

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2018 (UNAUDITED)

Table 1: Financial review for current quarter and financial year to date

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	CURRENT YEAR	PRECEDING YEAR		CURRENT YEAR	PRECEDING CORRESPONDING	
	2ND QUARTER 1.7.2018 to 30.9.2018 RM'000	2ND QUARTER 1.7.2017 to 30.9.2017 RM'000 Restated		TO-DATE 1.4.2018 to 30.9.2018 RM'000	PERIOD 1.4.2017 to 30.9.2017 RM'000 Restated	
	% increase against last period			% increase against last period		
Revenue	14%	920,255	808,912	9%	1,736,430	1,587,385
Operating Profit	8%	113,548	105,323	7%	208,042	194,700
Depreciation and amortisation	9%	(35,581)	(32,580)	8%	(70,074)	(64,647)
Interest income	-5%	2,463	2,582	28%	4,349	3,399
Finance costs	34%	(16,151)	(12,060)	29%	(29,206)	(22,653)
Share of profit of associates (net)		2,720	2,272		5,066	4,501
Profit Before Taxation	2%	66,999	65,537	2.5%	118,177	115,300
Less: Tax expense		(5,513)	(8,074)		(13,035)	(14,345)
		(Effective tax rate) 8.2%	(Effective tax rate) 12.3%		(Effective tax rate) 11.0%	(Effective tax rate) 12.4%
Profit for the period	7%	61,486	57,463	4%	105,142	100,955
Attributable to:						
Shareholders of the Company	11%	60,517	54,663	8%	104,379	96,695
Minority interests		969	2,800		763	4,260
		1.45% (% against PBT)	4.27% (% against PBT)		0.65% (% against PBT)	3.69% (% against PBT)
Profit for the period		61,486	57,463		105,142	100,955
Number of shares in issue ('000)		1,622,438	1,622,438		1,622,438	1,622,438
Earnings per share:						
Basic earnings per ordinary shares (sen)	11%	3.73	3.37	8%	6.43	5.96
Diluted earnings per ordinary shares (sen)		NA	NA		NA	NA

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2018 (UNAUDITED)

Table 2: Financial review for current quarter compared with immediate preceding quarter

		CURRENT QUARTER		PRECEDING QUARTER	
	% increase against last period	2ND QUARTER 1.7.2018 to 30.9.2018		1ST QUARTER 1.4.2018 to 30.6.2018	
		RM'000		RM'000	
Revenue	13%	920,255		816,175	
Operating Profit	20%	113,548		94,494	
Depreciation and amortisation	3%	(35,581)		(34,493)	
Interest income	31%	2,463		1,886	
Finance costs	24%	(16,151)		(13,055)	
Share of profit of associates (net)		2,720		2,346	
Profit Before Taxation	31%	66,999		51,178	
Less: Tax expense		(5,513)	(Effective tax rate) 8.2%	(7,522)	(Effective tax rate) 14.7%
Profit for the period	41%	61,486		43,656	
Attributable to:					
Shareholders of the Company	38%	60,517		43,862	
Minority interests		969	1.45% (% against PBT)	(206)	-0.40% (% against PBT)
Profit for the period		61,486		43,656	
Number of shares in issue ('000)		1,622,438		1,622,438	
Earnings per share:					
Basic earnings per ordinary shares (sen)	38%	3.73		2.70	
Diluted earnings per ordinary shares (sen)		NA		NA	

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2018 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2ND QUARTER 1.7.2018 to 30.9.2018	2ND QUARTER 1.7.2017 to 30.9.2017	TO-DATE 1.4.2018 to 30.9.2018	1.4.2017 to 30.9.2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit for the period	61,486	57,463	105,142	100,955
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(21,466)	(19,217)	(23,047)	(30,876)
Fair value of available-for-sale financial assets	-	-	-	(59)
Share of gain/(loss) of equity-accounted associates	(639)	759	(1,769)	1,292
Cash Flow Hedge	(19,006)	(3,743)	(1,503)	(9,395)
Total comprehensive income for the period	20,375	35,262	78,823	61,917
Total comprehensive income attributable to:				
Shareholders of the Company	24,812	28,904	88,093	59,587
Minority interests	(4,437)	6,358	(9,270)	2,330
Total comprehensive income for the period	20,375	35,262	78,823	61,917

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2018 RM'000 Unaudited		As at 31.3.2018 RM'000 Restated		As at 1.4.2017 RM'000 Restated
ASSETS					
Property, plant and equipment	1,827,912		1,800,007		1,675,590
Investment properties	29,560		22,732		23,671
Prepaid lease payments	56,589		57,600		57,777
Intangible assets	10,490		10,617		11,067
Investment in associates	131,055		131,258		116,156
Deferred tax assets	20,478		2,172		799
Other receivables	6,970		10,033		8,056
	<u>2,083,054</u>		<u>2,034,419</u>		<u>1,893,116</u>
Current Assets					
Biological assets	172,386		168,480		157,692
Inventories	70 days 548,117	53 days	376,289	60 days	405,728
Current tax assets	20,538		25,273		15,963
Trade receivables	33 days 314,141	35 days	311,936	37 days	307,280
Other receivables, assets and prepayment	130,329		92,678		98,968
Derivative financial assets	-		242		6,894
Cash and cash equivalents	316,333		304,028		306,907
Assets classified as held for sale	9,080		7,043		110
	<u>1,510,924</u>		<u>1,285,969</u>		<u>1,299,542</u>
Total Assets	<u>3,593,978</u>		<u>3,320,388</u>		<u>3,192,658</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	620,025		620,025		620,025
Reserves	1,198,321		1,183,237		1,153,416
Equity attributable to shareholders of the Company	<u>1,818,346</u>		<u>1,803,262</u>		<u>1,773,441</u>
Minority interests	63,727		75,368		71,242
Total Equity	<u>1,882,073</u>		<u>1,878,630</u>		<u>1,844,683</u>
Non-Current Liabilities					
Long term borrowings (LT Debts/Total Equity)	31% 587,786	29%	548,204	19%	344,077
Payables	-		208		-
Employee benefits	6,829		6,282		4,483
Deferred tax liabilities	92,262		98,332		96,707
	<u>686,877</u>		<u>653,026</u>		<u>445,267</u>
Current Liabilities					
Short term-bankers acceptance	292,454		254,393		283,752
Other short term borrowings	349,813		211,527		295,959
Payables	369,744		283,040		313,394
Derivative financial liabilities	6,646		34,339		28
Taxation	6,371		5,433		9,575
	<u>1,025,028</u>		<u>788,732</u>		<u>902,708</u>
Total Liabilities	<u>1,711,905</u>		<u>1,441,758</u>		<u>1,347,975</u>
Total Equity and Liabilities	<u>3,593,978</u>		<u>3,320,388</u>		<u>3,192,658</u>
Net Assets per share (RM) Based on number of shares:('000)	<u>1.12</u> <u>1,622,438</u>		<u>1.11</u> <u>1,622,438</u>		<u>1.09</u> <u>1,622,438</u>
	-		-		-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018 (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2018

	←-----Non-Distributable-----→				Distributable		Total Equity RM'000	
	Share capital RM'000	Translation reserves RM'000	Fair value reserves RM'000	Hedging reserve RM'000	Retained Profit RM'000	Attributable to shareholders of the Company RM'000		Non- controlling interests RM'000
6 months ended 30.9.2017								
At 1.4.2017, as previously reported	620,025	16,405	-	(2,303)	1,114,179	1,748,306	93,305	1,841,611
Effect of transition to MFRS Framework and adoption of new MFRSs (see Note A1)	-	(16,405)	-	-	41,540	25,135	(22,063)	3,072
At 1.4.2017, as restated	620,025	-	-	(2,303)	1,155,719	1,773,441	71,242	1,844,683
Foreign currency translation differences for foreign operations	-	(28,946)	-	-	-	(28,946)	(1,930)	(30,876)
Fair value of available-for-sale financial assets	-	-	(59)	-	-	(59)	-	(59)
Share on gain of equity-accounted associates	-	-	-	1,292	-	1,292	-	1,292
Cash flow hedge	-	-	-	(9,395)	-	(9,395)	-	(9,395)
Total other comprehensive income/(expenses) for the year	-	(28,946)	(59)	(8,103)	-	(37,108)	(1,930)	(39,038)
Profit for the year	-	-	-	-	96,695	96,695	4,260	100,955
Total comprehensive income/(expenses) for the period	-	(28,946)	(59)	(8,103)	96,695	59,587	2,330	61,917
<i>Contribution by and distributions to owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	-	(53,041)	(53,041)	-	(53,041)
- Dividends paid to non-controlling interest	-	-	-	-	-	-	(2,186)	(2,186)
Total transactions with owners of the Company	-	-	-	-	(53,041)	(53,041)	(2,186)	(55,227)
At 30.9.2017	620,025	(28,946)	(59)	(10,406)	1,199,373	1,779,987	71,386	1,851,373

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2018

	<-----Non-Distributable----->			Distributable			Total Equity RM'000
	Share capital RM'000	Translation reserves RM'000	Hedging reserve RM'000	Retained Profit RM'000	Attributable to shareholders of the Company RM'000	Non- controlling interests RM'000	
6 months ended 30.9.2018							
At 1.4.2018, as previously reported	620,025	(88,801)	558	1,260,818	1,792,600	98,331	1,890,931
Effect of transition to MFRS Framework and adoption of new MFRSs (see Note A1)	-	(14,219)	-	24,881	10,662	(22,963)	(12,301)
At 1.4.2018, as restated	620,025	(103,020)	558	1,285,699	1,803,262	75,368	1,878,630
Foreign currency translation differences for foreign operations	-	(13,014)	-	-	(13,014)	(10,033)	(23,047)
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-
Share on gain of equity-accounted associates	-	-	(1,769)	-	(1,769)	-	(1,769)
Cash flow hedge	-	-	(1,503)	-	(1,503)	-	(1,503)
Total other comprehensive income/(expenses) for the year	-	(13,014)	(3,272)	-	(16,286)	(10,033)	(26,319)
Profit for the year	-	-	-	104,379	104,379	763	105,142
Total comprehensive income/(expenses) for the period	-	(13,014)	(3,272)	104,379	88,093	(9,270)	78,823
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(73,010)	(73,010)	-	(73,010)
- Dividends paid to non-controlling interest	-	-	-	-	-	(2,371)	(2,371)
Total transactions with owners of the Company	-	-	-	(73,010)	(73,010)	(2,371)	(75,381)
At 30.9.2018	620,025	(116,034)	(2,714)	1,317,068	1,818,345	63,727	1,882,072

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.9.2018

	2nd quarter ended 30.9.2018 RM'000	2nd quarter ended 30.9.2017 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	118,177	115,300
Adjustments for:		
Depreciation & amortisation	70,074	64,647
(Increase)/Decrease in working capital	(148,353)	(60,119)
Income tax paid	(7,597)	(14,080)
Other non-cash items	(39,258)	(27,268)
Net cash generated from/(used in) operating activities	(6,957)	78,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(65,782)	(120,893)
Others	1,011	7,031
Net cash generated from/(used in) investing activities	(64,771)	(113,862)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	165,185	136,327
Dividend paid to minority interest	(2,372)	(2,186)
Dividend paid to shareholders	(73,010)	(90,482)
Others	-	-
Net cash generated from/(used in) financing activities	89,803	43,659
Net increase in cash and cash equivalents	18,075	8,277
Cash and cash equivalents at 1.4.2018	282,285	281,580
Cash and cash equivalents at 30.9.2018	300,360	289,857

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

This interim financial information of QL Resources Berhad ('The Group') is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standard ('MFRSs') No. 134 – Interim Financial Reporting.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with audited financial statements of the Group for the financial year ended 31 March 2018. For the periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs"). The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018 except for the effect of the transition from FRSs to MFRSs and the adoption of new MFRSs, amendments to standards and IC Interpretations as disclosed below.

The Group has adopted the new Malaysian Financial Reporting Standards ("MFRSs") Framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 April 2018. For the periods up to, and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs") Framework as allowed by MASB as it includes transitioning entities.

The interim financial report of the Group for the current quarter ended 30 June 2018 is prepared in accordance with the MFRSs Framework, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards". Subject to certain transition elections and the effects of adoption of MFRS 141 and MFRS 9 as disclosed below, the requirements under FRSs and MFRSs are similar. The Group has consistently applied the same accounting policies in its opening MFRSs statement of financial position as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

A) Transition from FRSs to MFRSs

(i) MFRS 1 exemption options

As provided in MFRS 1, first time adopters of MFRSs can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the following exemptions:

a) Exemption for business combinations

The Group has elected to apply MFRS 3 "Business Combination" prospectively from the date FRS 3 "Business Combinations" was adopted on 1 April 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 "Consolidated Financial Statements" on the same date as FRS 3. This election does not have any impact to the Group.

b) Assets and liabilities of subsidiaries, joint ventures and associates

The assets and liabilities of subsidiaries, joint ventures and associates which have adopted the MFRS Framework or International Financial Reporting Standards ("IFRS") earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments.

c) Exemption for cumulative foreign currency translation differences

The Group has elected to apply optional exemption for cumulative foreign currency translation differences and deemed the cumulative translation differences arising on the translation of a foreign operation recognised as a separate component of equity to be zero at the date of transition, and reclassify any amounts recognised in accordance with FRSs at that date to retained earnings.

d) MFRS 9 "Financial Instruments"

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 "Financial Instrument: Recognition and Measurement" and FRS 7 "Financial Instrument: Disclosures" for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained earnings and other reserve as at 1 April 2018.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRSs statement of financial position as at 1 April 2017 and throughout all periods presented in the interim financial report.

(ii)(a) Effect of adoption of MFRS 141, Agriculture

MFRS 141, Agriculture prescribes the accounting treatment, financial statements presentation and disclosures related to agricultural activity. It requires biological assets (except for bearer plants) to be measured at fair value less costs to sell from initial recognition of biological assets up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. Gains and losses arising on the initial recognition of biological assets at fair value less costs to sell and changes in fair value less costs to sell are recognised on the statement of profit or loss in the period in which they arise.

Prior to the adoption of MFRS 141 Agriculture, produce growing - fresh fruit bunches on bearer plants was not recognised and the livestock was measured at lower of amortised cost and net realisable value. Following the adoption of MFRS 141 Agriculture, produce growing - fresh fruit bunches on bearer plants and livestock (except for shrimp) are measured at fair value less cost to

sell with fair value changes recognised in profit or loss as the biological assets transformation take place. Shrimp livestock are measure at cost less accumulated impairment losses due to the market prices or fair value at present conditions of these biological assets are unavailable and the valuation based on discounted cash flow method is considered unreliable given the uncertainty with respect to external factors.

(ii)(b) Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments to MFRS 116 and MFRS 141, Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116, Property, Plant and Equipment. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). Under FRS accounting framework, the Group capitalised all the new planting expenditure incurred from land clearing to the point of harvesting under plantation development expenditure and was not amortised and the replanting expenditure, which represents cost incurred in replanting old planted areas, was charged to profit or loss. Hence, the effect of adoption of Amendments to MFRS 116 and MFRS 141 would result in reclassification of bearer plants from biological assets – plantation development expenditure to property, plant and equipment and additional depreciation on property, plant and equipment.

B) Adoption of new MFRSs, amendments to standards and IC interpretations

Following the adoption of MFRSs framework, the Group has adopted the following new accounting standards and amendments to standards which are applicable and effective for annual periods beginning on 1 January 2018:

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

The adoption of these new MFRSs, amendments and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

(i) MFRS 9, Financial Instruments

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

Under MFRS 9, there are three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and cash flow characteristics of the financial assets. Investment in equity instruments are always measured at fair value through profit or loss with an irrecoverable option at inception to present changes in fair value in OCI. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cashflow and the cash flow represent principle and interest.

Currently, the Group classifies and measures financial assets and liabilities based on amortised cost. Upon adoption of MFRS 9, the Group does not expect the new guidance to affect the classification and measurement of these financial instruments.

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments. Upon the adoption of MFRS 9, the impairment allowance on receivables has increased.

The effects of the adoption of transition from FRSs to MFRSs and adoption of new MFRSs, amendments to standards and IC interpretations are as follow:

Condensed Consolidated Income Statements

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
Quarter ended 30 September 2017					
Operating profit	109,433	-	(4,110)	-	105,323
Depreciation and amortisation	(30,984)	-	(1,596)	-	(32,580)
Profit before taxation	71,243	-	(5,706)	-	65,537
Taxation	(9,051)	-	977	-	(8,074)
Profit for the period	62,192	-	(4,729)	-	57,463
Profit/(Loss) attributable to:					
Owners of the Company	59,806	-	(5,143)	-	54,663
Non-controlling interests	2,386	-	414	-	2,800
Number of shares in issue ('000)	1,622,438				1,622,438
Earnings per share (sen):					
- Basic	3.69				3.37
6 months ended 30 September 2017					
Operating profit	197,794	-	(3,094)	-	194,700
Depreciation and amortisation	(61,431)	-	(3,216)	-	(64,647)
Profit before taxation	121,610	-	(6,310)	-	115,300
Taxation	(15,123)	-	778	-	(14,345)
Profit for the period	106,487	-	(5,532)	-	100,955

Profit/(Loss) attributable to:					
Owners of the Company	102,017	-	(5,322)	-	96,695
Non-controlling interests	4,470	-	(210)	-	4,260
Number of shares in issue ('000)	1,622,438				1,622,438
Earnings per share (sen):					
- Basic	6.29				5.96

Condensed Consolidated Statement of Comprehensive Income

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
Quarter ended 30 September 2017					
Profit for the financial period	62,192	-	(4,729)	-	57,463
Foreign currency translation differences ("FCTR")	(19,916)	-	699	-	(19,217)
Total comprehensive income for the period	39,292	-	(4,030)	-	35,262
Total comprehensive income attributable to:					
Owners of the Company	33,494	-	(4,590)	-	28,904
Non-controlling interests	5,798	-	560	-	6,358
6 months ended 30 September 2017					
Profit for the financial period	106,487	-	(5,532)	-	100,955
Foreign currency translation differences ("FCTR")	(31,294)	-	418	-	(30,876)
Total comprehensive income for the period	67,031	-	(5,114)	-	61,917
Total comprehensive income attributable to:					
Owners of the Company	64,765	-	(5,178)	-	59,587
Non-controlling interests	2,266	-	64	-	2,330

Condensed Consolidated Statement of Financial Position

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
As at 31 March 2018					
Non-current assets					
Property, plant and equipment	1,705,224	-	94,783	-	1,800,007
Biological assets	133,681	-	(133,681)	-	-
Current assets					
Biological assets	133,213	-	35,267	-	168,480
Trade receivables	313,836	-	-	(1,900)	311,936
Equity					
Retained earnings	1,260,818	12,232	14,056	(1,407)	1,285,699
Foreign currency translation differences ("FCTR")	(88,801)	(12,232)	(1,987)	-	(103,020)
Non-controlling interests	98,331	-	(22,926)	(37)	75,368
Non-current liabilities					
Deferred tax liabilities	91,561	-	7,227	(456)	98,332
As at 1 April 2017					
Non-current assets					
Property, plant and equipment	1,559,805	-	115,785	-	1,675,590
Biological assets	151,989	-	(151,989)	-	-
Current assets					
Biological assets	108,758	-	48,934	-	157,692
Equity					
Retained earnings	1,114,179	15,396	26,144	-	1,155,719
Foreign currency translation differences ("FCTR")	16,405	(15,396)	(1,009)	-	-
Non-controlling interests	93,305	-	(22,063)	-	71,242
Non-current liabilities					
Deferred tax liabilities	87,050	-	9,657	-	96,707

Condensed Consolidated Statement of Cash Flows

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
6 months ended 30 September 2017					
Cash flows from operating activities					
Profit before taxation	121,610	-	(6,310)	-	115,300
Depreciation & amortisation	61,431	-	3,216	-	64,647
(Increase)/Decrease in working capital	(66,429)	-	6,310	-	(60,119)
Fair value loss/(gain) arising from biological assets	-	-	3,094	-	3,094

A2. Seasonal or cyclical factors

Certain segment of the Group's business are affected by cyclical factors.

The management considers that on a quarter to quarter basis, the demand and/or production of the Group's products for each of the three core activities varies and the variation in each quarters were as follows:

- (1) marine products manufacturing activities are affected by monsoon in the 4th quarter.
- (2) crude palm oil milling activities are seasonally affected by monsoon resulting in low crops in the 2nd and 4th quarters.
- (3) integrated livestock farming activities are not significantly affected in any of the quarters.

On an overall basis therefore, the group's performance varies seasonally and maybe affected by unusual and unforeseen events affecting each of the core activities.

Based on past 5 years quarterly data, our average seasonal earnings index is as follows:

Q1	April to June	0.21
Q2	July to September	0.27
Q3	October to December	0.28
Q4	January to March	0.24
		1.00

A3. Unusual items

There are no unusual items that have material effect on the assets, liabilities, equity, net income or cash flow during the quarter under review.

A4. Nature and amount of changes in estimates

There were no material changes in estimates during the quarter under review.

A5. Debts and securities

There are no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A6. Dividend paid

In respect of the financial year ended 31 March 2018, a final dividend of 4.50 sen per ordinary share totally approximately RM73,010,000 was declared on 26 July 2018 and paid on 20 September 2018.

A7. Segmental information

Segment information in respect of the Group's business segments for the 2nd quarter ended 30.9.2018

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	266,756	39,098
Palm Oil Activities	82,453	(1,631)
Integrated Livestock Farming	571,046	29,532
Total	920,255	66,999

A8. Property, plant and equipment

The valuations of land and building have been brought forward, without amendment from the previous annual report.

A9. Material subsequent Event

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements.

A10. Changes in composition of the Group

During the quarter under review, there were no material changes to group composition.

A11. Changes in contingent liabilities

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

There were no contingent liabilities at the end of the current financial period for the Group.

A12. Disclosure of audit report qualification

There was no qualification in the audit report of the preceding annual financial statements.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance for the current quarter and financial period to-date

	Current quarter	Last year corresponding quarter	% change	Cumulative quarters	Cumulative corresponding quarters last year	% change
	1.7.2018 to 30.9.2018	1.7.2017 to 30.9.2017		1.4.2018 to 30.9.2018	1.4.2017 to 30.9.2017	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	266,756	217,575	23%	484,036	432,657	12%
Palm Oil Activities (POA)	82,453	77,509	6%	154,780	193,365	-20%
Integrated Livestock Farming (ILF)	571,046	513,828	11%	1,097,614	961,363	14%
Total	920,255	808,912	14%	1,736,430	1,587,385	9%
	1.7.2018 to 30.9.2018	1.7.2017 to 30.9.2017		1.4.2018 to 30.9.2018	1.4.2017 to 30.9.2017	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
		Restated			Restated	
Marine Product Manufacturing (MPM)	39,098	32,313	21%	69,964	63,029	11%
Palm Oil Activities (POA)	(1,631)	3,079	-153%	1,195	8,790	-86%
Integrated Livestock Farming (ILF)	29,532	30,145	-2%	47,018	43,481	8%
Total	66,999	65,537	2%	118,177	115,300	2%

- a. MPM's current quarter sales increased 23% against corresponding quarter mainly due to recovery of low fish catch cycle and higher contributions from surimi-based products. Earnings for the current quarter increased 21% due to the same reason.

Cumulative sales and earnings increased 12% and 11% respectively due to the same reason.

- b. POA's current quarter sales increased 6% against corresponding quarter mainly due to sale of unsold previous quarter CPO stocks despite decrease in own FFB production. POA's current quarter earnings however decreased 153% against corresponding quarter mainly due to lower OER in Indonesian plantation unit (poor fruit setting) as well as lower CPO price (RM2,198 current qtr vs RM2,650 corresponding qtr).

POA's cumulative quarter sales and earnings decreased 20% and 86% respectively against corresponding quarter mainly due to:

- decrease in own FFB production caused by poorer fruit setting in Indonesia plantation unit as well as post El-Nino tree stress on older plant in Tawau.
- decrease in FFB processed in Indonesia operation due to overall poor production, resulting in less outside crop;
- lower OER in Tawau caused by labour shortage and post El-Nino tree stress. Indonesian unit also faced lower OER due to excessive rainfall which affect fruit setting;
- lower CPO price.

- c. ILF's current quarter sales increased 11% against corresponding quarter mainly due to higher sales contribution from Peninsular Poultry units. Earnings however decreased 2% due to lower contribution from Indonesia and East Malaysia Poultry units.

Similarly ILF's cumulative sales increased 14% against corresponding quarter due to the same reasons. Cumulative earnings increased 8% mainly due to egg price recovery in Q2 from Peninsular poultry units.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.7.2018 to 30.9.2018	1.4.2018 to 30.6.2018		1.7.2018 to 30.9.2018	1.4.2018 to 30.6.2018	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	266,756	217,280	23%	39,098	30,866	27%
Palm Oil Activities (POA)	82,453	72,327	14%	(1,631)	2,826	-158%
Integrated Livestock Farming (ILF)	571,046	526,568	8%	29,532	17,486	69%
Total	920,255	816,175	13%	66,999	51,178	31%

- a. MPM's current quarter sales increased 23% against preceding quarter due to seasonal factors as well as recovery of low fish catch cycle. Earnings increased 27% due to the same reason.
- b. POA's current quarter sales increased 14% against preceding quarter mainly due to sale of unsold previous quarter CPO stock. Earnings however decreased 158% due to lower OER as well as lower CPO price (RM2,198 current qtr vs RM2,364 preceding qtr).
- c. ILF's current quarter sales increased 8% against preceding quarter mainly due to higher contribution from all poultry units as well as higher sales from raw material trade. Earnings increased 69% against preceding quarter due to the higher contribution from Malaysia poultry units.

B3 Prospects for the year ending 31st March 2019

Barring unforeseen events, the management are confident that H2FY2019 performance will be satisfactory.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

	Individual quarter 3 months ended 30.9.2018	Cumulative period To date 30.9.2018
	RM'000	RM'000
Current income tax expense	4,836	9,757
Deferred tax expense	677	3,278
	5,513	13,035

The annual effective tax rate is lower than the statutory rate is mainly due to availability of tax incentives.

B6 Unquoted investments and properties

There were no material disposal of unquoted investments and/or properties during quarter under review.

B7 Quoted investments

There were no sales or purchase of quoted investment for the quarter under review except as disclosed.

B8 Corporate proposals

There were no corporate proposals for the quarter under review.

B9 Group borrowings

	As at 2nd quarter ended 30.9.2018					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.138)	RM denomination	Foreign denomination (USD\$1 = RM4.138)	RM denomination	Foreign denomination (USD\$1 = RM4.138)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	315,005	62,756	126,929	-	441,934	62,756
Term loans (Islamic)	127,791	82,135	27,384	76,231	155,175	158,366
Bank overdrafts	-	-	2,258	13,716	2,258	13,716
Bankers' acceptance (Conventional)	-	-	-	207,573	-	207,573
Bankers' acceptance (Islamic)	-	-	-	84,881	-	84,881
Revolving credit	-	-	-	103,151	-	103,151
Finance lease liabilities (HP creditors)	9	90	6	138	15	228
Total	442,805	144,981	156,577	485,690	599,382	630,671

	As at 4th quarter ended 31.3.2018					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM3.865)	RM denomination	Foreign denomination (USD\$1 = RM3.865)	RM denomination	Foreign denomination (USD\$1 = RM3.865)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	270,432	5,757	59,298	1,204	329,730	6,961
Term loans (Islamic)	144,938	126,960	-	71,037	144,938	197,997
Bank overdrafts	-	-	-	21,745	-	21,745
Bankers' acceptance (Conventional)	-	-	-	173,613	-	173,613
Bankers' acceptance (Islamic)	-	-	-	80,780	-	80,780
Revolving credit	-	-	-	58,146	-	58,146
Finance lease liabilities (HP creditors)	8	109	21	76	29	185
Total	415,378	132,826	59,319	406,601	474,697	539,427

The borrowings denominated in foreign currencies are hedged to RM as well as interest rate.

B10 Financial instruments

As at 30.9.2018, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 30.9.2018	Fair Value as at 30.9.2018
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year	-	-
- More than 1 year	493,973	(6,798)
(ii) Interest rate swap		
- Less than 1 year	-	-
- More than 1 year	107,069	(263)
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	35,521	(139)
- More than 1 year	-	-
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	45,347	(100)
- More than 1 year	-	-
	<u>681,910</u>	<u>(7,300)</u>

B11 Changes in material litigation

There were no changes in material litigation at the date of this report.

B12 Dividend

In respect of the financial year ended 31 March 2018, a final dividend of 4.50 sen per ordinary share totaling RM73,010,000 was declared on 26 July 2018 and paid on 20 September 2018.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 30.9.2018	Cumulative to date 30.9.2018
(a) Net profit attributable to ordinary shareholders (RM'000)	60,517	104,379
(b) Number of ordinary shares in issue ('000)-weighted average	1,622,438	1,622,438
Basic Earnings per share (sen)	<u>3.73</u>	<u>6.43</u>