

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2020 (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	
	4TH QUARTER 1.1.2020 to 31.3.2020 RM'000	% increase against last period	4TH QUARTER 1.1.2019 to 31.3.2019 RM'000	% increase against last period	TO-DATE 1.4.2019 to 31.3.2020 RM'000	% increase against last period	PERIOD 1.4.2018 to 31.3.2019 RM'000	% increase against last period
Revenue	979,416	8%	903,765	15%	4,152,830		3,619,053	
Operating Profit	121,792	9%	111,485	12%	528,423		472,452	
Depreciation and amortisation	(44,794)	10%	(40,861)	10%	(175,578)		(159,677)	
Interest income	2,291	104%	1,122	18%	8,794		7,480	
Finance costs	(19,414)	27%	(15,333)	9%	(65,879)		(60,699)	
Share of profit of associates (net)	2,923		4,799		11,179		12,798	
Profit Before Taxation	62,798	3%	61,212	12.7%	306,939		272,354	
Less: Tax expense	(18,018)		(16,178)		(67,972)		(46,888)	
						(Effective tax rate)		(Effective tax rate)
						28.7%		22.1%
Profit for the period	44,780	-1%	45,034	6%	238,967		225,466	17.2%
Attributable to:								
Shareholders of the Company	42,969	-1%	43,263	10%	239,323		216,779	
Minority interests	1,811		1,771		(356)		8,687	
						(% against PBT)		(% against PBT)
						2.88%		2.89%
						(% against PBT)		(% against PBT)
Profit for the period	44,780		45,034		238,967		225,466	
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)	2.65	-1%	2.67	10%	14.75		13.36	
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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2020 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER
		4TH QUARTER 1.1.2020 to 31.3.2020		3RD QUARTER 1.10.2019 to 31.12.2019
	% increase against last period	RM'000		RM'000
Revenue	-12%	979,416		1,107,349
Operating Profit	-19%	121,792		149,612
Depreciation and amortisation	2%	(44,794)		(43,932)
Interest income	-3%	2,291		2,367
Finance costs	48%	(19,414)		(13,137)
Share of profit of associates (net)		2,923		2,740
Profit Before Taxation	-36%	62,798		97,650
Less: Tax expense		(18,018)	(Effective tax rate) 28.7%	(22,675)
Profit for the period	-40%	44,780		74,975
Attributable to:				
Shareholders of the Company	-44%	42,969		76,121
Minority interests		1,811	2.88% (% against PBT)	(1,146)
Profit for the period		44,780		74,975
Number of shares in issue ('000)		1,622,438		1,622,438
Earnings per share:				
Basic earnings per ordinary shares (sen)	-44%	2.65		4.69
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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2020 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	4TH QUARTER 1.1.2020 to 31.3.2020 RM'000	4TH QUARTER 1.1.2019 to 31.3.2019 RM'000	TO-DATE 1.4.2019 to 31.3.2020 RM'000	PERIOD 1.4.2018 to 31.3.2019 RM'000
Profit for the period	44,780	45,034	238,967	225,466
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(64,447)	4,368	(52,975)	6,718
Share of gain/(loss) of equity-accounted associates	(1)	139	(76)	(1,623)
Cash flow hedge	(24,954)	1,158	(28,444)	(2,341)
Total comprehensive income for the period	(44,622)	50,699	157,472	228,220
Total comprehensive income attributable to:				
Shareholders of the Company	(36,543)	38,176	167,175	219,155
Minority interests	(8,079)	12,523	(9,703)	9,065
Total comprehensive income for the period	(44,622)	50,699	157,472	228,220

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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2020 RM'000 Unaudited	As at 31.3.2019 RM'000
ASSETS		
Property, plant and equipment	2,030,155	1,847,048
Investment properties	42,432	21,980
Long-term leasehold land	105,106	114,322
Prepaid lease payments	60,096	54,122
Right of use assets	142,030	-
Intangible assets	15,103	10,416
Investment in associates	142,505	138,856
Deferred tax assets	13,717	12,802
Other receivables	9,504	11,851
	<u>2,560,648</u>	<u>2,211,397</u>
Current Assets		
Biological assets	186,444	184,451
Inventories	56 days 509,841	71 days 572,845
Current tax assets	10,940	29,336
Trade receivables	31 days 347,246	31 days 308,928
Other receivables, assets and prepayment	137,890	106,493
Derivative financial assets	464	298
Cash and cash equivalents	307,928	261,368
Assets classified as held for sale	7,834	8,545
	<u>1,508,587</u>	<u>1,472,264</u>
Total Assets	<u>4,069,235</u>	<u>3,683,661</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	620,025	620,025
Reserves	1,399,777	1,315,017
Equity attributable to shareholders of the Company	<u>2,019,802</u>	<u>1,935,042</u>
Minority interests	70,016	79,304
Total Equity	<u>2,089,818</u>	<u>2,014,346</u>
Non-Current Liabilities		
Long term borrowings (LT Debts/Total Equity)	32% 661,910	29% 590,013
Payables	5	498
Lease liabilities	5,378	-
Employee benefits	8,003	7,357
Deferred tax liabilities	110,940	105,633
	<u>786,236</u>	<u>703,501</u>
Current Liabilities		
Short term-bankers acceptance	317,508	307,522
Other short term borrowings	327,906	289,116
Payables	371,774	330,087
Lease liabilities	145,724	-
Contract liabilities	9,758	25,704
Derivative financial liabilities	2,917	13,030
Taxation	17,594	355
	<u>1,193,181</u>	<u>965,814</u>
Total Liabilities	<u>1,979,417</u>	<u>1,669,315</u>
Total Equity and Liabilities	<u>4,069,235</u>	<u>3,683,661</u>
Net Assets per share (RM)	1.24	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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2020

	←-----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		
12 months ended 31.3.2019							
At 1.4.2018, as previously reported	620,025	(88,801)	558	1,260,818	1,792,600	98,331	1,890,931
Adjustment on initial application of MFRS, net of tax	-	(10,770)	-	22,739	11,969	(19,584)	(7,615)
Adoption of MFRS 9, net of tax	-	-	-	(1,806)	(1,806)	(57)	(1,863)
At 1.4.2018, as restated	620,025	(99,571)	558	1,281,751	1,802,763	78,690	1,881,453
Foreign currency translation differences for foreign operations	-	6,340	-	-	6,340	378	6,718
Share on loss of equity-accounted associates	-	-	(1,623)	-	(1,623)	-	(1,623)
Cash flow hedge	-	-	(2,341)	-	(2,341)	-	(2,341)
Total other comprehensive income/(expenses) for the year	-	6,340	(3,964)	-	2,376	378	2,754
Profit for the year	-	-	-	216,779	216,779	8,687	225,466
Total comprehensive income/(expenses) for the period	-	6,340	(3,964)	216,779	219,155	9,065	228,220
<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	-	-	-	-	-	(5,768)	(5,768)
- Acquisition of non-controlling interests	-	-	-	(13,866)	(13,866)	(2,683)	(16,549)
Total transactions with owners of the Company	-	-	-	(86,876)	(86,876)	(8,451)	(95,327)
At 31.3.2019	620,025	(93,231)	(3,406)	1,411,654	1,935,042	79,304	2,014,346

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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2020

	<-----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		
12 months ended 31.3.2020							
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	-	-	-	(2,534)	(2,534)	-	(2,534)
At 1.4.2019, as restated	620,025	(93,231)	(3,406)	1,409,120	1,932,508	79,304	2,011,812
Foreign currency translation differences for foreign operations	-	(43,628)	-	-	(43,628)	(9,347)	(52,975)
Share on gain of equity-accounted associates	-	-	(76)	-	(76)	-	(76)
Cash flow hedge	-	-	(28,444)	-	(28,444)	-	(28,444)
Total other comprehensive income/(expenses) for the year	-	(43,628)	(28,520)	-	(72,148)	(9,347)	(81,495)
Profit for the year	-	-	-	239,323	239,323	(356)	238,967
Total comprehensive income/(expenses) for the period	-	(43,628)	(28,520)	239,323	167,175	(9,703)	157,472
<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	-	-	-	-	-	(6,292)	(6,292)
- Acquisition of non-controlling interests	-	-	-	(1,858)	(1,858)	1,694	(164)
- Changes in ownership of non-controlling interests	-	-	-	(5,013)	(5,013)	5,013	-
Total transactions with owners of the Company	-	-	-	(79,881)	(79,881)	415	(79,466)
At 31.3.2020	620,025	(136,859)	(31,926)	1,568,562	2,019,802	70,016	2,089,818

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 4TH QUARTER ENDED 31.3.2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.3.2020

	Full year ended 31.3.2020 RM'000	Full year ended 31.3.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	306,939	272,354
Adjustments for:		
Depreciation & amortisation	175,578	159,677
(Increase)/Decrease in working capital	50,538	(106,657)
Income tax paid	(44,268)	(44,006)
Other non-cash items	(50,370)	10,380
Net cash generated from/(used in) operating activities	438,417	291,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(356,613)	(306,497)
Others	-	9,749
Net cash generated from/(used in) investing activities	(356,613)	(296,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	16,816	57,608
Payment of lease liabilities	-	-
Dividend paid to minority interest	(6,291)	(5,768)
Dividend paid to shareholders	(73,010)	(73,010)
Others	-	(14,017)
Net cash generated from/(used in) financing activities	(62,485)	(35,187)
Net increase in cash and cash equivalents	19,319	(40,187)
Cash and cash equivalents at 1.4.2019	242,096	282,283
Cash and cash equivalents at 31.3.2020	261,415	242,096

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.

Where the Group and the Company is a lessee, the Group applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings at 1 April 2019.

At 1 April 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. The Group measure its right-of-use assets as if MFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at 1 April 2019.

(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 01.04.2019 RM'000
Consolidated statement of financial position	
Right of use assets	157,073
Lease liabilities	(159,607)
Adjustment to retained earnings	<u>(2,534)</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 4th quarter ended 31.3.2020

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	274,508	41,474
Palm Oil Activities	68,291	3,341
Integrated Livestock Farming	636,617	17,983
Total	<u>979,416</u>	<u>62,798</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.

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2020
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
	1.1.2020 to 31.3.2020	1.1.2019 to 31.3.2019		1.4.2019 to 31.3.2020	1.4.2018 to 31.3.2019	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	274,508	242,511	13%	1,163,728	1,005,941	16%
Palm Oil Activities (POA)	68,291	77,933	-12%	255,937	303,163	-16%
Integrated Livestock Farming (ILF)	636,617	583,321	9%	2,733,165	2,309,949	18%
Total	979,416	903,765	8%	4,152,830	3,619,053	15%
	1.1.2020 to 31.3.2020	1.1.2019 to 31.3.2019		1.4.2019 to 31.3.2020	1.4.2018 to 31.3.2019	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	41,474	34,487	20%	195,541	156,238	25%
Palm Oil Activities (POA)	3,341	10,509	-68%	8,327	20,372	-59%
Integrated Livestock Farming (ILF)	17,983	16,216	11%	103,071	95,744	8%
Total	62,798	61,212	3%	306,939	272,354	13%

- a. MPM's current quarter sales increased 13% against corresponding quarter mainly due to higher contributions from surimi, fishmeal and surimi-based products. Earnings for the current quarter increased 20% due to the same reason.

Cumulative sales and earnings increased 16% and 25% respectively due to the same reason.

- b. Despite increase in CPO price, POA's current quarter sales decreased 12% against corresponding quarter mainly due to decrease in FFB processed. POA's current quarter earnings decreased 68% due to the same reason as well as forex translation loss.

POA's cumulative quarter sales decreased 16% against corresponding quarter mainly due to lower FFB processed.

POA's cumulative earnings decreased 59% against corresponding quarter mainly due to lower FFB processed as well as forex translation loss.

- c. ILF's current quarter sales increased 9% against corresponding quarter mainly due to higher contribution from Regional & Sabah poultry operation, higher feed raw material trade and FamilyMart. Earnings increased 11% due to the same reasons.

Similarly ILF's cumulative sales increased 18% against corresponding quarter due to the same reasons.

Cumulative earnings increased 8% due to the same reason.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2020 to 31.3.2020	1.10.2019 to 31.12.2019		1.1.2020 to 31.3.2020	1.10.2019 to 31.12.2019	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	274,508	288,866	-5%	41,474	53,711	-23%
Palm Oil Activities (POA)	68,291	68,534	0%	3,341	3,166	6%
Integrated Livestock Farming (ILF)	636,617	749,949	-15%	17,983	40,773	-56%
Total	979,416	1,107,349	-12%	62,798	97,650	-36%

- a. MPM's current quarter sales decreased 5% against preceding quarter due to seasonal factors. MPM's current quarter earnings decreased 23% against preceding quarter due to the same reason.
- b. POA's current quarter sales remain flat against preceding quarter due to lower FFB processed despite higher CPO price. Earnings increased 6% due to higher CPO price (RM2737 vs RM2423).
- c. ILF's current quarter sales decreased 15% against preceding quarter mainly due to lower contribution from Peninsular, Indonesia & poor farm produced prices. Earnings decreased 56% against preceding quarter due to the same reasons.

B3 Prospects for the year ending 31st March 2021

Despite severe covid pandemic crisis and impending economic recession, barring unforeseen Covid-19 resurgence, the management are still committed to strive for growth of QL's resilient businesses in FY2021.

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 31.3.2020	Cumulative period To date 31.3.2020
	RM'000	RM'000
	15,485	64,796
	2,533	3,176
	18,018	67,972

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 4th quarter ended 31.3.2020					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.318)	RM denomination	Foreign denomination (USD\$1 = RM4.318)	RM denomination	Foreign denomination (USD\$1 = RM4.318)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	611,592	-	110,244	-	721,836	-
Term loans (Islamic)	46,675	3,508	38,100	47,220	84,775	50,728
Bank overdrafts	-	-	37,780	8,733	37,780	8,733
Bankers' acceptance (Conventional)	-	-	62,130	177,952	62,130	177,952
Bankers' acceptance (Islamic)	-	-	-	77,425	-	77,425
Revolving credit	-	-	-	85,636	-	85,636
Finance lease liabilities (HP creditors)	-	135	-	194	-	329
Total	658,267	3,643	248,254	397,160	906,521	400,803

	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 31.3.2020, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.3.2020 RM'000	Fair Value gain/ (loss) as at 31.3.2020 RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	702,639	3,668
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	148,976	(1,293)
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	70,005	3,712
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	58,250	(1,314)
- More than 1 year		
	<u>979,870</u>	<u>4,773</u>

B11 Changes in material litigation

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

B12 Dividend

The Directors propose a final single tier dividend of 4.50 sen per share in respect of the year ended 31.3.2020 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.3.2020	Cumulative to date 31.3.2020
(a) Net profit attributable to ordinary shareholders (RM'000)	42,969	239,323
(b) Number of ordinary shares in issue ('000)-weighted average	1,622,438	1,622,438
Basic Earnings per share (sen)	2.65	14.75