

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2019 (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 PERIOD	
	3RD QUARTER 1.10.2019 to 31.12.2019 RM'000	% increase against last period	3RD QUARTER 1.10.2018 to 31.12.2018 RM'000	% increase against last period	TO-DATE 1.4.2019 to 31.12.2019 RM'000	% increase against last period	PERIOD 1.4.2018 to 31.12.2018 RM'000	% increase against last period
Revenue	1,107,349	13%	978,858	17%	3,173,414		2,715,288	
Operating Profit	149,612	-2%	152,925	13%	406,631		360,967	
Depreciation and amortisation	(43,932)	-10%	(48,742)	10%	(130,784)		(118,816)	
Interest income	2,367	18%	2,009	2%	6,503		6,358	
Finance costs	(13,137)	-19%	(16,160)	2%	(46,465)		(45,366)	
Share of profit of associates (net)	2,740	-7%	2,933	3%	8,256		7,999	
Profit Before Taxation	97,650	5%	92,965	16%	244,141		211,142	
Less: Tax expense	(22,675)		(17,675)		(49,954)		(30,710)	
						(Effective tax rate)		(Effective tax rate)
						23.2%		19.0%
Profit for the period	74,975	0%	75,290	8%	194,187		180,432	14.5%
						(Effective tax rate)		(Effective tax rate)
						20.5%		14.5%
Attributable to:								
Shareholders of the Company	76,121	10%	69,137	13%	196,354		173,516	
Minority interests	(1,146)		6,153		(2,167)		6,916	
						(% against PBT)		(% against PBT)
						-1.17%		6.62%
						(% against PBT)		(% against PBT)
Profit for the period	74,975		75,290		194,187		180,432	3.28%
						(% against PBT)		(% against PBT)
						-0.89%		3.28%
						(% against PBT)		(% 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)	4.69	10%	4.26	13%	12.10		10.69	
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 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2019 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER
		3RD QUARTER 1.10.2019 to 31.12.2019		2ND QUARTER 1.7.2019 to 30.9.2019
	% increase against last period	RM'000		RM'000
Revenue	3%	1,107,349		1,072,852
Operating Profit	7%	149,612		139,951
Depreciation and amortisation	2%	(43,932)		(42,876)
Interest income	8%	2,367		2,196
Finance costs	-24%	(13,137)		(17,396)
Share of profit of associates (net)	12%	2,740		2,455
Profit Before Taxation	16%	97,650		84,330
Less: Tax expense		(22,675)	(Effective tax rate) 23.2%	(14,458)
Profit for the period	7%	74,975		69,872
Attributable to:				
Shareholders of the Company	9%	76,121		69,682
Minority interests		(1,146)	-1.17% (% against PBT)	190
Profit for the period		74,975		69,872
Number of shares in issue ('000)		1,622,438		1,622,438
Earnings per share:				
Basic earnings per ordinary shares (sen)	9%	4.69		4.29
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 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2019 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	3RD QUARTER 1.10.2019 to 31.12.2019	3RD QUARTER 1.10.2018 to 31.12.2018	TO-DATE 1.4.2019 to 31.12.2019	PERIOD 1.4.2018 to 31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the period	74,975	75,290	194,187	180,432
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	9,262	25,397	11,472	2,350
Share of gain/(loss) of equity-accounted associates	302	7	(75)	(1,762)
Cash flow hedge	433	(1,996)	(3,490)	(3,499)
Total comprehensive income for the period	84,972	98,698	202,094	177,521
Total comprehensive income attributable to:				
Shareholders of the Company	84,548	92,436	203,718	180,979
Minority interests	424	6,262	(1,624)	(3,458)
Total comprehensive income for the period	84,972	98,698	202,094	177,521

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 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2019 RM'000 Unaudited		As at 31.3.2019 RM'000 Audited
ASSETS			
Property, plant and equipment	2,005,396		1,847,048
Investment properties	20,644		21,980
Long-term leasehold land	98,984		114,322
Prepaid lease payments	60,075		54,122
Right of use assets	132,506		-
Intangible assets	14,878		10,416
Investment in associates	141,602		138,856
Deferred tax assets	9,100		12,802
Other receivables	10,276		11,851
	<u>2,493,461</u>		<u>2,211,397</u>
Current Assets			
Biological assets	180,740		184,451
Inventories	61 days 566,214	71 days	572,845
Current tax assets	16,678		29,336
Trade receivables	28 days 327,877	31 days	308,928
Other receivables, assets and prepayment	180,968		106,493
Derivative financial assets	13		298
Cash and cash equivalents	327,181		261,368
Assets classified as held for sale	4,545		8,545
	<u>1,604,216</u>		<u>1,472,264</u>
Total Assets	<u>4,097,677</u>		<u>3,683,661</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	620,025		620,025
Reserves	1,434,820		1,315,017
Equity attributable to shareholders of the Company	<u>2,054,845</u>		<u>1,935,042</u>
Minority interests	81,335		79,304
Total Equity	<u>2,136,180</u>		<u>2,014,346</u>
Non-Current Liabilities			
Long term borrowings (LT Debts/Total Equity)	29% 621,375	29%	590,013
Payables	6		498
Lease liabilities	5,310		-
Employee benefits	8,240		7,357
Deferred tax liabilities	108,924		105,633
	<u>743,855</u>		<u>703,501</u>
Current Liabilities			
Short term-bankers acceptance	321,535		307,522
Other short term borrowings	304,040		289,116
Payables	415,179		330,087
Lease liabilities	132,139		-
Contract liabilities	2,102		25,704
Derivative financial liabilities	19,826		13,030
Taxation	22,821		355
	<u>1,217,642</u>		<u>965,814</u>
Total Liabilities	<u>1,961,497</u>		<u>1,669,315</u>
Total Equity and Liabilities	<u>4,097,677</u>		<u>3,683,661</u>
Net Assets per share (RM)	1.27		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 3RD QUARTER ENDED 31.12.2019 (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2019

	←-----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		
9 months ended 31.12.2018							
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	-	12,724	-	-	12,724	(10,374)	2,350
Share on gain of equity-accounted associates	-	-	(1,762)	-	(1,762)	-	(1,762)
Cash flow hedge	-	-	(3,499)	-	(3,499)	-	(3,499)
Total other comprehensive income/(expenses) for the year	-	12,724	(5,261)	-	7,463	(10,374)	(2,911)
Profit for the period	-	-	-	173,516	173,516	6,916	180,432
Total comprehensive income/(expenses) for the period	-	12,724	(5,261)	173,516	180,979	(3,458)	177,521
<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 31.12.2018	620,025	(90,296)	(4,703)	1,386,205	1,911,231	69,539	1,980,770

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 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2019

	<-----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		
9 months ended 31.12.2019							
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	-	10,929	-	-	10,929	543	11,472
Share on gain of equity-accounted associates	-	-	(75)	-	(75)	-	(75)
Cash flow hedge	-	-	(3,490)	-	(3,490)	-	(3,490)
Total other comprehensive income/(expenses) for the year	-	10,929	(3,565)	-	7,364	543	7,907
Profit for the period	-	-	-	196,354	196,354	(2,167)	194,187
Total comprehensive income/(expenses) for the period	-	10,929	(3,565)	196,354	203,718	(1,624)	202,094
<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 interests	-	-	-	(5,439)	(5,439)	1,694	(3,745)
- Changes in ownership of non-controlling interests	-	-	-	(4,999)	(4,999)	5,599	600
Total transactions with owners of the Company	-	-	-	(83,448)	(83,448)	3,655	(79,793)
At 31.12.2019	620,025	(82,302)	(6,971)	1,524,093	2,054,845	81,335	2,136,180

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 3RD QUARTER ENDED 31.12.2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.12.2019

	3rd quarter ended 31.12.2019 RM'000	3rd quarter ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	244,141	211,142
Adjustments for:		
Depreciation & amortisation	130,784	118,816
(Increase)/Decrease in working capital	9,460	(215,548)
Income tax paid	(34,004)	(13,119)
Other non-cash items	61,875	(34,873)
Net cash generated from/(used in) operating activities	412,256	66,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(257,754)	(165,031)
Others	-	1,428
Net cash generated from/(used in) investing activities	(257,754)	(163,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	(21,227)	156,633
Payment of lease liabilities	-	-
Dividend paid to minority interest	(3,638)	(2,372)
Dividend paid to shareholders	(73,011)	(73,010)
Others	-	-
Net cash generated from/(used in) financing activities	(97,876)	81,251
Net increase in cash and cash equivalents	56,626	(15,934)
Cash and cash equivalents at 1.4.2019	242,096	282,285
Cash and cash equivalents at 31.12.2019	298,722	266,351

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	<u>(78,279)</u>
Adjustment to retained earnings	<u><u>(467)</u></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

No dividend was paid for the period under review.

A7. Segmental information

Segment information in respect of the Group's business segments for the 3rd quarter ended 31.12.2019

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	288,866	53,711
Palm Oil Activities	68,534	3,166
Integrated Livestock Farming	749,949	40,773
Total	<u>1,107,349</u>	<u>97,650</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
	1.10.2019 to 31.12.2019	1.10.2018 to 31.12.2018		1.4.2019 to 31.12.2019	1.4.2018 to 31.12.2018	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	288,866	279,394	3%	889,220	763,430	16%
Palm Oil Activities (POA)	68,534	70,450	-3%	187,646	225,230	-17%
Integrated Livestock Farming (ILF)	749,949	629,014	19%	2,096,548	1,726,628	21%
Total	1,107,349	978,858	13%	3,173,414	2,715,288	17%
	1.10.2019 to 31.12.2019	1.10.2018 to 31.12.2018		1.4.2019 to 31.12.2019	1.4.2018 to 31.12.2018	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	53,711	51,787	4%	154,067	121,751	27%
Palm Oil Activities (POA)	3,166	8,668	-63%	4,986	9,863	-49%
Integrated Livestock Farming (ILF)	40,773	32,510	25%	85,088	79,528	7%
Total	97,650	92,965	5%	244,141	211,142	16%

- a. Despite weakness in fishmeal demand and price, MPM's current quarter sales increased 3% against corresponding quarter mainly due to higher contributions from surimi-based products.
Earnings for the current quarter increased 4% due to the same reason.

Cumulative sales and earnings increased 16% and 27% respectively due to the same reason.

- b. Despite improvement in CPO price, POA's current quarter sales decreased 3% against corresponding quarter mainly due to overall lower crop, decrease in FFB processed and lower OER in Indonesia palm unit.
POA's current quarter earnings decreased from RM8.7m to RM3.2m (63%) due to the same reason.

POA's cumulative quarter sales decreased 17% against corresponding quarter mainly due to lower FFB processed and lower average CPO price.
POA's cumulative earnings decreased from RM9.9m to RM5m (49%) against corresponding quarter due to the same reason.

- c. ILF's current quarter sales increased 19% against corresponding quarter mainly due to higher contribution from Regional & Sabah poultry operation as well as FamilyMart business.
Earnings increased 25% due to Regional & Sabah Poultry unit as well as improved margin on feed raw material trade.

Similarly ILF's cumulative sales increased 21% against corresponding quarter due to the same reasons.
Cumulative earnings increased 7% due to improved contribution from Regional and Sabah Poultry operations.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2019 to 31.12.2019	1.7.2019 to 30.9.2019		1.10.2019 to 31.12.2019	1.7.2019 to 30.9.2019	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	288,866	317,642	-9%	53,711	53,330	1%
Palm Oil Activities (POA)	68,534	50,519	36%	3,166	778	307%
Integrated Livestock Farming (ILF)	749,949	704,691	6%	40,773	30,222	35%
Total	1,107,349	1,072,852	3%	97,650	84,330	16%

- a. MPM's current quarter sales decreased 9% against preceding quarter due to lower fishmeal demand.
However, MPM's current quarter earnings improved marginally against preceding quarter due to peak fishing season in Peninsular East Coast.
- b. POA's current quarter sales increased 36% against preceding quarter mainly due to improved CPO price, improved crop and FFB processed.
Earnings increased significantly due to the same reason.
- c. ILF's current quarter sales only increased 6% against preceding quarter mainly due to higher volume from feed raw material trade and higher contribution from FamilyMart business.
Earnings increased 35% against preceding quarter due to the higher margin from feed raw material trade as well as higher contribution from Regional & Sabah poultry operations.

B3 Prospects for the year ending 31st March 2020

Covid-19 is likely to impact Q4 performance, however the management will still strive to achieve double digit growth for FY2020 against 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 31.12.2019	Cumulative period To date 31.12.2019
	RM'000	RM'000
	24,110	49,311
	(1,435)	643
	22,675	49,954

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 3rd quarter ended 31.12.2019					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.095)	RM denomination	Foreign denomination (USD\$1 = RM4.095)	RM denomination	Foreign denomination (USD\$1 = RM4.095)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	565,053	-	108,274	-	673,327	-
Term loans (Islamic)	52,265	3,729	36,132	51,747	88,397	55,476
Bank overdrafts	-	-	27,531	927	27,531	927
Bankers' acceptance (Conventional)	-	-	79,772	163,517	79,772	163,517
Bankers' acceptance (Islamic)	-	-	-	78,246	-	78,246
Revolving credit	-	-	-	79,372	-	79,372
Finance lease liabilities (HP creditors)	-	328	-	57	-	385
Total	617,318	4,057	251,709	373,866	869,027	377,923

	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 31.12.2019, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.12.2019 RM'000	Fair Value gain/(loss) as at 31.12.2019 RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	674,759	(17,676)
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	140,337	(1,796)
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	13,119	978
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	97,899	(1,312)
- More than 1 year		
	<u>926,114</u>	<u>(19,806)</u>

B11 Changes in material litigation

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

B12 Dividend

The directors do not recommend any dividend during the period under review.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

- (a) Net profit attributable to ordinary shareholders (RM'000)
- (b) Number of ordinary shares in issue ('000)-weighted average
- Basic Earnings per share (sen)

Current quarter ended 31.12.2019	Cumulative to date 31.12.2019
76,121	196,354
1,622,438	1,622,438
4.69	12.10