

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2020

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2020 (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			
	2ND QUARTER 1.7.2020 to 30.9.2020		2ND QUARTER 1.7.2019 to 30.9.2019		TO-DATE 1.4.2020 to 30.9.2020		PERIOD 1.4.2019 to 30.9.2019			
	% increase against last period	RM'000		RM'000		% increase against last period	RM'000		RM'000	
Revenue	0%	1,078,089		1,072,852		-1%	2,048,238		2,066,065	
Operating Profit	12%	156,375		139,951		16%	298,355		257,019	
Depreciation and amortisation	16%	(49,772)		(42,876)		15%	(99,780)		(86,852)	
Interest income	-19%	1,774		2,196		-14%	3,548		4,136	
Finance costs	-16%	(14,534)		(17,396)		-13%	(28,840)		(33,328)	
Share of profit of associates (net)		3,477		2,455			4,439		5,516	
Profit Before Taxation	15%	97,320		84,330		21.3%	177,722		146,491	
Less: Tax expense		(24,549)	(Effective tax rate) 25.2%	(14,458)	(Effective tax rate) 17.1%		(51,029)	(Effective tax rate) 28.7%	(27,279)	(Effective tax rate) 18.6%
Profit for the period	4%	72,771		69,872		6%	126,693		119,212	
Attributable to:										
Shareholders of the Company	1%	70,130		69,682		1%	120,999		120,233	
Minority interests		2,641	2.71% (% against PBT)	190	0.23% (% against PBT)		5,694	3.20% (% against PBT)	(1,021)	-0.70% (% against PBT)
Profit for the period		72,771		69,872			126,693		119,212	
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)	1%	4.32		4.29		1%	7.46		7.41	
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 2020 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

**INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2020**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2020 (UNAUDITED)**

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

		<b>CURRENT QUARTER</b>		<b>PRECEDING QUARTER</b>
		<b>2ND QUARTER 1.7.2020 to 30.9.2020</b>		<b>1ST QUARTER 1.4.2020 to 30.6.2020</b>
	<b>% increase against last period</b>	<b>RM'000</b>		<b>RM'000</b>
<b>Revenue</b>	11%	1,078,089		970,149
<b>Operating Profit</b>	10%	156,375		141,980
<b>Depreciation and amortisation</b>	0%	(49,772)		(50,008)
<b>Interest income</b>	0%	1,774		1,774
<b>Finance costs</b>	2%	(14,534)		(14,306)
<b>Share of profit of associates (net)</b>		3,477		962
<b>Profit Before Taxation</b>	21%	97,320		80,402
<b>Less: Tax expense</b>		(24,549)	(Effective tax rate) 25.2%	(26,480)
<b>Profit for the period</b>	35%	72,771		53,922
<b>Attributable to:</b>				
<b>Shareholders of the Company</b>	38%	70,130		50,869
<b>Minority interests</b>		2,641	2.71% (% against PBT)	3,053
<b>Profit for the period</b>		72,771		53,922
<b>Number of shares in issue ('000)</b>		1,622,438		1,622,438
<b>Earnings per share:</b>				
<b>Basic earnings per ordinary shares (sen)</b>	38%	4.32		3.14
<b>Diluted earnings per ordinary shares (sen)</b>		NA		NA

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

**INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2020**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2020 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2ND QUARTER 1.7.2020 to 30.9.2020 RM'000	2ND QUARTER 1.7.2019 to 30.9.2019 RM'000	TO-DATE 1.4.2020 to 30.9.2020 RM'000	PERIOD 1.4.2019 to 30.9.2019 RM'000
<b>Profit for the period</b>	72,771	69,872	126,693	119,212
<b>Other comprehensive income/(loss), net of tax:</b>				
Foreign currency translation differences for foreign operations	(49,534)	(5,983)	24,409	2,211
Share of gain/(loss) of equity-accounted associates	3,323	(48)	1,227	(377)
Cash flow hedge	4,501	(2,840)	12,807	(3,923)
<b>Total comprehensive income for the period</b>	<b>31,061</b>	<b>61,001</b>	<b>165,136</b>	<b>117,123</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	31,937	60,392	159,137	119,171
Minority interests	(876)	609	5,999	(2,048)
<b>Total comprehensive income for the period</b>	<b>31,061</b>	<b>61,001</b>	<b>165,136</b>	<b>117,123</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.  
Note: NA denotes "Not Applicable"

**INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2020**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.9.2020 RM'000 Unaudited		As at 31.3.2020 RM'000 Audited
<b>ASSETS</b>			
Property, plant and equipment	2,061,923		2,006,422
Right-of-use assets	367,577		366,200
Investment properties	26,146		21,013
Intangible assets	14,861		10,092
Investment in associates	143,646		142,175
Deferred tax assets	10,223		9,621
Other receivables	23,374		15,544
	<u>2,647,750</u>		<u>2,571,067</u>
<b>Current Assets</b>			
Biological assets	201,205		186,368
Inventories	72 days 636,628	55 days	496,347
Current tax assets	12,718		13,541
Trade receivables	28 days 317,438	32 days	358,150
Other receivables, assets and prepayment	108,783		123,232
Derivative financial assets	355		4,929
Cash and cash equivalents	446,465		308,200
Assets classified as held for sale	4,545		4,545
	<u>1,728,137</u>		<u>1,495,312</u>
<b>Total Assets</b>	<u>4,375,887</u>		<u>4,066,379</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	620,025		620,025
Reserves	1,556,628		1,397,491
<b>Equity attributable to shareholders of the Company</b>	<u>2,176,653</u>		<u>2,017,516</u>
Minority interests	79,174		73,498
<b>Total Equity</b>	<u>2,255,827</u>		<u>2,091,014</u>
<b>Non-Current Liabilities</b>			
Long term borrowings (LT Debts/Total Equity)	30% 677,884	31%	650,361
Lease liabilities	129,911		129,035
Payables	1,108		972
Employee benefits	9,165		8,178
Deferred tax liabilities	120,699		110,060
	<u>938,767</u>		<u>898,606</u>
<b>Current Liabilities</b>			
Short term-bankers acceptance	354,898		320,374
Other short term borrowings	317,510		335,108
Lease liabilities	22,652		19,243
Payables	435,209		368,114
Contract liabilities	3,205		13,077
Derivative financial liabilities	23,968		7,834
Taxation	23,851		13,009
	<u>1,181,293</u>		<u>1,076,759</u>
<b>Total Liabilities</b>	<u>2,120,060</u>		<u>1,975,365</u>
<b>Total Equity and Liabilities</b>	<u>4,375,887</u>		<u>4,066,379</u>
Net Assets per share (RM)	1.34		1.24
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 2020 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 30.9.2020**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2020**

	←-----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		
<b>6 months ended 30.9.2019</b>							
<b>At 1.4.2019, as previously reported</b>	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)
<b>At 1.4.2019, as restated</b>	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 loss 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 period	-	-	-	120,233	120,233	(1,021)	119,212
<b>Total comprehensive income/(expenses) for the period</b>	-	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 interests	-	-	-	-	-	(3,638)	(3,638)
- Acquisition of non-controlling interests	-	-	-	-	-	1,785	1,785
<b>Total transactions with owners of the Company</b>	-	-	-	(73,010)	(73,010)	(1,853)	(74,863)
<b>At 30.9.2019</b>	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 2020 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 30.9.2020**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2020**

	<-----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		
<b>6 months ended 30.9.2020</b>							
<b>At 1.4.2020</b>	620,025	(136,276)	(31,926)	1,565,693	<b>2,017,516</b>	73,498	<b>2,091,014</b>
Foreign currency translation differences for foreign operations	-	24,104	-	-	<b>24,104</b>	305	<b>24,409</b>
Share on gain of equity-accounted associates	-	-	1,227	-	<b>1,227</b>	-	<b>1,227</b>
Cash flow hedge	-	-	12,807	-	<b>12,807</b>	-	<b>12,807</b>
Total other comprehensive income/(expenses) for the year	-	24,104	14,034	-	<b>38,138</b>	305	<b>38,443</b>
Profit for the period	-	-	-	120,999	<b>120,999</b>	5,694	<b>126,693</b>
<b>Total comprehensive income/(expenses) for the period</b>	-	24,104	14,034	120,999	<b>159,137</b>	5,999	<b>165,136</b>
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	-	-	-	-
- Dividends paid to non-controlling interest	-	-	-	-	-	(323)	<b>(323)</b>
- Acquisition of non-controlling interests	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(323)	<b>(323)</b>
<b>At 30.9.2020</b>	620,025	(112,172)	(17,892)	1,686,692	<b>2,176,653</b>	79,174	<b>2,255,827</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2020 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 30.9.2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.9.2020**

	<b>2nd quarter ended 30.9.2020 RM'000</b>	<b>2nd quarter ended 30.9.2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	177,722	146,491
Adjustments for:		
Depreciation & amortisation	99,780	86,852
(Increase)/Decrease in working capital	(13,097)	(12,145)
Income tax paid	(24,795)	(20,598)
Other non-cash items	72,528	23,711
<b>Net cash generated from/(used in) operating activities</b>	<b>312,138</b>	<b>224,311</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(153,125)	(139,225)
Others	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(153,125)</b>	<b>(139,225)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings	27,065	3,807
Payment of lease liabilities	(13,188)	(9,302)
Dividend paid to minority interest	(323)	(3,638)
Dividend paid to shareholders	-	(73,010)
Others	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>13,554</b>	<b>(82,143)</b>
<b>Net increase in cash and cash equivalents</b>	<b>172,567</b>	<b>2,943</b>
<b>Cash and cash equivalents at 1.4.2020</b>	<b>261,549</b>	<b>242,096</b>
<b>Cash and cash equivalents at 30.9.2020</b>	<b>434,116</b>	<b>245,039</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.

**QL RESOURCES BERHAD** (428915-X)  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2020**

**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 2020.

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 2020 except for the adoption of the followings:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*
- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

The adoption of the above standards and interpretations did not have any material impact on the interim financial report of the Group.

**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**

No dividend was paid for the period under review.

**A7. Segmental information**

Segment information in respect of the Group's business segments for the 2nd quarter ended 30.9.2020

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	337,320	73,592
Palm Oil Activities	57,615	(1,621)
Integrated Livestock Farming	683,154	25,349
Total	1,078,089	97,320

**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
	1.7.2020 to 30.9.2020	1.7.2019 to 30.9.2019		1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	337,320	317,642	6%	643,035	600,354	7%
Palm Oil Activities (POA)	57,615	50,519	14%	118,523	119,112	0%
Integrated Livestock Farming (ILF)	683,154	704,691	-3%	1,286,680	1,346,599	-4%
Total	1,078,089	1,072,852	0%	2,048,238	2,066,065	-1%
	1.7.2020 to 30.9.2020	1.7.2019 to 30.9.2019		1.4.2020 to 30.9.2020	1.4.2019 to 30.9.2019	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	73,592	53,330	38%	135,449	100,356	35%
Palm Oil Activities (POA)	(1,621)	778	-308%	12,868	1,820	607%
Integrated Livestock Farming (ILF)	25,349	30,222	-16%	29,405	44,315	-34%
Total	97,320	84,330	15%	177,722	146,491	21%

- a. MPM's current quarter sales increased by 6% against the corresponding quarter mainly due to higher contribution from fishing operations and stronger demand for surimi and surimi based products. Earnings increased by 38% in line with higher sales and improved margin resulting from higher production volume and cost efficiency for surimi and surimi based products division. In addition, better fishmeal and aquaculture margin also contributed to the earnings improvement.

Similarly cumulative sales and earnings increased 7% and 35% respectively for the same reasons.

- b. POA's current quarter sales increased by 14% against the corresponding quarter due to higher CPO selling price (RM2500 vs RM1900) despite lower FFB tonnage processed. However, earnings were adversely affected by foreign currency translation loss due to the weakening of Indonesian Rupiah at end quarter (USD/IDR at 14800 end September vs 14300 end June)

POA's cumulative sales was marginally lower than corresponding period due to lower FFB tonnage processed despite higher CPO selling price.

Cumulative earnings increased 607% mainly due to foreign currency translation gain from favorable Indonesian Rupiah movement compared to end March 2020 (USD/IDR at 16300 vs 14800 end September)

- c. ILF's current quarter sales decreased by 3% against the corresponding quarter mainly due to lower raw material trading price and weaker farm produce price for Peninsular and Indonesia market a result of Covid albeit recovery in FamilyMart sales. Earnings decreased by 16% mainly due to weak Peninsular layer performance.

Cumulative sales decreased by 4% due to the same reasons

However, cumulative earnings decreased by 34% due to weak Peninsular layer performance and also lower FamilyMart contribution in Quarter 1 during the period of movement control order.

**B2 Review of current quarter performance with the preceding quarter**

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.7.2020 to 30.9.2020	1.4.2020 to 30.6.2020		1.7.2020 to 30.9.2020	1.4.2020 to 30.6.2020	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	337,320	305,715	10%	73,592	61,857	19%
Palm Oil Activities (POA)	57,615	60,908	-5%	(1,621)	14,489	-111%
Integrated Livestock Farming (ILF)	683,154	603,526	13%	25,349	4,056	525%
Total	1,078,089	970,149	11%	97,320	80,402	21%

- a. MPM's current quarter sales increased by 10% against the preceding quarter mainly due to seasonal factor and stronger demand for surimi and surimi based products. Earnings increased by 19% for the same reasons as well as better aquaculture contribution.
- b. POA's current quarter sales decreased by 5% against the preceding quarter mainly due to lower FFB tonnage processed despite improvement in CPO selling price. Earnings decreased substantially due to big foreign currency fluctuation in the past 6 months (USD/IDR at 14800 end September vs 14300 end June vs 16300 end March)
- c. ILF's current quarter sales increased by 13% against the preceding quarter mainly due to higher sales volume for both farm produce and raw material trading and recovery in FamilyMart operations with the lifting of movement control order. Earnings increased by 525% against preceding quarter due to recovery in performance of FamilyMart and farming operations which were adversely impacted by movement control order in Quarter 1.

**B3 Prospects for the next quarter to 31st December 2020**

The management expects a challenging quarter ahead following the spike in Covid cases under the third wave but will continue to strive for growth for the full financial year.

**B4 Profit forecast**

No profit forecast was published during the period under review.

**B5 Tax expense**

	Individual quarter 3 months ended 30.9.2020	Cumulative period To date 30.9.2020
	RM'000	RM'000
Current income tax expense	15,980	40,724
Deferred tax expense	8,569	10,305
	24,549	51,029

The effective tax rate for cumulative period to date is higher than the statutory rate mainly due to tax expense recognised on the unrealized forex gain from Indonesian Rupiah movement as per Indonesian tax law.

**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**

During the quarter under review, the proposal by the Board on a bonus issue of up to 811,219,129 new ordinary shares in QL on the basis of 1 bonus share for every 2 existing QL shares held had been approved by shareholders at the Annual General Meeting held on 29 September 2020. The entitlement date was on 15 October 2020.

**B9 Group borrowings**

	As at 2nd quarter ended 30.9.2020					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.158)	RM denomination	Foreign denomination (USD\$1 = RM4.158)	RM denomination	Foreign denomination (USD\$1 = RM4.158)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unsecured</b>						
Term loans (Conventional)	629,850	-	159,163	-	789,013	-
Term loans (Islamic)	45,860	2,050	36,688	10,922	82,548	12,972
Bank overdrafts	-	-	5,093	7,255	5,093	7,255
Bankers' acceptance (Conventional)	-	-	68,471	230,811	68,471	230,811
Bankers' acceptance (Islamic)	-	-	-	55,616	-	55,616
Revolving credit	-	-	-	98,325	-	98,325
Finance lease liabilities (HP creditors)	-	124	-	64	-	188
<b>Total</b>	<b>675,710</b>	<b>2,174</b>	<b>269,415</b>	<b>402,993</b>	<b>945,125</b>	<b>405,167</b>

	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
<b>Unsecured</b>						
Term loans (Conventional)	600,054	-	117,399	-	717,453	-
Term loans (Islamic)	46,675	3,508	38,100	47,220	84,775	50,728
Bank overdrafts	-	-	37,783	8,867	37,783	8,867
Bankers' acceptance (Conventional)	-	-	66,194	177,430	66,194	177,430
Bankers' acceptance (Islamic)	-	-	-	76,750	-	76,750
Revolving credit	-	-	-	85,605	-	85,605
Finance lease liabilities (HP creditors)	-	124	-	134	-	258
<b>Total</b>	<b>646,729</b>	<b>3,632</b>	<b>259,476</b>	<b>396,006</b>	<b>906,205</b>	<b>399,638</b>

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

**B10 Financial instruments**

As at 30.9.2020, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 30.9.2020	Fair Value gain/(loss) as at 30.9.2020
	RM'000	RM'000
<b>(i) Cross currency swap</b>		
- Less than 1 year		
- More than 1 year	702,064	(18,830)
<b>(ii) Interest rate swap</b>		
- Less than 1 year		
- More than 1 year	152,124	(4,986)
<b>(iii) Foreign exchange contracts (sell)</b>		
- Less than 1 year	42,447	1,353
- More than 1 year		
<b>(iv) Foreign exchange contracts (buy)</b>		
- Less than 1 year	26,672	7,989
- More than 1 year		
	<b>923,307</b>	<b>(14,474)</b>

**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 2020, a final dividend of 4.50 sen per ordinary share amounting to approximately RM 73.01 million was approved at the AGM held on 29 September 2020 and paid on 15 October 2020.

**B13 Earnings per share**

The calculations of basic earnings per share were as follows:

	Current quarter ended 30.9.2020	Cumulative to date 30.9.2020
(a) Net profit attributable to ordinary shareholders (RM'000)	70,130	120,999
(b) Number of ordinary shares in issue ('000)-weighted average	1,622,438	1,622,438
Basic Earnings per share (sen)	4.32	7.46