103	11,582,936	7,147,635	2,057,397	2	500,166	4,108,195	4,259,704	454,193	1,560,576	62,981	2,463,707	15,185,885	71,289,538

5. **PROPERTY, PLANT AND EQUIPMENT** (continued)

	Furniture, fittings and equipment	
	31.3.2021	**31.3.2020**
Company	**RM**	**RM**
At cost		
At 1 April	12,574	11,444
Additions	1,370	5,060
Written off	-	(3,930)
At 31 March	13,944	12,574
Accumulated depreciation		
At 1 April	6,756	10,261
Depreciation charge for the financial year	754	422
Written off	-	(3,927)
At 31 March	7,510	6,756
Carrying amount		
At 31 March	6,434	5,818

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Right-of-use assets

The Group leases several assets including lands, heavy equipment, motor vehicles, fish pond equipment, furniture fittings and equipment, office buildings and staff quarters.

Information about leases for which the Group is lessee is presented below:

Group	Leasehold land RM	Heavy equipment RM	Motor vehicles RM	Fish pond equipment, furniture, fittings and equipment RM	Office buildings RM	Staff quarters RM	Total RM
31.3.2021							
Cost							
At 1 April 2020	3,940,468	16,368,381	1,297,485	248,000	100,514	-	21,954,848
Additions	-	5,616,000	-	-	217,077	111,062	5,944,139
Disposals	-	(65,000)	-	-	(100,514)	-	(165,514)
Reclassification	-	(5,055,440)	(215,836)	-	-	-	(5,271,276)
At 31 March 2021	3,940,468	16,863,941	1,081,649	248,000	217,077	111,062	22,462,197
Accumulated depreciation							
At 1 April 2020	865,817	5,078,699	772,055	49,600	2,792	-	6,768,963
Depreciation charge for the financial year	103,570	4,470,130	223,546	-	52,609	25,541	4,875,396
Disposals	-	(40,083)	-	-	(16,752)	-	(56,835)
Reclassification	-	(3,845,504)	(213,429)	-	-	-	(4,058,933)
At 31 March 2021	969,387	5,663,242	782,172	49,600	38,649	25,541	7,528,591

5. **PROPERTY, PLANT AND EQUIPMENT** (continued)

(a) **Right-of-use assets** (continued)

Group	**Leasehold land RM**	**Heavy equipment RM**	**Motor vehicles RM**	**Fish pond equipment, furniture, fittings and equipment RM**	**Office buildings RM**	**Staff quarters RM**	**Total RM**
31.3.2021							
Accumulated impairment loss							
At 1 April 2020	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	198,400	-	-	198,400
At 31 March 2021	-	-	-	198,400	-	-	198,400
Carrying amount							
At 31 March 2021	2,971,081	11,200,699	299,477	-	178,428	85,521	14,735,206

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Right-of-use assets (continued)

Group 31.3.2020	Leasehold land RM	Heavy equipment RM	Motor vehicles RM	Fish pond equipment, furniture, fittings and equipment RM	Office buildings RM	Total RM
Cost						
At 1 April 2019	2,979,292	8,559,650	1,297,485	248,000	-	13,084,427
Additions	961,176	7,808,731	-	-	100,514	8,870,421
At 31 March 2020	3,940,468	16,368,381	1,297,485	248,000	100,514	21,954,848
Accumulated depreciation						
At 1 April 2019	762,247	2,484,175	548,508	24,800	-	3,819,730
Depreciation charge for the financial year	103,570	2,594,524	223,547	24,800	2,792	2,949,233
At 31 March 2020	865,817	5,078,699	772,055	49,600	2,792	6,768,963
Carrying amount						
At 31 March 2020	3,074,651	11,289,682	525,430	198,400	97,722	15,185,885

The Group leases land for operation site. The leases for leasehold land, office building and staff quarter generally have remaining lease term between 1 to 890 years.

The Group also leases heavy machineries, motor vehicles and fish pond equipment, furniture fittings and equipment with lease terms of 1 to 5 years, and have options to purchase the assets at the end of the contract term.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Motor vehicles of the Group at cost of RM267,534 (31.3.2020: RM267,534) were held in trust under the name of third parties and a person connected to certain Directors of the Company respectively.

(c) In the previous financial year, due to the presence of indicators of impairment on the Group's aquaculture operations, the Group has assessed the recoverable amount of certain material property, plant and equipment relating to the Group's aquaculture operations, which was determined based on valuation performed by independent experts using the market comparable approach for land and current replacement cost approach for building, plant and equipment. Arising from this review, and impairment loss on property, plant and equipment of the Group of RM4,392,263 was recognised in previous financial year.

During the financial year, an impairment loss of RM12,108,576 was recognised in profit or loss, representing the impairment of certain material property, plant and equipment relating to the Group's aquaculture operations to its recoverable amount.

During the financial year, the Group had disposed its live fish and certain assets relating to fish breeding, operation of a fish hatchery and fish rearing as disclosed in Note 32(c) to the financial statement.

(d) Pursuant to the mining lease agreement, the Company is required to pay 1% of revenue generated from the sale of gold towards rehabilitation costs to Lands and Surveys Department in Sabah, which is recognised as an expense in the profit or loss as disclosed in Note 23 to the financial statements. No provision for rehabilitation costs and corresponding recognition to property, plant and equipment is therefore required as the present obligation of the Company on rehabilitation costs is capped at this amount and the Company has no further obligations towards this.

6. INTANGIBLE ASSETS

Group	Goodwill RM	Mineral rights RM	Total RM
Cost			
At 1 April 2020/31 March 2020	32,176	96,101,488	96,133,664
Impairment	(32,176)	-	(32,176)
At 31 March 2021	-	96,101,488	96,101,488
Accumulated amortisation			
At 1 April 2020	-	3,228,071	3,228,071
Amortisation charged for the financial year	-	20,147,038	20,147,038
At 31 March 2020	-	23,375,109	23,375,109
Amortisation charged for the financial year	-	2,529,614	2,529,614
At 31 March 2021	-	25,904,723	25,904,723
Carrying amount			
At 31 March 2020	32,176	72,726,379	72,758,555
At 31 March 2021	-	70,196,765	70,196,765

Company	31.3.2021 RM	31.3.2020 RM
Mineral rights		
Cost		
At 1 April/31 March	95,990,000	95,990,000
Accumulated amortisation		
At 1 April	23,347,991	3,224,326
Amortisation charged for the financial year	2,526,679	20,123,665
At 31 March	25,874,670	23,347,991
Carrying amount		
At 31 March	70,115,330	72,642,009

6. INTANGIBLE ASSETS (continued)

Goodwill

The goodwill is attributable mainly to the synergies expected to be achieved from integrating Plentiful Earnings Sdn. Bhd. into the Group's fish rearing business.

Mineral rights

The mineral rights relate to the acquisition of the entire equity interest of Wullersdorf Resources Sdn. Bhd. for a consideration of RM96,101,488 during the financial year ended 31 March 2017. As Wullersdorf Resources Sdn. Bhd. had generally limited activities other than holding the mineral rights, it was not considered an acquisition of business, and therefore MFRS 3 *Business Combination* was not applicable, and the acquisition was accounted for as the purchase of individual assets.

In the previous financial year, the mineral rights were amortised from the date on which the commercial production began using the units-of-production method based on the estimated proven and probable Ore Reserves. The proven and probable Ore Reserves reflects estimated quantities of reserves which can be recovered economically in the future from known mineral deposits. With effect from 1 April 2020, amortisation of these mineral rights has been computed based on the straight-line basis over the remaining lease term of the mining area. The effect of the change in method of computation has been applied prospectively, commencing in the current financial year ended 31 March 2021.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	31.3.2021 RM	**31.3.2020 RM**
Unquoted shares, at cost	5,605,204	5,605,204
Loans that are part of net investments	60,162,100	59,306,756
Equity contribution in respect of ESOS	5,160,596	6,015,940
	70,927,900	70,927,900
Less: Accumulated impairment losses		
At beginning of the financial year	(65,876,866)	(63,123,733)
Impairment loss during the financial year	-	(2,753,133)
At end of the financial year	(65,876,866)	(65,876,866)
	5,051,034	5,051,034

Loans that are part of net investments represent amounts owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

7. INVESTMENT IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of company	Principal place of business / Country of incorporation	Ownership interest 31.3.2021 %	Ownership interest 31.3.2020 %	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
Wullersdorf Resources Sdn. Bhd.	Malaysia	100%	100%	Mining
Held through Plentiful Harvest Sdn. Bhd.				
Plentiful Earnings Sdn. Bhd.	Malaysia	100%	100%	Fish rearing
Salient Horizon Sdn. Bhd.	Malaysia	100%	100%	Dormant

8. BIOLOGICAL ASSETS

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM
Non-current	(a)	-	53,258
Current	(b)	-	2,374,565
		-	2,427,823

In the previous financial year, the fair value of the fishery livestocks is estimated by the Directors based on the present values of future cash flows from sales less the cost of rearing the entire fishery livestocks. The low levels of expected sales and selling prices has resulted in a significant decrease in the fair value of fishery livestocks as the present value of the future cash flows from the cost of rearing the fishery livestocks would gradually exceed the cash flows from the sales of the fishery livestocks. This results in a highly volatile fair value model as highlighted below in the relationship of the unobservable inputs to changes in fair value.

During the financial year, the Group had disposed its live fish and certain assets relating to fish breeding, operation of a fish hatchery and fish rearing as disclosed in Note 32(c) to the financial statement.

8. BIOLOGICAL ASSETS (continued)

(a) Biological assets (Non-current)

Group	Fish broodstock RM	Crab broodstock RM	Total RM
At cost			
At 1 April 2019	651,876	-	651,876
Additions	32,159	156,518	188,677
Amortisation charge for the financial year	(351,945)	(53,258)	(405,203)
Impairment	(51,082)	-	(51,082)
Fatalities charge	(281,008)	(50,002)	(331,010)
At 31 March 2020	-	53,258	53,258
Additions	-	14,263	14,263
Amortisation charge for the financial year	-	(3,740)	(3,740)
Fatalities charge	-	(63,781)	(63,781)
At 31 March 2021	-	-	-

(b) Biological assets (Current)

	Fishery livestocks At fair value less costs to sell RM	Fish fry At cost RM	Crab At cost RM	Total RM
At 1 April 2019	151,679,312	4,780,264	-	156,459,576
Additions/Cost capitalised	12,433,551	7,155,202	393,714	19,982,467
Fatalities charge	-	(11,739,600)	-	(11,739,600)
Sales	(1,581,129)	(96,277)	-	(1,677,406)
Fair value loss	(161,052,072)	-	-	(161,052,072)
Reversal of prior year unrealised gain	401,600	-	-	401,600
At 31 March 2020	1,881,262	99,589	393,714	2,374,565
Additions/Cost capitalised	5,723,513	-	344,176	6,067,689
Fatalities charge	-	-	(737,841)	(737,841)
Sales	(1,765,956)	(99,589)	-	(1,865,545)
Transfer to frozen products	-	-	(49)	(49)
Fair value loss	(5,838,819)	-	-	(5,838,819)
At 31 March 2021	-	-	-	-

8. BIOLOGICAL ASSETS (continued)

(c) Fair value information

The fair value measurement is categorised as level 3 fair value hierarchy, for which there were no transfers between the levels during the financial year. The following table summarises the quantitative information about the significant observable/unobservable inputs used in Level 3 fair value measurements:

Description of observable/ unobservable inputs	**31.3.2020**
Tails of fishes (number)	624,222
Weight of fishes	5,062,462kg
Mortality rates	0.01% to 4.87%
Price per kg	RM20 to RM50
Expected yearly sales volume	46,000kg
Discount rates	10.05%

The relationship of the unobservable inputs to changes in fair value, with all other variables held constant is as follows:

		Fair value changes 31.3.2020	
	Changes in input	**Increase RM**	**Decrease RM**
Mortality rate	1%	5,137,557	1,024,285
Price per kg	RM10	3,756,039	3,756,029
Sales volume	10,000kg	4,326,642	4,326,642
Discount rate	1%	134,934	156,001

Notes To The Financial Statements
(Cont'd)

9. INVENTORIES

	Group 31.3.2021 RM	Group 31.3.2020 RM
Chemicals	2,195,133	1,494,022
Crusher run	-	480,831
Feeds	-	142,047
Frozen products	-	132,484
Fuel and oil	355,335	457,041
Good in transit	2,004,680	1,217,559
	4,555,148	3,923,984
Less: Impairment of slow-moving inventories	-	(480,831)
	4,555,148	3,443,153
Recognised in profit or loss:		
Inventories recognised as cost of sales	76,089,662	24,402,453
Inventories written off	17,466	-

10. TRADE AND OTHER RECEIVABLES

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM	Company 31.3.2021 RM	Company 31.3.2020 RM
Non-current:					
Trade					
Trade receivables	(a)	2,345,995	-	-	-
Non-trade					
Amounts owing by subsidiaries	(b)	-	-	-	48,973,539
Less: Allowance for impairment	(c)	-	-	-	(48,973,539)
		-	-	-	-
Total trade and other receivables (non-current)		2,345,995	-	-	-

10. TRADE AND OTHER RECEIVABLES (continued)

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM	Company 31.3.2021 RM	Company 31.3.2020 RM
Current:					
Trade					
Trade receivables		28,077,005	23,171,696	-	-
Less: Allowance for impairment		(21,408,745)	(20,856,331)	-	-
	(c)	6,668,260	2,315,365	-	-
Non-trade					
Other receivables		691,446	611,470	-	-
Less: Allowance for impairment	(c)	(60,636)	(56,279)	-	-
		630,810	555,191	-	-
Amounts owing by subsidiaries	(b)	-	-	118,348,026	68,141,702
Less: Allowance for impairment	(c)	-	-	(118,348,026)	(68,141,702)
		-	-	-	-
Deposits		785,813	859,793	-	500
Prepayments		345,855	501,224	-	21,000
		1,762,478	1,916,208	-	21,500
Total trade and other receivables (current)		8,430,738	4,231,573	-	21,500
Total trade and other receivables (non-current and current)		10,776,733	4,231,573	-	21,500

(a) Long term trade receivable is measured at amortised cost at imputed interest rate at 10.39% per annum.

(b) Amounts owing by subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

(c) Trade and other receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group and the Company ranging from 30 to 270 days (31.3.2020: 30 to 270 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

10. TRADE AND OTHER RECEIVABLES (continued)

(c) Trade and other receivables (continued)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade and other receivables are as follows:

Trade receivables

	Group	
	31.3.2021 RM	**31.3.2020 RM**
At 1 April	20,856,331	20,074,085
Charge for the financial year (Note 20)		
- individually assessed	736,310	-
- Collectively assessed	-	21,201,151
Reversal of impairment losses	(183,896)	-
Written off	-	(20,418,905)
At 31 March	21,408,745	20,856,331

Other receivables

	Group		Company	
	31.3.2021 RM	**31.3.2020 RM**	**31.3.2021 RM**	**31.3.2020 RM**
At 1 April	56,279	-	117,115,241	107,278,580
Charge for the financial year (Note 20)				
- individually assessed	4,357	56,279	7,251,620	9,836,661
Reversal of impairment losses	-	-	(6,018,835)	-
At 31 March	60,636	56,279	118,348,026	117,115,241

The information about the credit expenses are disclosed in Note 27(b)(i) to the financial statements.

11. CASH AND BANK BALANCES

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Cash and bank balances	2,191,713	7,451,479	112,797	3,283
Deposits with licensed banks	92,000	1,692,000	-	-
Cash and bank balances	2,283,713	9,143,479	112,797	3,283
Bank overdrafts	(2,734,894)	(5,878,756)	-	-
Less: Deposits with licensed banks with maturity of more than three (3) months	(92,000)	(1,692,000)	-	-
Cash and cash equivalents	(543,181)	1,572,723	112,797	3,283

In previous financial year, deposits with licensed banks amounting to RM1,600,000 bear effective interest rate of 3.63% per annum. These deposits are held under lien as security for bank overdraft facility granted to the Group and have a maturity of 365 days.

Deposits with licensed banks of the Group amounting to RM92,000 (31.3.2020: RM92,000) are held under lien for bank guarantee facilities in favour of Sabah Electricity Sdn. Bhd., Royal Malaysian Customs Department and Sabah Ports Sdn. Bhd.

12. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		<---------Amounts--------->	
	31.3.2021 units	31.3.2020 units	31.3.2021 RM	31.3.2020 RM (Restated)
Issued and fully paid up:				
At beginning of the financial year	1,225,062,060	1,223,240,860	288,796,182	287,843,713
Issued pursuant to exercise of Employees Shares Options Scheme ("ESOS")	6,878,400	1,821,200	3,330,784	952,469
At the end of the financial year	1,231,940,460	1,225,062,060	292,126,966	288,796,182

12. SHARE CAPITAL (continued)

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company' residual assets.

During the financial year, the Company issued 6,878,400 (31.3.2020: 1,821,200) new ordinary shares from the exercise of the Company's Employees Shares Option Scheme ("ESOS") which amounted to RM3,330,784 (31.3.2020: RM952,469). 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.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

(b) Warrants 2017/2024

By virtue of a Deed Poll executed on 2 August 2017 for the 299,997,878 issued in conjunction with the Bonus Issue of free warrants allotted, each Warrant 2017/2024 entitles the registered holder the right at any time during the exercise period from 21 August 2017 to 20 August 2024 to subscribe for One (1) new ordinary share in the Company at an exercise price of RM0.87 per share.

The salient features of the Warrants 2017/2024 are as follows:

(i) Entitles its registered holder for one (1) free Warrant for every two (2) existing ordinary shares held.

(ii) Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share at the exercise price at any time during the exercise period.

(iii) The warrants may be exercised at any time on or before the expiry date falling Seven (7) years (2017/2024) from the date of issue of the warrants on 21 August 2017. Warrants not exercised at the expiry of the exercise period will cease to be valid for any purpose and will be deemed to have lapsed.

(iv) The warrants shall as between the warrant holders rank pari passu and rateably in all aspects amongst themselves.

(v) The new shares to be issued arising from the exercise of the exercise rights represented by the warrants, shall upon allotment and issuance rank equally in all respects with the existing ordinary shares, save and except that the new shares will not be entitled to any dividend, right, allotment and/or any other forms of distribution where the entitlement date of such dividend, right, allotment and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new shares.

12. SHARE CAPITAL (continued)

(b) Warrants 2017/2024 (continued)

In accordance with the provisions under the Deed Poll - Warrants 2017/2024 and consequential to the Bonus Issue, an additional 299,997,878 Warrants 2017/2024 were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 11 December 2018. The exercise price for the Warrants 2017/2024 was revised from RM0.87 to RM0.43.

	Number of warrants	
	31.3.2021	**31.3.2020**
Warrants 2017/2024		
At 1 April/31 March	599,995,756	599,995,756

13. OTHER RESERVES

Employees' share options ("ESOS") reserve

	Group and Company		
	31.3.2021 RM	**31.3.2020 RM (Restated)**	**1.4.2019 RM (Restated)**
At 1 April	6,332,230	6,553,779	8,021,123
Exercised during financial year	(855,344)	(221,549)	(1,467,344)
At 31 March	5,476,886	6,332,230	6,553,779

The share options reserve comprises the cumulative value of employee services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share option. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained profits.

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 ("ESOS") approved by the shareholders of the Company on 3 January 2013. On 17 August 2013, 3 May 2015, 25 August 2016, 11 March 2017, 20 September 2017 and 2 July 2018, the Group further granted share options on similar terms (except for exercise price) to eligible employees. 28,258,930 of share options were further granted on 11 December 2018 to eligible Directors and employees following the bonus issue of the Company. 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.

13. OTHER RESERVES (continued)

Employees' share options ("ESOS") reserve (continued)

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

Grant date/employees entitled	Number of options	Vesting conditions	Remaining contractual life of options
Options granted to directors and employees on 15 January 2013	105,000,000	Vested on the grant date	3 years
Options granted to an employee on 17 August 2013	1,500,000	Vested on the grant date	3 years
Options granted to employees on 3 May 2015	1,307,150	Vested on the grant date	3 years
Options granted to employees on 25 August 2016	3,569,295	Vested on the grant date	3 years
Options granted to employees on 11 March 2017	3,849,295	Vested on the grant date	3 years
Options granted to employees on 20 September 2017	1,500,000	Vested on the grant date	3 years
Options granted to employees on 2 July 2018	1,310,030	Vested on the grant date	3 years
Effect of bonus issue on options granted to Directors and employees on 11 December 2018	28,258,930	Vested on the grant date	2 years

The number, weighted average exercise prices and share price at date of exercise of share options are as follows:

	31.3.2021			31.3.2020		
	Weighted average			Weighted average		
	Exercise price RM	Share price RM	Number of options	Exercise price RM	Share price RM	Number of options
At 1 April	0.36		52,932,460	0.36		54,753,660
Exercised during the financial year	0.36	0.54	(6,878,400)	0.40	0.43	(1,821,200)
At 31 March	0.36		46,054,060	0.36		52,932,460
Exercisable at 31 March	0.36		46,054,060	0.36		52,932,460

The options outstanding at 31 March 2021 have exercise prices in the ranging from RM0.35 to RM0.52 (31.3.2020: RM0.35 to RM0.52) and the weighted average remaining contractual life for the share options outstanding as at 31 March 2021 was 3 years (31.3.2020: 4 years).

The fair values of these options have been fully charged to the profit or loss in prior years as they have been fully vested.

14. LOANS AND BORROWINGS

	Note	Group 31.3.2021 RM	31.3.2020 RM
Non-current			
Secured:			
Lease liabilities	(a)	11,747,318	10,145,332
Unsecured:			
Lease liabilities	(a)	1,072,441	996,487
		12,819,759	11,141,819
Current:			
Secured:			
Bank overdrafts	(b)	2,734,894	5,878,756
Lease liabilities	(a)	5,763,030	5,083,557
Unsecured:			
Lease liabilities	(a)	129,583	47,668
		8,627,507	11,009,981
Total loans and borrowings			
Secured:			
Bank overdrafts	(b)	2,734,894	5,878,756
Lease liabilities	(a)	17,510,348	15,228,889
Unsecured:			
Lease liabilities	(a)	1,202,024	1,044,155
		21,447,266	22,151,800

The interest rate structures are as follows:

	Effective interest rate 31.3.2021	31.3.2020
Bank overdrafts	7.40%	5.87% - 7.76%
Lease liabilities	4.52% - 8.19%	4.52% - 7.36%

14. LOANS AND BORROWINGS (continued)

(a) Lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group 31.3.2021 RM	Group 31.3.2020 RM
Minimum lease payments:		
Not later than one year	6,921,595	6,077,182
Later than one year and not later than 5 years	13,202,992	5,174,224
Later than 5 years	1,350,000	7,657,472
	21,474,587	18,908,878
Less: Future finance charges	(2,762,215)	(2,635,834)
Present value of minimum lease payments	18,712,372	16,273,044
Present value of minimum lease payments:		
Not later than one year	5,892,613	5,131,225
Later than one year and not later than 5 years	11,980,234	10,282,272
Later than 5 years	839,525	859,547
	18,712,372	16,273,044
Less: Amount due within 12 months	(5,892,613)	(5,131,225)
Amount due after 12 months	12,819,759	11,141,819

(b) Bank overdrafts

(i) Legal charge and debenture over all the fixed and floating, present and future assets of a subsidiary company, namely, Plentiful Harvest Sdn. Bhd.; and

(ii) corporate guarantee by the Company.

15. DEFERRED INCOME

	Group 31.3.2021 RM	Group 31.3.2020 RM
Non-current		
Government grant		
At 1 April/31 March	8,756,300	8,756,300
Less: Accumulated amortisation		
At 1 April	6,494,256	5,618,626
Amortisation for the financial year	2,262,044	875,630
At 31 March	8,756,300	6,494,256
Carrying amount	-	2,262,044

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 (revised to RM12,509,000 pursuant to supplementary agreement dated 3 April 2019) which is conditional upon its construction of hatchery and nursery centres. The grant is amortised over the useful life of the buildings. During the financial year, RM2,262,044 (31.3.2020: RM875,630) has been amortised and recognised as other operating income in the statements of comprehensive income.

16. DEFERRED TAX LIABILITIES

	Group 31.3.2021 RM	Group 31.3.2020 RM (Restated)
Deferred tax liabilities	1,350,302	971,269

(a) The movement of deferred tax liabilities are as follows:

	Group 31.3.2021 RM	Group 31.3.2020 RM (Restated)
At 1 April	971,269	22,300,009
Recognised in profit or loss	379,033	(21,328,740)
At 31 March	1,350,302	971,269

16. DEFERRED TAX LIABILITIES (continued)

(b) The components of deferred tax liabilities as at the end of the financial year comprise the following:

	Group 31.3.2021 RM	Group 31.3.2020 RM (Restated)
Deferred tax liabilities		
Temporary differences between carrying amount and corresponding tax written values	1,350,302	971,269

(c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group 31.3.2021 RM	Group 31.3.2020 RM
Biological assets	-	89,108,019
Deductible temporary differences	810,669	-
Unabsorbed capital allowances	24,236,128	13,286,289
Unutilised tax losses	128,176,681	34,029,546
	153,223,478	136,423,854

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unused tax losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group 31.3.2021 RM
2025	5,009,910
2026	8,365,646
2027	20,653,990
2028	94,147,135

17. TRADE AND OTHER PAYABLES

	Note	Group 31.3.2021 RM	Group 31.3.2020 RM (Restated)	Company 31.3.2021 RM	Company 31.3.2020 RM
Trade payables					
Third parties		14,940,516	10,763,933	-	-
Related party		-	177,851	-	-
	(a)	14,940,516	10,941,784	-	-
Non-trade					
Other payables		3,023,053	1,162,397	136,233	73,949
Accruals		2,633,015	3,812,634	123,397	93,400
Amounts owing to directors	(b)	295,879	369,808	-	-
Advance payment from a customer		-	4,000,000	-	-
Amounts owing to related parties	(b)	8,135	7,317	-	-
Amount owing to a subsidiary	(b)	-	-	4,591,969	4,890,010
		5,960,082	9,352,156	4,851,599	5,057,359
Total trade and other payables		20,900,598	20,293,940	4,851,599	5,057,359

(a) The normal trade credit terms granted to the Group range from 30 to 180 days (31.3.2020: 30 to 180 days).

(b) Amounts owing to directors, related parties and subsidiary are unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash. Amounts owing to related parties relate to persons connected to certain directors of the Company.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 27(b)(ii).

18. REVENUE

	Group 31.3.2021 RM	Group 31.3.2020 RM
Revenue from contract customers:		
Sale of adult fish	3,653,113	7,959,524
Sale of frozen products	383,177	1,332,428
Sale of gold	91,274,906	85,712,086
Sale of silver	544,232	126,584
	95,855,428	95,130,622

18. REVENUE (continued)

	Group 31.3.2021 RM	Group 31.3.2020 RM
Market of goods:		
Export sales	-	7,899,937
Local sales	95,855,428	87,230,685
	95,855,428	95,130,622
Primary geographical markets:		
Malaysia	95,855,428	87,230,685
Hong Kong	-	7,899,937
	95,855,428	95,130,622
Timing of revenue recognition:		
At a point in time	95,855,428	95,130,622

19. OTHER INCOME

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Amortisation of government grant income	2,262,044	875,630	-	-
Bad debts recovered	728	127,862	-	127,862
Gain on disposal of property, plant and equipment	121,041	-	-	-
Gain on lease modification	10,927	-	-	-
Interest income	221,433	112,847	-	-
Rental income	672,000	700,000	-	-
Reversal of impairment loss on amount owing by a subsidiary	-	-	6,018,835	-
Reversal of impairment loss on property, plant and equipment	1,034,235	-	-	-
Reversal of impairment loss on trade receivables	183,896	-	-	-
Net realised gain on foreign exchange	23,965	-	-	-
Net unrealised gain on foreign exchange	719,515	-	-	-
Wages subsidy	130,850	-	-	-
Miscellaneous income	168,000	77,619	-	-
	5,548,634	1,893,958	6,018,835	127,862

20. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Deposit written off	9,940	13,766	-	-
Impairment loss on amount owing by a subsidiary	-	-	7,251,620	9,836,661
Impairment loss on trade and other receivables	740,667	21,257,430	-	-
Worker advance written off	15,107	-	-	-
	765,714	21,271,196	7,251,620	9,836,661

21. OTHER OPERATING EXPENSES

		Group		Company	
	Note	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Amortisation of mineral rights	6	2,529,614	20,147,038	2,526,679	20,123,665
Amortisation of broodstocks	8	3,740	405,203	-	-
Fair value adjustment on receivables measured at amortised cost		771,656	-	-	-
Fatalities charge on broodstocks	8	63,781	331,010	-	-
Fatalities charge on crab/fishfry	8	737,841	11,739,600	-	-
Impairment loss on goodwill	6	32,176	-	-	-
Inventories written off	9	17,466	-	-	-
Impairment of slow-moving inventories	9	-	480,831	-	-
Impairment loss on broodstocks	8	-	51,082	-	-
Property, plant and equipment written off		-	37,281	-	3
		4,156,274	33,192,045	2,526,679	20,123,668

22. FINANCE COSTS

	Group 31.3.2021 RM	Group 31.3.2020 RM
Interest expense on:		
- Bank overdrafts	376,743	499,132
- Lease liabilities	848,089	931,775
- Revolving credit	-	34,977
- Supplier late payment interest charges	68,560	11,426
- Term loan	-	195,325
	1,293,392	1,672,635

23. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at loss before tax:

	Group 31.3.2021 RM	Group 31.3.2020 RM	Company 31.3.2021 RM	Company 31.3.2020 RM
Auditors' remuneration				
- statutory audit				
- current year	230,000	205,000	110,000	88,000
- prior year	-	12,000	-	12,000
- non-statutory audit				
- current year	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	11,918,952	12,023,382	754	422
Employee benefits expenses (Note 24)	17,001,582	12,505,574	431,109	286,000
Net loss on foreign exchange:				
- realised	-	88,809	-	20,422
- unrealised	14,542	5,590	-	-
Hire of live fish carrier	-	336,043	-	-
Hiring of heavy machineries	-	115,489	-	-
Impairment losses on investment in subsidiaries	-	-	-	2,753,133
Loss on disposal of property, plant and equipment	-	4,500	-	-
Prepayment written off	-	31,567	-	-
Rehabilitation cost	912,749	1,250,739	-	-
Expenses relating to short-term lease	21,159	120,185	-	-
Royalty	4,563,745	4,286,769	-	-

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Salaries and wages	15,707,065	11,320,581	404,100	276,000
Contributions to defined contribution plan	984,515	787,147	15,453	-
Social security contributions	112,478	83,317	524	-
Contributions to employment insurance scheme	11,174	8,037	32	-
Commissions	175,350	296,492	-	-
Other emoluments	11,000	10,000	11,000	10,000
	17,001,582	12,505,574	431,109	286,000
Included in employee benefits expenses are:				
Directors of the Company				
Executive directors:				
- Salaries and wages	1,286,000	1,320,000	66,000	-
- Commissions	11,359	50,401	-	-
- Other emoluments	146,330	151,334	8,173	-
	1,443,689	1,521,735	74,173	-
Non-executive directors:				
- Fee	276,000	276,000	276,000	276,000
- Other emoluments	11,000	10,000	11,000	10,000
	287,000	286,000	287,000	286,000
	1,730,689	1,807,735	361,173	286,000

25. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense for the financial years ended 31 March 2021 and 31 March 2020 are as follows:

	Group		Company	
	31.3.2021 RM	31.3.2020 RM (Restated)	31.3.2021 RM	31.3.2020 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	3,296,464	5,518,009	-	-
- Adjustment in respect of prior year	(103,707)	168,819	-	-
	3,192,757	5,686,828	-	-
Deferred tax:				
- Origination/(Reversal) of temporary differences	379,033	(12,581,759)	-	-
- Adjustment in respect of prior years	-	(8,746,981)	-	-
	379,033	(21,328,740)	-	-
Income tax expense/(credit) recognised in profit or loss	3,571,790	(15,641,912)	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.3.2020: 24%) of the estimated assessable profit for the financial year.

25. INCOME TAX EXPENSE/(CREDIT) (continued)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	31.3.2021 RM	**31.3.2020 RM (Restated)**	**31.3.2021 RM**	**31.3.2020 RM**
Loss before tax	(10,561,811)	(197,542,969)	(4,707,026)	(33,494,936)
Taxation at applicable statutory tax rate of 24% (31.3.2020: 24%)	(2,534,835)	(47,410,313)	(1,129,686)	(8,038,785)
Tax effects arising from:				
- non-deductible expenses	2,902,229	6,518,011	1,129,686	8,069,472
- non-taxable income	(723,807)	-	-	(30,687)
Deferred tax not recognised on tax losses and temporary differences	4,031,910	34,196,509	-	-
Utilisation of previously unrecognised deferred tax assets	-	(367,957)	-	-
Adjustment in respect of prior years:				
- current income tax	(103,707)	168,819	-	-
- deferred tax	-	(8,746,981)	-	-
	3,571,790	(15,641,912)	-	-

Plentiful Earnings Sdn. Bhd., one of the subsidiary companies, has been granted tax incentive under Section 127 of the Income Tax Act, 1967 for exemption of tax on statutory income from fish rearing activities for a period of Ten (10) years commencing 1 April 2013.

26. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share amounts are calculated by dividing loss 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	
	31.3.2021	**31.3.2020**
Loss attributable to owners of the Company		
Loss for the financial year (RM)	(14,133,601)	(181,901,057)
Weighted average number of ordinary shares for basic loss per share (unit)	1,229,381,577	1,224,628,272
Basic loss per ordinary share (sen)	(1.15)	(14.85)

(b) Diluted loss per ordinary share

Diluted loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	31.3.2021	**31.3.2020**
Loss attributable to owners of the Company:		
Loss for the financial year (RM)	(14,133,601)	(181,901,057)
Weighted average number of ordinary shares for basic loss per share (unit)	1,229,381,577	1,224,628,272
Effect of share options on issue *	-	-
Effect of warrants on issue *	-	-
Weighted average number of ordinary shares for diluted loss per shares (unit)	1,229,381,577	1,224,628,272
Diluted loss per ordinary share (sen)	(1.15)	(14.85)

* The effect of share options and warrants have not been accounted for in the current financial year as their effect is antidilutive.

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
31.3.2021		
Financial assets		
Group		
Trade and other receivables, net of prepayments	10,430,878	10,430,878
Cash and bank balances	2,283,713	2,283,713
	12,714,591	12,714,591
Company		
Cash and bank balances	112,797	112,797
Financial Liabilities		
Group		
Loan and borrowings	21,447,266	21,447,266
Trade and other payables	20,900,598	20,900,598
	42,347,864	42,347,864
Company		
Trade and other payables	4,851,599	4,851,599
31.3.2020		
Financial assets		
Group		
Trade and other receivables, net of prepayments	3,730,349	3,730,349
Cash and bank balances	9,143,479	9,143,479
	12,873,828	12,873,828
Company		
Trade and other receivables, net of prepayments	500	500
Cash and short-term deposits	3,283	3,283
	3,783	3,783
Financial liabilities		
Group		
Loan and borrowings	22,151,800	22,151,800
Trade and other payables	20,293,940	20,293,940
	42,445,740	42,445,740
Company		
Trade and other payables	5,057,359	5,057,359

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of 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 Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk primarily from trade and other 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 management has in place a credit procedure to monitor and minimise the exposure of default. Trade and other receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

Trade receivables

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

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit risk concentration profile</u>
The Group determines concentrations of credit risk by monitoring the profile of its trade receivables on an ongoing basis. As at the reporting date, the Group has a significant concentration of credit risk in the form of outstanding balances arising from the amount due from 2 (31.3.2020: 2) customers representing approximately 100% (31.3.2020: 94%) of the total trade receivables.

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Credit risk concentration profile (continued)

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and the Company's trade receivables using the provision matrix are as follows:

	Expected credit loss rate RM	Gross carrying amount at default RM	Impairment losses RM
31.3.2021			
Trade receivables			
Current	0%	9,014,255	-
Past due:			
more than 90 days	100%	21,408,745	21,408,745
	70%	30,423,000	21,408,745
31.3.2020			
Trade receivables			
Current	21%	152,968	32,640
Past due:			
less than 30 days	37%	4,230	1,560
between 31 to 60 days	90%	2,118,536	1,908,164
between 61 to 90 days	90%	2,549,632	2,296,453
more than 90 days	91%	18,346,330	16,617,514
	90%	23,018,728	20,823,691
	90%	23,171,696	20,856,331

Other receivables and other financial assets

For other receivables and other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than credit-impaired other receivables, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required. Refer to Note 3.12(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks is representing by the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 30. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables and loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they fall due.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		<------- Contractual undiscounted cash flow -------->			
Group	**Carrying amount**	**On demand or within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
31.3.2021	**RM**	**RM**	**RM**	**RM**	**RM**
Financial liabilities					
Trade payables and other payables	20,900,598	20,900,598	-	-	20,900,598
Bank overdrafts	2,734,894	2,734,894	-	-	2,734,894
Lease liabilities	18,712,372	6,921,595	13,202,992	1,350,000	21,474,587
	42,347,864	30,557,087	13,202,992	1,350,000	45,110,079
Company					
Financial liabilities					
Other payables	4,851,599	4,851,599	-	-	4,851,599
Financial guarantee contracts	-	18,625,412	-	-	18,625,412
	4,851,599	23,477,011	-	-	23,477,011

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

		<------- Contractual undiscounted cash flow -------->			
Group	**Carrying amount**	**On demand or within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
31.3.2020	**RM**	**RM**	**RM**	**RM**	**RM**
Financial liabilities					
Trade payables and other payables	20,293,940	20,293,940	-	-	20,293,940
Bank overdrafts	5,878,756	5,878,756	-	-	5,878,756
Lease liabilities	16,273,044	6,077,182	5,174,224	7,657,472	18,908,878
	42,445,740	32,249,878	5,174,224	7,657,472	45,081,574
Company					
Financial liabilities					
Other payables	5,057,359	5,057,359	-	-	5,057,359
Financial guarantee contracts	-	19,870,781	-	-	19,870,781
	5,057,359	24,928,140	-	-	24,928,140

The Group and the Company had incurred continuous losses for the financial year ended 31 March 2021 amounting to RM14,133,601 and RM4,707,026 respectively and, as of the date, the Company had also recorded negative operating cash flows of RM833,730. As at 31 March 2021, the Group's and the Company's current liabilities exceeding its current assets by RM12,800,459 and RM4,735,375 respectively. Meanwhile, the Group's short-term loans and borrowings was RM8,627,507 as at 31 March 2021.

The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial year. Significant assumption and judgements are used in the preparation of the cash flow forecast.

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates.

The Group has exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of the Group, primarily RM. The foreign 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 acceptable level.

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

Group	Renminbi RM	Hong Kong Dollar RM	United States Dollar RM	Total RM
31.3.2021				
Financial assets				
Cash and bank balances	-	2,124	-	2,124
Financial liabilities				
Trade and other payables	(410,223)	(2,464)	(472,044)	(884,731)
Net financial liabilities held in non-functional currencies	(410,223)	(340)	(472,044)	(882,607)
31.3.2020				
Financial assets				
Trade and other receivables	2,181,705	-	-	2,181,705
Cash and bank balances	-	26,430	-	26,430
	2,181,705	26,430	-	2,208,135
Financial liabilities				
Trade and other payables	(395,681)	(2,464)	(247,161)	(645,306)
Net financial assets/ (liabilities) held in non-functional currencies	1,786,024	23,966	(247,161)	1,562,829

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk
The Group's principal foreign currency exposure relates mainly to Renminbi ("RMB"), Hong Kong Dollar ("HKD") and United States Dollar ('USD').

The following table demonstrates the sensitivity to a reasonably possible change in the RMB, HKD and USD, with all other variables held constant on the Group's total equity and loss for the financial year.

Group	Change in rate %	Effect on loss for the financial year RM	Effect on equity RM
31.3.2021			
- Renminbi	+ 5%	(15,588)	(15,588)
	- 5%	15,588	15,588
- Hong Kong Dollar	+ 5%	(13)	(13)
	- 5%	13	13
- United States Dollar	+ 5%	(17,938)	(17,938)
	- 5%	17,938	17,938
31.3.2020			
- Renminbi	+ 5%	67,869	67,869
	- 5%	(67,869)	(67,869)
- Hong Kong Dollar	+ 5%	911	911
	- 5%	(911)	(911)
- United States Dollar	+ 5%	(9,392)	(9,392)
	- 5%	9,392	9,392

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Company's financial statements as a result of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

27. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and loss for the financial year.

	Change in basis point RM	Effect on loss for the financial year RM	Effect on equity RM
Group			
31 March 2021	+25	5,196	5,196
	-25	(5,196)	(5,196)
31 March 2020	+25	11,170	11,170
	-25	(11,170)	(11,170)

(c) Fair value measurement

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

28. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries as disclosed in Note 7 to the financial statements;
(ii) Entities in which the directors have substantial financial interests; and
(iii) Key management personnel of the Group and of the Company, comprises persons (including directors) having the authority and responsibility for planning, diversifying and controlling the activities directly or indirectly.

28. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	31.3.2021 RM	31.3.2020 RM
Entities in which directors have substantial financial interests		
Southsea Gold Sdn. Bhd.		
Rental paid/payable	60,000	60,000
Yu Tian Seafood Trading		
Purchase paid/payable	139,107	3,980,067

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 10 and 17.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 30.

(c) Compensation of key management personnel

	Group		Company	
	31.3.2021 RM	31.3.2020 RM	31.3.2021 RM	31.3.2020 RM
Short-term employee benefit	2,124,692	2,136,000	342,000	276,000
Other emoluments	230,379	232,733	19,173	10,000
Commissions	11,359	50,401	-	-
	2,366,430	2,419,134	361,173	286,000
Included in the key managament personnel are:				
Directors' remuneration	1,730,689	1,807,735	361,173	286,000
Key management personnels' remuneration	635,741	611,399	-	-
	2,366,430	2,419,134	361,173	286,000

29. COMMITMENTS

(a) Commitments

The Group has made commitments for the following capital expenditures:

	Group 31.3.2021 RM	Group 31.3.2020 RM
Property, plant and equipment		
- Acquisition of machineries and movable equipment	2,095,601	1,445,400
- Construction of processing plants and buildings	2,121,365	980,726
	4,216,966	2,426,126

(b) Operating lease commitments - as lessor

The Group leases its heavy equipment which have remaining lease term two years.

The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group 31.3.2021 RM	Group 31.3.2020 RM
Not later than one year	672,000	672,000
Between two to five years	1,176,000	1,848,000
	1,848,000	2,520,000

30. FINANCIAL GUARANTEES

	31.3.2021 RM	31.3.2020 RM
Financial guarantees given to licensed banks for outstanding banking facilities granted to subsidiaries	18,533,412	19,778,781
Bank guarantee facility in favour of third party	92,000	92,000
	18,625,412	19,870,781

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2021 and 31 March 2020.

	Group		Company	
	31.3.2021 RM	**31.3.2020 RM (Restated)**	**31.3.2021 RM**	**31.3.2020 RM (Restated)**
Loans and borrowings	21,447,266	22,151,800	-	-
Trade and other payables	20,900,598	20,293,940	4,851,599	5,057,359
Less: Cash and bank balances	(2,283,713)	(9,143,479)	(112,797)	(3,283)
Net debts	40,064,151	33,302,261	4,738,802	5,054,076
Total equity	107,298,397	118,956,558	70,437,423	72,669,009
Capital and net debts	147,362,548	152,258,819	75,176,225	77,723,085
Gearing ratio	27%	22%	6%	7%

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Pursuant to Rule 8.04 and Guidance Note 3 ("GN3") of the ACE Market Listing Requirements ("ACELR") of Bursa Malaysia Securities Berhad ("Bursa") and letter from Bursa dated 16 April 2020 ("Letter") pertaining to further relief measures to listed corporations with unsatisfactory financial condition that triggers any of the criteria under GN3 of the ACELR ("Suspended Criteria") from 17 April 2020 to 30 June 2021 ("GN3 Relief Measures"), the Company has on 30 June 2020 triggered the Suspended Criteria where it has incurred loss in any one (1) full financial year commencing on or after its listing, which is equal to or exceed the amount of its shareholders' equity at the end of the said financial year and its shareholders' equity is equal to or less than 50% of its share capital at the end of the said financial year.

Under the GN3 Relief Measures, the Company will not be classified as a GN3 company and it is not required to comply with the obligations pursuant to Rule 8.04 and GN3 of the ACELR for a period of twelve (12) months from the date of triggering the suspended criteria.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (continued)

(b) On 3 December 2020, the Company proposes to undertake the proposed capital reduction by reducing and cancelling part of the issued share capital of the Company pursuant to Section 116 of the Act.

On 13 April 2021, the Company announced that an office copy of the sealed order of the High Court of Malaya confirming the capital reduction has been lodged with the Registrar of Companies. Pursuant thereto, the capital reduction shall therefore take effect and be deemed completed on 13 April 2021.

(c) During the financial year, the Group had disposed its live fish and certain assets relating to fish breeding, operation of a fish hatchery and fish rearing to Synergy Multi Resources Sdn Bhd for a total cash consideration of RM5,000,000. The disposal was completed on 30 September 2020.

(d) COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of COVID-19 pandemic in Malaysia. When the number of daily new infections began to fall, the MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. On 13 January 2021, following the start of a third wave of infections in Malaysia, the Government re-imposed the MCO in certain states until 5 March 2021, followed by Conditional MCO thereafter. On 1 June 2021, the Full MCO was imposed in Malaysia as a result of the significant increases on the number of daily new infections. The COVID-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group and the Company have accounted for the possible impacts of COVID-19 pandemic in their application of significant judgements and estimates for the financial year ended 31 March 2021 in determining the amounts recognised in the financial statements for the financial year ended 31 March 2021 as disclosed in Note 4 to the financial statements.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 March 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

33. COMPARATIVE FIGURES

(a) The following comparative figures have been reclassified to conform with current year presentation:

	As previously classified RM	Reclassification RM	As reclassified RM
Group			
31.3.2020			
Statement of financial position			
Current liabilities			
Trade payables	10,120,817	820,967	10,941,784
Other payables	1,983,364	(820,967)	1,162,397

The reclassifications relate to trade payables classified as other payables in previous financial year has been reclassified to trade payables in the current financial year.

(b) Retrospective adjustment

The Employees Share Options Scheme ("ESOS") 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 capital. As there was no transfer of ESOS reserve to share capital for options exercised in prior years, retrospective adjustments have been made in the financial statements.

There was an under provision of deferred tax liabilities for a subsidiary in the prior year, therefore retrospective adjustments have been made in the financial statements.

Accordingly, the financial statements of the Group and of the Company for the financial year ended 31 March 2020 and 1 April 2019 have been restated to account for the transfer of ESOS reserve to share capital and under provision of deferred tax liabilities.

The following retrospective adjustments have been made:

Group	As previously stated RM	Adjustment RM	As restated RM
31.3.2020			
Statement of financial position			
Equity attributable to owners of the Company			
Share capital	284,313,555	4,482,627	288,796,182
Other reserves	10,814,857	(4,482,627)	6,332,230
Accumulated losses	(175,252,036)	(919,818)	(176,171,854)
	119,876,376	(919,818)	118,956,558
Non-current liabilities			
Deferred tax liabilities	51,451	919,818	971,269

33. COMPARATIVE FIGURES (continued)

(b) Retrospective adjustment (continued)

The following retrospective adjustments have been made: (continued)

Group	**As previously stated RM**	**Adjustment RM**	**As restated RM**
1.4.2019			
Statement of financial position			
Equity attributable to owners of the Company			
Share capital	283,582,635	4,261,078	287,843,713
Other reserves	10,814,857	(4,261,078)	6,553,779
31.3.2020			
Statement of Comprehensive Income			
Income tax credit	16,561,730	(919,818)	15,641,912
Company			
31.3.2020			
Equity attributable to owners of the Company			
Share capital	284,313,555	4,482,627	288,796,182
Other reserves	10,814,857	(4,482,627)	6,332,230
1.4.2019			
Statement of financial position			
Equity attributable to owners of the Company			
Share capital	283,582,635	4,261,078	287,843,713
Other reserves	10,814,857	(4,261,078)	6,553,779

34. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the chief operating decision maker for the purpose of making decisions about resource allocation and performance assessment.

For management purposes, the Group is organised into business units based on products and services, and has three reportable operating segments as follows:

(a) Aquaculture operations
(b) Investment holding
(c) Mining operations

Inter-segment pricing is determined on negotiated basis.

Segment profit
Segment performance is used to measure performance as the chief operating decision maker believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets
The total of segment assets are measured based on all assets (excluding current tax assets) of a segment, as included in the internal reports that are reviewed by the chief operating decision maker.

Segment liabilities
The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the chief operating decision maker.

34. SEGMENT INFORMATION (continued)

	Aquaculture operations RM	Investment holding RM	Mining operations RM	Adjustment and elimination RM		Total RM
31.3.2021						
Revenue:						
External sales	4,036,290	-	91,819,138	-		95,855,428
Inter-segment sales	30,423	-	-	(30,423)	(i)	-
Total revenue	4,066,713	-	91,819,138	(30,423)		95,855,428
Results:						
Segments results	(16,720,689)	(4,707,026)	10,992,345	1,166,951	(ii)	(9,268,419)
Finance costs	(392,827)	-	(900,565)	-		(1,293,392)
Income tax credit/(expense)	728	-	(3,572,518)	-		(3,571,790)
(Loss)/Profit for the financial year	(17,112,788)	(4,707,026)	6,519,262	1,166,951		(14,133,601)
Assets:						
Segment assets	12,283,340	75,285,595	73,091,755	(11,122,174)	(iii)	149,538,516
Current tax assets	294,141	3,427	1,160,479	-		1,458,047
	12,577,481	75,289,022	74,252,234	(11,122,174)		150,996,563
Liabilities:						
Segment liabilities	162,115,674	4,851,599	46,338,764	(169,571,759)	(iv)	43,734,278
Deferred tax liabilities	-	-	1,350,302	-		1,350,302
	162,115,674	4,851,599	47,689,066	(169,571,759)		45,084,580

34. SEGMENT INFORMATION (continued)

	Aquaculture operations RM	Investment holding RM	Mining operations RM (Restated)	Adjustment and elimination RM		Total RM (Restated)
31.3.2020						
Revenue:						
External sales	9,291,952	-	85,838,670	-		95,130,622
Inter-segment sales	710,715	-	-	(710,715)	(i)	-
Total revenue	10,002,667	-	85,838,670	(710,715)		95,130,622
Results:						
Segments results	(197,875,421)	(33,494,936)	20,185,988	15,314,035	(ii)	(195,870,334)
Finance costs	(554,293)	-	(1,118,342)	-		(1,672,635)
Income tax credit/(expense)	21,801,078	-	(6,159,166)	-		15,641,912
(Loss)/Profit for the financial year	(176,628,636)	(33,494,936)	12,908,480	15,314,035		(181,901,057)
Assets:						
Segment assets	30,897,654	77,723,644	66,118,189	(11,445,366)	(iii)	163,294,121
Current tax assets	74,085	2,724	1,264,681	-		1,341,490
	30,971,739	77,726,368	67,382,870	(11,445,366)		164,635,611
Liabilities:						
Segment liabilities	161,978,554	5,057,359	46,367,695	(168,695,824)	(iv)	44,707,784
Deferred tax liabilities	-	-	971,269	-		971,269
	161,978,554	5,057,359	47,338,964	(168,695,824)		45,679,053

34. SEGMENT INFORMATION (continued)

	Aquaculture operations RM	Investment holding RM	Mining operations RM	Adjustment and elimination RM	Total RM
31.3.2021					
Other information					
Depreciation of property, plant and equipment	2,897,486	754	9,036,782	(16,070)	11,918,952
Amortisation of mineral rights	-	2,526,679	-	2,935	2,529,614
Amortisation of broodstocks	3,740	-	-	-	3,740
Fair value loss on biological assets	(5,838,819)	-	-	-	(5,838,819)
Impairment on financial instruments	(816,893)	(7,251,620)	-	7,302,799	(765,714)
Impairment loss on property, plant and equipment	(12,108,576)	-	-	-	(12,108,576)
31.3.2020					
Depreciation of property, plant and equipment	4,937,306	422	7,101,724	(16,070)	12,023,382
Amortisation of mineral rights	-	20,123,665	-	23,373	20,147,038
Amortisation of broodstocks	405,203	-	-	-	405,203
Fair value loss on biological assets	(160,944,033)	-	-	(108,039)	(161,052,072)
Impairment on financial instruments	(23,601,139)	(9,836,661)	-	12,166,604	(21,271,196)
Impairment loss on property, plant and equipment	(4,392,263)	-	-	-	(4,392,263)

34. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Profit/(Loss) from inter segment sales are eliminated on consolidation.

(iii) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statements of financial position:

	31.3.2021 RM	31.3.2020 RM
Property, plant and equipment	(29,145)	(45,215)
Intangible asset	81,435	84,370
Investments in subsidiary companies	(6,582,495)	(6,582,495)
Trade and other receivables	-	(12,016)
Amount owing by holding company	(4,591,969)	(4,890,010)
	(11,122,174)	(11,445,366)

(iv) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statements of financial position.

	31.3.2021 RM	31.3.2020 RM
Amount owing to a subsidiary	4,591,969	4,890,010
Amount owing to a fellow subsidiary	-	12,016
Amount owing to immediate holding company	46,631,765	46,678,558
Amount owing to ultimate holding company	118,348,025	117,115,240
	169,571,759	168,695,824

34. SEGMENT INFORMATION (continued)

Geographical information

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

	Revenue RM	Non-current assets RM
31.3.2021		
Malaysia	95,855,428	134,268,917
31.3.2020		
Malaysia	87,230,685	144,083,060
Hong Kong	7,899,937	18,291
	95,130,622	144,101,351

Information about major customers

For aquaculture segment, revenue from one customer (31.3.2020: four) represented RM3,628,943 (31.3.2020: RM7,899,937) for the Group's total revenue. For mining segment, revenue from one customer (31.3.2020: one) represented RM91,819,138 (31.3.2020: RM85,838,670) for the Group's total revenue.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **DATUK LO FUI MING** and **LO TECK YONG**, being two of the directors of Bahvest Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 67 to 159 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of their financial performance and cash flows for the financial year then ended.

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

……………………………………
DATUK LO FUI MING
Director

……………………………………
LO TECK YONG
Director

Tawau

Date: 4 August 2021

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **CHONG TZU KHEN,** being the officer primarily responsible for the financial management of Bahvest Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 67 to 159 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.

....
CHONG TZU KHEN

Subscribed and solemnly declared by the abovenamed at Tawau in the State of Sabah on 4 August 2021.

Before me,

TAY YE KAI (S-190)
Commissioner for Oaths
TB 196, Tingkat 2,
Jalan Bakau,
91007 Tawau, Sabah.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAHVEST RESOURCES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bahvest Resources Berhad, which comprise the statements of financial position as at 31 March 2021 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International *Code of Ethics* for *Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group and Company

Funding requirements and ability to meet short term obligations (Note 4(a) and 27(b)(ii) to the financial statements)

The Group and the Company had incurred continuous losses for the financial year ended 31 March 2021 amounting to RM14,133,601 and RM4,707,026 respectively and, as of the date, the Company had also recorded negative operating cash flows of RM833,730. As at 31 March 2021, the Group's and the Company's current liabilities exceeding its current assets by RM12,800,459 and RM4,735,375 respectively. Meanwhile, the Group's short-term loans and borrowings was RM8,627,507 as at 31 March 2021.

We focused on this area due to the significant amount of the short-term liabilities, and the significant adverse impact of COVID-19 pandemic on the operating cash flows of the Group. In addition, significant Directors' judgement and estimates were involved in determining the assumptions used by the Group in arriving at the Group's cash flows forecast for the next 12 months from the end of reporting period.

The Group's policies and processes for the management of liquidity risk is disclosed in Note 27(b)(ii) to the financial statements.

Our audit response:

Our audit procedures included, among others:

- reading and discussing the cash flow forecast prepared by the Group;
- discussing the Group's assumptions in cash flow forecast in relation to key inputs;
- testing the mathematical accuracy of the cash flow forecast calculation; and
- agreeing sources of financing and uses of funds to any relevant supporting documents.

Key Audit Matters (continued)

Group

Intangible assets (Note 4(b) and 6 to the financial statements)

The Group previously amortised the mineral rights from the date on which the commercial production begins computed using the units-of-production method based on estimated proven and probable ore reserves, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located.

During the financial year, the Group changed its amortisation method of mineral rights from units-of-production method to straight-line method based on remaining lease term of the mining area.

We focused on this area due to the significant change in the accounting estimates adopted by the Group.

Our audit response:

Our audit procedures included, among others:

- review and discuss with management on the carrying amount of intangible assets in accordance with MFRS 138 *Intangible Assets*;
- testing the mathematical accuracy of the amortisation charges; and
- review adequacy of allowance for impairment loss in accordance with MFRS *136 Impairment of Assets*.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2020 were audited by another firm of chartered accountants whose report dated 27 August 2020 expressed a qualified opinion on those financial statements:

   "**Basis for Qualified Opinion**

   Due to the low levels of Group's fishery livestocks harvested for sales during the year ended 31 March 2020 and up to the date of our auditor's report, and considering that the fishery livestocks are kept in netpens for which over 90% are at such depth that an effective stock count cannot be performed, we were unable to satisfy ourselves by alternative means concerning the quantities of fishery livestocks. As these procedures also directly supports some of the other key variables in the fair value model, such as, growth and mortality rates, we were, therefore, unable to obtain sufficient appropriate audit evidence over both the existence and valuation of fishery livestocks as at 31 March 2020 of RM1,881,262 and the resulting fair value loss of RM161,052,072 for the financial year ended 31 March 2020."

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2022 J
Chartered Accountant

Kuala Lumpur

Date: 4 August 2021

LIST OF PROPERTIES

Address	Description of Property / Existing Use	Status/ Registered Owner	Audited Net Book Value as at 31 March 2021 (RM)	Approximate age of Building (Years) / CF Status	Tenure / Expiry Date of Lease	Approximate Land Area / Approximate Total Built-up Area
CL 075402256 Airport Road, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Owned / Plentiful Harvest Sdn Bhd	59,647	N/A	99 years leasehold land expiring on 31.12.2080	1.494 ha
CL 075371087 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Owned / Plentiful Harvest Sdn Bhd	443,358	N/A	99 years leasehold land expiring on 31.12.2078	13.38 acres
NT 073026472 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Subleased / Datuk Lo Fui Ming	262,043	N/A	Sublease for 30 years expiring on 22.12.2035	5.26 ha
CL 075487053 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Owned/ Plentiful Harvest Sdn Bhd	182,301	N/A	99 years leasehold land expiring on 31.12.2095	4.106 ha
CL 075382106 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Owned / Plentiful Harvest Sdn Bhd	260,664	N/A	99 years leasehold land expiring on 31.12.2079	6.13 ha
CL 075375665 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for hatchery operation	Owned / Plentiful Harvest Sdn Bhd	90,902	N/A	99 years leasehold land expiring on 31.12.2077	2.153 ha
TL 077537092 Lot 4, Block E, Bandar Nam Tung, Jalan Leila, 90000, Sandakan, Sabah	An intermediate 4-storey shophouse currently used for as Headoffice	Owned / Plentiful Harvest Sdn Bhd	90,343	36 Years	999 Years freehold expiring on 02.09.2911	6,150 sq ft

List Of Properties
(Cont'd)

Address	Description of Property / Existing Use	Status/ Registered Owner	Audited Net Book Value as at 31 March 2021 (RM)	Approximate age of Building (Years) / CF Status	Tenure / Expiry Date of Lease	Approximate Land Area / Approximate Total Built-up Area
NT113077026 KG. Terusan, District of Lahad Datu, Sabah	A parcel of aquaculture land currently used for nursery operation	Subleased / Datuk Lo Fui Ming	170,000	N/A	Sublease for 30 years expiring on 30.11.2037	1.329 ha
NT 113047975 Kampung Silam, District of Lahad Datu, Sabah	A parcel of aquaculture land currently used for nursery operation	Subleased / Datuk Lo Fui Ming	237,500	N/A	Sublease for 30 years expiring on 12.01.2045	3.073 ha
NT 073026150 Kampung Sungai Kayu, District of Sandakan, Sabah	A parcel of aquaculture land currently used for nursery operation	Subleased / Datuk Lo Fui Ming	253,904	N/A	Sublease for 30 years expiring on 31.07.2038	3.557 ha

ANALYSIS OF SHAREHOLDINGS

No. of shares issued : 1,232,140,460
Classes of shares : Ordinary Shares
Voting Rights : One vote per share

ANALYSIS BY SIZE OF THE SHAREHOLDINGS AS AT 3 AUGUST 2021 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	No. of Shareholders	%	No. of Shareholders	%
1 - 99	22	0.34	552	0.00
100 – 1,000	454	6.83	279,856	0.02
1,001 – 10,000	2,658	40.90	16,923,478	1.37
10,001 – 100,000	2,607	40.11	97,116,700	7.88
100,001 – 61,393,752 (*)	765	11.77	921,742,614	74.81
61,393,753 AND ABOVE (**)	3	0.05	196,077,260	15.91
TOTAL	6,499	100.00	1,232,140,460	100.00

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

LIST OF DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 AUGUST 2021

	Shareholders Name	No. of Shares Direct	%	No. of Shares Direct	%
1	Dato' Sri Md Kamal Bin Bilal	9,361,000	0.76	–	–
2	Datuk Lo Fui Ming	196,857,690	15.98	588,000[(1)]	0.05
3	Lo Teck Yong	10,526,160	0.85	–	–
4	Sim Kay Wah	–	–	–	–
5	Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman	–	–	–	–

Note: (1) Deemed interest by virtue of his child's interest pursuant to Section 59 of the Companies Act, 2016.

LIST OF DIRECTORS' OPTION HOLDINGS AS PER THE REGISTER OF DIRECTORS' OPTIONS HOLDINGS AS AT 3 AUGUST 2021

	Name of Director	No. of Option Direct	%	No. of Option Indirect	%
1	Dato' Sri Md Kamal Bin Bilal	–	–	–	–
2	Datuk Lo Fui Ming	–	–	9,652,000[(1)]	7.24
3	Lo Teck Yong	10,356,500	7.77	–	–
4	Sim Kay Wah	–	–	–	–
5	Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman	–	–	–	–

Note: (1) Deemed interest by virtue of his child's interest pursuant to Section 59 of the Companies Act, 2016.

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 AUGUST 2021

	Shareholders Name	No. of Shares Direct	%	No. of Shares Indirect	%
1	Mohd Amir Bin Masry	66,920,974	5.43	–	–
2	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	65,171,886	5.29	–	–
3	*KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	63,984,400	5.19	–	–

Analysis of Shareholdings
(Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT SHAREHOLDERS AS AT 3 AUGUST 2021 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	Name Of Shareholders	No of Shareholders	%
1	MOHD AMIR BIN MASRY	66,920,974	5.43
2	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	65,171,886	5.29
3	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	63,984,400	5.19
4	UOB KAY HIAN NOMINIES (TEMPATAN) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD*	34,522,000	2.80
5	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING (M&A)*	33,589,000	2.73
6	MARLEX TRADING LTD	30,000,000	2.43
7	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)*	27,758,000	2.25
8	HLB NOMINEES (TEMPATAN) SDN BHD *NGIAM BUEY BUEY (CUST.SIN 106787)*	26,921,200	2.18
9	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHEW BEN BEN (SMART)*	25,299,300	2.05
10	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (MQ0423)*	24,800,328	2.01
11	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *MAYBANK KIM ENG SECURITIES PTE LTD FOR YONG FEN VOO*	24,077,700	1.95
12	HLB NOMINEES (TEMPATAN) SDN BHD *LEONG KAM HENG(CUST.SIN 10678)*	20,055,600	1.63
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (8071811)*	19,449,200	1.58
14	DIONG SIEW GI	19,000,000	1.54
15	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *MAYBANK KIM ENG SECURITIES PTE LTD FOR FOO EE WYN*	14,617,700	1.19
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING (MY0033)*	14,009,004	1.14
17	DIONG SIEW GI	12,827,600	1.04
18	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE HENG WAI (M&A)*	11,633,000	0.94
19	RHB NOMINIEES (TEMPATAN) SDN BHD *TAN CHOON PIEW*	11,000,000	0.89
20	LEONG KAM HENG	10,800,000	0.88

**THE 30 LARGEST SECURITIES ACCOUNT SHAREHOLDERS AS AT 3 AUGUST 2021
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON) (CONT'D)**

	Name Of Shareholders	No of Shareholders	%
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM FEI NEE (7000197)*	10,701,400	0.87
22	LO TECK YONG	10,526,160	0.85
22	DIONG SWEE HOON	10,278,200	0.83
24	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNTS FOR LO FUI MING (THIRD PARTY)*	10,000,000	0.81
25	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	10,000,000	0.81
26	DIONG SING PENG	9,642,800	0.78
27	KENANGE NOMINEES (TEMPATAN) SDN BHD	9,577,000	0.78
28	MD KAMAL BIN BILAL	9,360,000	0.76
29	PUBLIC NOMINEES (ASING) SDN BHD *PLEDGED SECURITIES ACCOUNT FRO SYED HIZAM ALSAGOFF (E-PDG)*	9,000,000	0.73
30	CHEONG TECK CHONG	8,763,600	0.71

ANALYSIS OF WARRANT HOLDINGS

No. of warrant issued & unexercised	:	599,995,756
Exercise Price	:	RM 0.43
Expiry Date	:	20 August 2024
Rights of Warrant Holder	:	The Warrant holders are not entitled to any voting rights or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise their Warrants into new BAHVEST Shares.

ANALYSIS BY SIZE OF THE WARRANT HOLDINGS AS AT 3 AUGUST 2021 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	No. of Warrant Holders	%	No. of Warrant Holdings	%
1 - 99	28	1.60	814	0.00
100 – 1,000	95	5.43	44,022	0.01
1,001 – 10,000	441	25.23	2,882,300	0.48
10,001 – 100,000	789	45.14	33,567,256	5.59
100,001 – 29,999,786 (*)	393	22.48	490,986,536	81.83
29,999,787 AND ABOVE (**)	2	0.11	72,514,828	12.09
TOTAL	1,748	100.00	599,995,756	100.00

REMARKS: * - LESS THAN 5% OF ISSUED WARRANT HOLDINGS
**- 5% AND ABOVE OF ISSUED WARRANT HOLDINGS

LIST OF DIRECTORS' WARRANT HOLDINGS AS PER THE REGISTER OF DIRECTORS' OPTIONS HOLDINGS AS AT 3 AUGUST 2021

	Name of Director	No. of Option Direct	%	No. of Option Indirect	%
1	Dato' Sri Md Kamal Bin Bilal	3,129,460	0.52	–	–
2	Datuk Lo Fui Ming	91,680,394	15.28	70,000(1)	0.01
3	Lo Teck Yong	6,409,330	1.07	–	–
4	Sim Kay Wah	–	–	–	–
5	Tan Sri Dato' Nik Hashim Bin Nik Ab. Rahman	–	–	–	–

Note: (1) Deemed interest by virtue of his child's interest pursuant to Section 59 of the Companies Act, 2016.

THE 30 LARGEST SECURITIES ACCOUNT WARRANTS HOLDERS AS AT 3 AUGUST 2021 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	Name Of Warrant Holders	No of Warrant Holders	%
1	MOHD AMIR BIN MASRY	36,960,486	6.16
2	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	35,554,342	5.93
3	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	20,400,000	3.40
4	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE SWAN CHOO*	19,000,000	3.17
5	UOB KAY HIAN NOMINIES (TEMPATAN) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	18,901,000	3.15
6	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHAI LEE LEE (MY2254)*	15,000,000	2.50
7	KENANGA NOMINEES (TEMPATAN) SDN BHD *LO FUI MING*	15,000,000	2.50
8	MARLEX TRADING LTD	15,000,000	2.50
9	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHAI LEE LEE*	15,000,000	2.50
10	HLB NOMINEES (TEMPATAN) SDN BHD *NGIAM BUEY BUEY (CUST.SIN 106787)*	13,960,600	2.33
11	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (MQ0423)*	13,053,614	2.18
12	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING (MY0033)*	12,004,502	2.00
13	CARTABAN NOMINEES (ASING) SDN NHD *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)*	11,598,000	1.93
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM NYUK SANG @ FREDDY LIM (8071811)*	9,858,900	1.64
15	HLB NOMINEES (TEMPATAN) SDN BHD *LEONG KAM HENG (CUST.SIN 10678)*	9,671,400	1.61
16	DIONG SIEW GI	9,500,000	1.58
17	LEW SOON KIAK	7,463,100	1.24
18	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM TONG LEE*	6,583,100	1.10
19	LO TECK YONG	6,409,330	1.07
20	CHEONG SOK YIN	6,261,500	1.04

Analysis Of Warrant Holdings
(Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT WARRANTS HOLDERS AS AT 3 AUGUST 2021 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON) (CONT'D)

	Name Of Warrant Holders	No of Warrant Holders	%
21	NG TEA HOO @ HWANG CHOW HERK	6,000,000	1.00
22	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *MAYBANK KIM ENG SECURITIES PTE LTD FOR YONG FEN YOO*	5,977,700	1.00
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD *MAYBANK KIM ENG SECURITIES PTE LTD FOO EE WYN*	5,777,000	0.96
24	DIONG SIEW GI	5,668,300	0.94
25	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHEW BEN BEN (SMART)*	5,600,000	0.93
26	AFFIN HWANG NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD (CLIENTS' ACCOUNT)*	5,275,100	0.88
27	FOO EE WYN	5,177,700	0.86
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE SWAN CHOO (MY3365)*	5,000,000	0.83
29	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LO FUI MING*	5,000,000	0.83
30	M & A NOMINEE (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LEE HENG WAI (M&A)*	4,748,900	0.79

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting ("AGM") of Bahvest Resources Berhad ("Bahvest" or "Company") will be held fully virtual basis vide the Online Meeting Platform hosted on Securities Services e-Portal at https://sshsb.net.my/ on 28 September 2021 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1	To receive the Directors' Report and Audited Financial Statements for the financial year ended 31 March 2021 and Auditors Report thereon.	Please refer to Explanatory Note 1
2	To approve the payment of Directors' Fees and Benefits to the Non-Executive Directors up to an amount of RM500,000 for the period from 29 September 2021 until the next Annual General Meeting of the Company.	(Ordinary Resolution 1)
3	To re-elect the following Directors retiring by rotation in accordance with Clause 107(1)(b) of the Company's Constitution :-	
	a) Mr Sim Kay Wah	(Ordinary Resolution 2)
	b) Dato' Seri Dr. Md Kamal bin Bilal	(Ordinary Resolution 3)
4	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 4)

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following as Ordinary Resolutions:-

ORDINARY RESOLUTIONS

5 **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** (Ordinary Resolution 5)

"**THAT** pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM 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 does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."

6 To transact any other ordinary business of the Company for which due notice has been received.

By Order of the Board
Wong Youn Kim (MAICSA 7018778) (SSM PC No. 201908000410)
Sim Oie Ten (MIA 45820) (SSM PC No. 202008004153)
Hiew Vun Pui (MIA 29010) (SSM PC No. 202108000135)
Company Secretary
Kuala Lumpur
13 August 2021

NOTES

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 September 2021 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 17th AGM of the Company.

2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. A proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.

3. If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.

5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.

6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

    a. <u>In hard copy form</u>

       In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur;

    b. <u>By electronic form</u>

       The Proxy Form may also be electronically lodged via Securities Services ePortal's platform at https://sshsb.net.my or by email to eservices@sshsb.com.my

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

8. Last date and time for lodging the Proxy Form is Monday, 27 September 2021 at 10.00 a.m.

EXPLANTORY NOTES

1. **Item 1 of the Agenda**

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

This Agenda item is meant for discussion only as under the provisions of Section 248(2) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put to a vote.

2. **Item 2 of the Agenda – Ordinary Resolution No. 1**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees structure of the non-executive directors of the Company is as follows:

- Monthly Directors' fees; and
- Meeting allowance.

Details of the fees and benefits paid to the non-executive directors for the financial year ended 31 March 2021 are disclosed on pages 24 to 25 of the Overview Statement on Corporate Governance in the Annual Report 2021.

3. **Item (5) of the Agenda – Ordinary Resolution No. 5**

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed ordinary resolution 5 is to seek the shareholders' approval on the renewal of the general mandate for the issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016. If the resolution is duly passed, it will give flexibility to the Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interests of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new share in the Company was issued pursuant to the authority granted to the Directors at the Sixteenth Annual General Meeting held on 25 September 2020 and the said authority will lapse at the conclusion of the Sixteenth 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, repayment of bank borrowings and/or acquisitions.

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BAHVEST RESOURCES BERHAD
Registration no. 200401011001(649504-D)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ______________________________ NRIC No./Company No ____________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone No.: ____________________ Email Address: ______________________________

being a member/members of BAHVEST RESOURCES BERHAD, hereby appoint ____________________
(FULL NAME IN BLOCK LETTERS)

NRIC No. ____________________ of ______________________________
(FULL ADDRESS)

Telephone No.: ____________________ Email Address: ______________________________

or failing him ______________________________ NRIC No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone No.: ____________________ Email Address: ______________________________

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the 17th Annual General Meeting ("AGM") of the Company to be held fully virtual basis vide the Online Meeting Platform hosted on Securities Services e-Portal at https://sshsb.net.my/ on 28 September 2021 at 10:00 a.m. or any adjournment thereof and to vote as indicated below:-

AS ORDINARY BUSINESS			
		FOR	**AGAINST**
Ordinary Resolution 1	To approve the payment of Directors' Fees and Benefits to Non-Executive Directors up to an amount of RM500,000 for the period from 29 September 2021 until the next AGM of the Company.		
Ordinary Resolution 2	To re-elect Sim Kay Wah as Director in accordance with Clause 107(1)(b) of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Dato' Seri Dr. Md Kamal bin Bilal as Director in accordance with Clause 107(1)(b) of the Company's Constitution.		
Ordinary Resolution 4	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Company's Auditors until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 5	To authorize the Directors to allot and issue shares in the Company pursuant to Section 75 and 76 of the Companies Act 2016.		

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.

First Proxy	%
Second Proxy	%
Total:	100%

No. of shares held :	
CDS A/C No.:	

Signed this ________ day of ____________, 2021

____
Signature / Seal of Member

Fold this flap for sealing

Note:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 21 September 2021 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 17th AGM.*
2. *Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.*
3. *If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
5. *A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.*
6. *Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.*
7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*
   a. <u>In hard copy form</u>
   In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur;
   b. <u>By electronic form</u>
   The Proxy Form may also be electronically lodged via Securities Services ePortal's platform at https://sshsb.net.my or by email to <u>eservices@sshsb.com.my</u>
8. *Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.*
9. *Last date and time for lodging the Proxy Form is Monday, 27 September 2021 at 10.00 a.m.*

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AFFIX
STAMP

BAHVEST RESOURCES BERHAD
(Registration No. 200401011001 (649504-D))
c/o SECURITIES SERVICES (HOLDINGS) SDN BHD
(Registration No. 197701005827 (36869-T))
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

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(Incorporated in Malaysia)

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