

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2019

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2019 (UNAUDITED)

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

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS			
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING PERIOD	
	2ND QUARTER 1.7.2019 to 30.9.2019		2ND QUARTER 1.7.2018 to 30.9.2018		TO-DATE 1.4.2019 to 30.9.2019		PERIOD 1.4.2018 to 30.9.2018	
	% increase against last period	RM'000	RM'000		% increase against last period	RM'000	RM'000	
Revenue	17%	1,072,852	920,255		19%	2,066,065	1,736,430	
Operating Profit	23%	139,951	113,548		24%	257,019	208,042	
Depreciation and amortisation	21%	(42,876)	(35,581)		24%	(86,852)	(70,074)	
Interest income	-11%	2,196	2,463		-5%	4,136	4,349	
Finance costs	8%	(17,396)	(16,151)		14%	(33,328)	(29,206)	
Share of profit of associates (net)		2,455	2,720			5,516	5,066	
Profit Before Taxation	26%	84,330	66,999		24.0%	146,491	118,177	
Less: Tax expense		(14,458)	(5,513)	(Effective tax rate) 17.1%		(27,279)	(13,035)	(Effective tax rate) 18.6%
Profit for the period	14%	69,872	61,486	(Effective tax rate) 8.2%	13%	119,212	105,142	(Effective tax rate) 11.0%
Attributable to:								
Shareholders of the Company	15%	69,682	60,517		15%	120,233	104,379	
Minority interests		190	969	0.23% (% against PBT)		(1,021)	763	-0.70% (% against PBT)
Profit for the period		69,872	61,486	1.45% (% against PBT)		119,212	105,142	0.65% (% against PBT)
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)	15%	4.29	3.73		15%	7.41	6.43	
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 2019 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2019

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2019 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER
		2ND QUARTER 1.7.2019 to 30.9.2019		1ST QUARTER 1.4.2019 to 30.6.2019
	% increase against last period	RM'000		RM'000
Revenue	8%	1,072,852		993,213
Operating Profit	20%	139,951		117,068
Depreciation and amortisation	-3%	(42,876)		(43,976)
Interest income	13%	2,196		1,940
Finance costs	9%	(17,396)		(15,932)
Share of profit of associates (net)		2,455		3,061
Profit Before Taxation	36%	84,330		62,161
			(Effective tax rate)	(Effective tax rate)
Less: Tax expense		(14,458)	17.1%	(12,821)
Profit for the period	42%	69,872		49,340
Attributable to:				
Shareholders of the Company	38%	69,682		50,551
Minority interests		190	0.23% (% against PBT)	(1,211)
				-1.95% (% against PBT)
Profit for the period		69,872		49,340
Number of shares in issue ('000)		1,622,438		1,622,438
Earnings per share:				
Basic earnings per ordinary shares (sen)	38%	4.29		3.12
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 2019 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2019 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2ND QUARTER 1.7.2019 to 30.9.2019	2ND QUARTER 1.7.2018 to 30.9.2018	TO-DATE 1.4.2019 to 30.9.2019	1.4.2018 to 30.9.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the period	69,872	61,486	119,212	105,142
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(5,983)	(21,466)	2,211	(23,047)
Share of gain/(loss) of equity-accounted associates	(48)	(639)	(377)	(1,769)
Cash flow hedge	(2,840)	(19,006)	(3,923)	(1,503)
Total comprehensive income for the period	61,001	20,375	117,123	78,823
Total comprehensive income attributable to:				
Shareholders of the Company	60,392	24,812	119,171	88,093
Minority interests	609	(4,437)	(2,048)	(9,270)
Total comprehensive income for the period	61,001	20,375	117,123	78,823

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2019 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 30.9.2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2019 RM'000 Unaudited		As at 31.3.2019 RM'000
ASSETS			
Property, plant and equipment	1,926,602		1,847,048
Investment properties	14,643		21,980
Long-term leasehold land	95,107		114,322
Prepaid lease payments	63,775		54,122
Right of use assets	107,827		-
Intangible assets	14,336		10,416
Investment in associates	138,562		138,856
Deferred tax assets	8,611		12,802
Other receivables	16,488		11,851
	<u>2,385,951</u>		<u>2,211,397</u>
Current Assets			
Biological assets	178,534		184,451
Inventories	62 days 559,925	71 days	572,845
Current tax assets	20,744		29,336
Trade receivables	28 days 316,347	31 days	308,928
Other receivables, assets and prepayment	201,653		106,493
Derivative financial assets	22		298
Cash and cash equivalents	285,796		261,368
Assets classified as held for sale	4,545		8,545
	<u>1,567,566</u>		<u>1,472,264</u>
Total Assets	<u>3,953,517</u>		<u>3,683,661</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	620,025		620,025
Reserves	1,360,711		1,315,017
Equity attributable to shareholders of the Company	<u>1,980,736</u>		<u>1,935,042</u>
Minority interests	75,403		79,304
Total Equity	<u>2,056,139</u>		<u>2,014,346</u>
Non-Current Liabilities			
Long term borrowings (LT Debts/Total Equity)	34% 690,432	29%	590,013
Payables	702		498
Lease liabilities	101,618		-
Employee benefits	7,944		7,357
Deferred tax liabilities	107,079		105,633
	<u>907,775</u>		<u>703,501</u>
Current Liabilities			
Short term-bankers acceptance	315,391		307,522
Other short term borrowings	261,661		289,116
Payables	391,564		330,087
Lease liabilities	8,033		-
Contract liabilities	565		25,704
Derivative financial liabilities	2,950		13,030
Taxation	9,439		355
	<u>989,603</u>		<u>965,814</u>
Total Liabilities	<u>1,897,378</u>		<u>1,669,315</u>
Total Equity and Liabilities	<u>3,953,517</u>		<u>3,683,661</u>
Net Assets per share (RM)	1.22		1.19
Based on number of shares:(’000)	<u>1,622,438</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 2019 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 30.9.2019 (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2019

	←-----Non-Distributable----->			Distributable		Non-controlling interests RM'000	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		
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	-	(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)
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 interests	-	-	-	-	-	(2,371)	(2,371)
- Acquisition of non-controlling interests	-	-	-	-	-	-	-
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 2019 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 30.9.2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2019

	←-----Non-Distributable-----→			Distributable		Non-controlling interests RM'000	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		
6 months ended 30.9.2019							
At 1.4.2019, as previously reported	620,025	(93,231)	(3,406)	1,411,654	1,935,042	79,304	2,014,346
Adoption of MFRS 16, net of tax	-	-	-	(467)	(467)	-	(467)
At 1.4.2019, as restated	620,025	(93,231)	(3,406)	1,411,187	1,934,575	79,304	2,013,879
Foreign currency translation differences for foreign operations	-	3,238	-	-	3,238	(1,027)	2,211
Share on gain of equity-accounted associates	-	-	(377)	-	(377)	-	(377)
Cash flow hedge	-	-	(3,923)	-	(3,923)	-	(3,923)
Total other comprehensive income/(expenses) for the year	-	3,238	(4,300)	-	(1,062)	(1,027)	(2,089)
Profit for the year	-	-	-	120,233	120,233	(1,021)	119,212
Total comprehensive income/(expenses) for the period	-	3,238	(4,300)	120,233	119,171	(2,048)	117,123
<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	-	-	-	-	-	(3,638)	(3,638)
- Acquisition of non-controlling interest	-	-	-	-	-	1,785	1,785
Total transactions with owners of the Company	-	-	-	(73,010)	(73,010)	(1,853)	(74,863)
At 30.9.2019	620,025	(89,993)	(7,706)	1,458,410	1,980,736	75,403	2,056,139

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2019 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 30.9.2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.9.2019

	2nd quarter ended 30.9.2019 RM'000	2nd quarter ended 30.9.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	146,491	118,177
Adjustments for:		
Depreciation & amortisation	86,852	70,074
(Increase)/Decrease in working capital	(21,447)	(148,353)
Income tax paid	(14,535)	(7,597)
Other non-cash items	17,648	(39,258)
Net cash generated from/(used in) operating activities	215,009	(6,957)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(139,225)	(65,782)
Others	-	1,011
Net cash generated from/(used in) investing activities	(139,225)	(64,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	3,807	165,185
Payment of lease liabilities	-	-
Dividend paid to minority interest	(3,638)	(2,372)
Dividend paid to shareholders	(73,010)	(73,010)
Others	-	-
Net cash generated from/(used in) financing activities	(72,841)	89,803
Net increase in cash and cash equivalents	2,943	18,075
Cash and cash equivalents at 1.4.2019	242,096	282,285
Cash and cash equivalents at 30.9.2019	245,039	300,360

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2019 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 2019.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the financial statements for the financial year ended 31 March 2019 except for the adoption of the followings:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

The adoption of the above standards and interpretations did not have any material impact on the interim financial report of the Group except for the following:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

(i) Leases in which the Group and the Company is a lessee

The Group and the Company will recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will change because the Group and the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group and the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Group and the Company apply MFRS 16 initially on 1 April 2019, using modified retrospective approach. The Group chooses to measure the right-of-use asset equals to the lease liability at 1 April 2019 with no restatement of comparative information.

(ii) Leases in which the Group and the Company is a lessor

No significant impact is expected for leases in which the Group and the Company is a lessor.

The financial effects of the adoption of MFRS 16 are as below:

	Group
	31.3.2019
	RM'000
Consolidated statement of financial position	
Right of use assets	77,812
Lease liabilities	(78,279)
Adjustment to retained earnings	<u>(467)</u>

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
		<u>1.00</u>

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 2019, a final dividend of 4.50 sen per ordinary share amounting to approximately RM73,010,000 was approved at the AGM held on 29 August 2019 and paid on 20 September 2019.

A7. Segmental information

Segment information in respect of the Group's business segments for the 2nd quarter ended 30.9.2019

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	317,642	53,330
Palm Oil Activities	50,519	778
Integrated Livestock Farming	704,691	30,222
Total	<u>1,072,852</u>	<u>84,330</u>

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
	1.7.2019 to 30.9.2019	1.7.2018 to 30.9.2018		1.4.2019 to 30.9.2019	1.4.2018 to 30.9.2018	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	317,642	266,756	19%	600,354	484,036	24%
Palm Oil Activities (POA)	50,519	82,453	-39%	119,112	154,780	-23%
Integrated Livestock Farming (ILF)	704,691	571,046	23%	1,346,599	1,097,614	23%
Total	1,072,852	920,255	17%	2,066,065	1,736,430	19%
	1.7.2019 to 30.9.2019	1.7.2018 to 30.9.2018		1.4.2019 to 30.9.2019	1.4.2018 to 30.9.2018	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	53,330	39,098	36%	100,356	69,964	43%
Palm Oil Activities (POA)	778	(1,631)	NA	1,820	1,195	52%
Integrated Livestock Farming (ILF)	30,222	29,532	2%	44,315	47,018	-6%
Total	84,330	66,999	26%	146,491	118,177	24%

- a. MPM's current quarter sales increased 19% against corresponding quarter mainly due to higher contributions from fishmeal and surimi-based products. Earnings for the current quarter increased 36% due to the same reason.

Cumulative sales and earnings increased 24% and 43% respectively due to the same reason.

- b. POA's current quarter sales decreased 39% against corresponding quarter mainly due to decrease in FFB processed and lower CPO price. (CPO price: Current qtr RM1970 per mt vs Corresponding qtr RM2198 per mt)
POA's current quarter earnings however improved against corresponding quarter mainly due to higher OER and forex translation gain.

POA's cumulative quarter sales decreased 23% against corresponding quarter mainly due to lower FFB processed and lower average CPO price. POA's cumulative earnings however improved against corresponding quarter mainly due to improved OER and forex translation gain.

- c. ILF's current quarter sales increased 23% against corresponding quarter mainly due to higher contribution from Indonesia & Sabah poultry units operation. Higher sales contribution from feed raw material trade and convenience stores also contributed to this increase.

Despite the improvement in contribution from Poultry farm units, earnings only increased 2% mainly due to unrealised quarterly biological assets fair value fluctuations.

Similarly ILF's cumulative sales increased 23% against corresponding quarter due to the same reasons. Cumulative earnings however decreased 6% mainly due to lower Q1 contribution from regional poultry units.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.7.2019 to 30.9.2019	1.4.2019 to 30.6.2019		1.7.2019 to 30.9.2019	1.4.2019 to 30.6.2019	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	317,642	282,712	12%	53,330	47,026	13%
Palm Oil Activities (POA)	50,519	68,593	-26%	778	1,041	-25%
Integrated Livestock Farming (ILF)	704,691	641,908	10%	30,222	14,094	114%
Total	1,072,852	993,213	8%	84,330	62,161	36%

- a. MPM's current quarter sales and earnings increased 12% and 13% respectively against preceding quarter due to higher fishmeal and surimi-based products contribution.
- b. POA's current quarter sales decreased 26% against preceding quarter mainly due to lower FFB processed and lower CPO price. Earnings decreased 25% due to the same reason.
- c. ILF's current quarter sales increased 10% against preceding quarter mainly due to higher contribution from all poultry units as well as higher sales from raw material trade. Earnings increased significantly against preceding quarter due to the higher contribution from feed raw material trade as well as improved contribution from Vietnam & Peninsular Malaysia poultry units.

B3 Prospects for the year ending 31st March 2020

Barring unforeseen events, the management are confident that FY2020 performance will be better than FY2019.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current income tax expense
Deferred tax expense

	Individual quarter 3 months ended 30.9.2019	Cumulative period To date 30.9.2019
	RM'000	RM'000
	11,151	25,201
	3,307	2,078
	14,458	27,279

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 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 30.9.2019					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.1915)	RM denomination	Foreign denomination (USD\$1 = RM4.1915)	RM denomination	Foreign denomination (USD\$1 = RM4.1915)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	569,092	53,250	38,883	-	607,975	53,250
Term loans (Islamic)	63,712	4,023	36,485	62,200	100,197	66,223
Bank overdrafts	-	-	36,468	4,289	36,468	4,289
Bankers' acceptance (Conventional)	-	-	76,067	206,329	76,067	206,329
Bankers' acceptance (Islamic)	-	-	-	32,995	-	32,995
Revolving credit	-	-	-	83,247	-	83,247
Finance lease liabilities (HP creditors)	-	355	1	88	1	443
Total	632,804	57,628	187,904	389,148	820,708	446,776

	As at 4th quarter ended 31.3.2019					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.087)	RM denomination	Foreign denomination (USD\$1 = RM4.087)	RM denomination	Foreign denomination (USD\$1 = RM4.087)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	387,922	49,127	45,319	9,000	433,241	58,127
Term loans (Islamic)	98,291	54,503	26,940	77,809	125,231	132,312
Bank overdrafts	-	-	4,100	15,172	4,100	15,172
Bankers' acceptance (Conventional)	-	-	32,642	211,624	32,642	211,624
Bankers' acceptance (Islamic)	-	-	-	63,256	-	63,256
Revolving credit	-	-	-	110,656	-	110,656
Finance lease liabilities (HP creditors)	-	170	9	111	9	281
Total	486,213	103,800	109,010	487,628	595,223	591,428

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

B10 Financial instruments

As at 30.9.2019, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 30.9.2019 RM'000	Fair Value as at 30.9.2019 RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	633,982	(1,580)
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	131,020	(2,008)
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	44,713	(142)
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	69,270	25
- More than 1 year		
	878,985	(3,705)

B11 Changes in material litigation

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

B12 Dividend

In respect of the financial year ended 31 March 2019, a final dividend of 4.50 sen per ordinary share amounting to approximately RM73,010,000 was approved at the AGM held on 29 August 2019 and paid on 20 September 2019.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 30.9.2019	Cumulative to date 30.9.2019
(a) Net profit attributable to ordinary shareholders (RM'000)	69,682	120,233
(b) Number of ordinary shares in issue ('000)-weighted average	1,622,438	1,622,438
Basic Earnings per share (sen)	4.29	7.41