

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2023 (UNAUDITED)

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 1.7.2023 to 30.9.2023		2ND QUARTER 1.7.2022 to 30.9.2022		TO-DATE 1.4.2023 to 30.9.2023		PERIOD 1.4.2022 to 30.9.2022		
		RM'000		RM'000		RM'000		RM'000	
Revenue	3%	1,690,167		1,638,226	4%	3,289,606		3,160,059	
Operating Profit	26%	255,141		202,781	23%	471,792		382,748	
Depreciation and amortisation	4%	(62,864)		(60,498)	6%	(127,122)		(120,130)	
Interest income	9%	2,028		1,867	1%	3,631		3,612	
Finance costs	14%	(17,649)		(15,424)	21%	(35,583)		(29,501)	
Share of profit of associates (net)		86		515		408		618	
Profit Before Taxation	37%	176,742		129,241	31.9%	313,126		237,347	
Less: Tax expense		(43,776)	(Effective tax rate) 24.8%	(29,767)	(Effective tax rate) 23.0%	(80,245)	(Effective tax rate) 25.6%	(54,413)	(Effective tax rate) 22.9%
Profit for the period	34%	132,966		99,474	27%	232,881		182,934	
Attributable to:									
Shareholders of the Company	31%	122,643		93,901	22%	215,451		176,325	
Minority interests		10,323	5.84% (% against PBT)	5,573	4.31% (% against PBT)	17,430	5.57% (% against PBT)	6,609	2.78% (% against PBT)
Profit for the period		132,966		99,474		232,881		182,934	
Number of shares in issue ('000)		2,433,657		2,433,657		2,433,657		2,433,657	
Earnings per share:									
Basic earnings per ordinary shares (sen)	31%	5.04		3.86	22%	8.85		7.25	
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 2023 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 30.9.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2023 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER	
	% increase against last period	2ND QUARTER 1.7.2023 to 30.9.2023		1ST QUARTER 1.4.2023 to 30.6.2023	
		RM'000		RM'000	
Revenue	6%	1,690,167		1,599,439	
Operating Profit	18%	255,141		216,651	
Depreciation and amortisation	-2%	(62,864)		(64,258)	
Interest income	27%	2,028		1,603	
Finance costs	-2%	(17,649)		(17,934)	
Share of profit of associates (net)		86		322	
Profit Before Taxation	30%	176,742		136,384	
Less: Tax expense		(43,776)	(Effective tax rate) 24.8%	(36,469)	(Effective tax rate) 26.7%
Profit for the period	33%	132,966		99,915	
Attributable to:					
Shareholders of the Company	32%	122,643		92,808	
Minority interests		10,323	5.84% (% against PBT)	7,107	5.21% (% against PBT)
Profit for the period		132,966		99,915	
Number of shares in issue ('000)		2,433,657		2,433,657	
Earnings per share:					
Basic earnings per ordinary shares (sen)	32%	5.04		3.81	
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 2023 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2023 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2ND QUARTER 1.7.2023 to 30.9.2023 RM'000	2ND QUARTER 1.7.2022 to 30.9.2022 RM'000	TO-DATE 1.4.2023 to 30.9.2023 RM'000	PERIOD 1.4.2022 to 30.9.2022 RM'000
Profit for the period	132,966	99,474	232,881	182,934
Other comprehensive income/(loss), net of tax:				
Actuarial gain on estimated liabilities for employee benefits	-	-	-	-
Foreign currency translation differences for foreign operations	(17,754)	24,458	20,026	37,762
Cash flow hedge	(280)	(4,551)	(543)	(2,921)
Total comprehensive income for the period	114,932	119,381	252,364	217,775
Total comprehensive income attributable to:				
Shareholders of the Company	105,955	114,680	235,143	214,518
Minority interests	8,977	4,701	17,221	3,257
Total comprehensive income for the period	114,932	119,381	252,364	217,775

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2023 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 30.9.2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2023 RM'000 Unaudited	As at 31.3.2023 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,327,169	2,209,906
Right-of-use assets	522,469	520,544
Investment properties	24,977	25,065
Intangible assets	124,153	125,017
Investment in associates	6,227	6,202
Deferred tax assets	19,985	14,081
Trade and other receivables	25,058	26,085
	<u>3,050,038</u>	<u>2,926,900</u>
Current Assets		
Biological assets	261,798	251,914
Inventories	62 days 961,278	70 days 955,218
Contract assets	65,752	55,743
Contract costs	2,988	850
Current tax assets	30,382	32,884
Trade receivables	28 days 504,018	27 days 462,016
Other receivables, assets and prepayment	245,398	220,530
Derivative financial assets	30,010	25,643
Cash and cash equivalents	440,749	346,499
Assets classified as held for sale	2,395	6,902
	<u>2,544,768</u>	<u>2,358,199</u>
Total Assets	<u>5,594,806</u>	<u>5,285,099</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	620,025	620,025
Reserves	2,186,386	2,036,420
Equity attributable to shareholders of the Company	<u>2,806,411</u>	<u>2,656,445</u>
Minority interests	240,179	231,101
Total Equity	<u>3,046,590</u>	<u>2,887,546</u>
Non-Current Liabilities		
Long term borrowings (LT Debts/Total Equity)	6% 176,619	8% 237,898
Lease liabilities	185,834	181,284
Other payables	7,139	6,684
Employee benefits	14,657	12,258
Deferred tax liabilities	179,314	172,756
	<u>563,563</u>	<u>610,880</u>
Current Liabilities		
Short term-bankers acceptance	765,654	691,329
Other short term borrowings	391,901	325,839
Lease liabilities	29,793	29,493
Trade and other payables	681,493	649,117
Contract liabilities	72,054	77,265
Derivative financial liabilities	571	52
Taxation	43,187	13,578
	<u>1,984,653</u>	<u>1,786,673</u>
Total Liabilities	<u>2,548,216</u>	<u>2,397,553</u>
Total Equity and Liabilities	<u>5,594,806</u>	<u>5,285,099</u>
Net Assets per share (RM)	1.15	1.09
Based on number of shares:('000)	<u>2,433,657</u>	<u>2,433,657</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2023 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 30.9.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2023

	←-----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 30.9.2022							
At 1.4.2021	620,025	(78,370)	(3,810)	1,933,281	2,471,126	235,281	2,706,407
Foreign currency translation differences for foreign operations	-	41,114	-	-	41,114	(3,352)	37,762
Actuarial gain/(loss) on estimated liabilities for employee benefits	-	-	-	-	-	-	-
Cash flow hedge	-	-	(2,921)	-	(2,921)	-	(2,921)
Total other comprehensive income/(expenses) for the year	-	41,114	(2,921)	-	38,193	(3,352)	34,841
Profit for the period	-	-	-	176,325	176,325	6,609	182,934
Total comprehensive income/(expenses) for the period	-	41,114	(2,921)	176,325	214,518	3,257	217,775
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(85,176)	(85,176)	-	(85,176)
- Dividends paid to non-controlling interests	-	-	-	-	-	(7,058)	(7,058)
- Acquisition of non-controlling interests	-	-	-	(1,463)	(1,463)	(1,725)	(3,188)
Total transactions with owners of the Company	-	-	-	(86,639)	(86,639)	(8,783)	(95,422)
At 30.9.2022	620,025	(37,256)	(6,731)	2,022,967	2,599,005	229,755	2,828,760

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2023 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 30.9.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2023

	<-----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 30.9.2023							
At 1.4.2023	620,025	(68,064)	1,340	2,103,145	2,656,446	231,101	2,887,547
Foreign currency translation differences for foreign operations	-	20,235	-	-	20,235	(209)	20,026
Actuarial gain/(loss) on estimated liabilities for employee benefits	-	-	-	-	-	-	-
Cash flow hedge	-	-	(543)	-	(543)	-	(543)
Total other comprehensive income/(expenses) for the year	-	20,235	(543)	-	19,692	(209)	19,483
Profit for the period	-	-	-	215,451	215,451	17,430	232,881
Total comprehensive income/(expenses) for the period	-	20,235	(543)	215,451	235,143	17,221	252,364
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(85,178)	(85,178)	-	(85,178)
- Dividends paid to non-controlling interests	-	-	-	-	-	(25,258)	(25,258)
- Acquisition of non-controlling interests	-	-	-	-	-	17,115	17,115
Total transactions with owners of the Company	-	-	-	(85,178)	(85,178)	(8,143)	(93,321)
At 30.9.2023	620,025	(47,829)	797	2,233,418	2,806,411	240,179	3,046,590

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2023 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 30.9.2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.9.2023

	Period ended 30.9.2023 RM'000	Period ended 30.9.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	313,126	237,347
Adjustments for:		
Depreciation & amortisation	127,122	120,130
Increase in working capital	2,443	29,741
Income tax paid	(47,674)	(47,846)
Other non-cash items	20,680	1,512
Net cash generated from operating activities	415,697	340,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(203,969)	(136,644)
Others	(3)	(3,201)
Net cash used in investing activities	(203,972)	(139,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(10,260)	(72,174)
Payment of lease liabilities	(20,581)	(17,961)
Dividend paid to minority interest	(25,258)	(7,058)
Dividend paid to shareholders	(85,178)	(85,176)
Others	17,115	-
Net cash used in financing activities	(124,162)	(182,369)
Net increase in cash and cash equivalents	87,563	18,670
Cash and cash equivalents at 1 April	343,188	471,821
Cash and cash equivalents at 30 September	430,751	490,491

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2023 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 2023.

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 2023 except for the adoption of the followings:

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
-
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

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 following 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. Meanwhile, the clean energy business activities are not seasonal but dependant on orders and delivery schedule.
- 3) Integrated livestock farming activities are not significantly affected in any of the quarters.
- 4) Convenience store chain activities are not significantly affected in any of the quarters, but more dependant on new stores opening and store operating hours.

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 30.9.2023

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	363,606	78,394
Palm Oil and Clean Energy	179,885	13,909
Integrated Livestock Farming	871,793	67,440
Convenience Store Chain	274,883	16,999
Total	<u>1,690,167</u>	<u>176,742</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
	1.7.2023 to 30.9.2023	1.7.2022 to 30.9.2022		1.4.2023 to 30.9.2023	1.4.2022 to 30.9.2022	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	363,606	352,884	3%	710,634	685,321	4%
Palm Oil and Clean Energy (POCE)	179,885	157,120	14%	355,244	298,604	19%
Integrated Livestock Farming (ILF)	871,793	904,692	-4%	1,694,018	1,751,298	-3%
Convenience Store Chain (CVS)	274,883	223,530	23%	529,710	424,836	25%
Total	1,690,167	1,638,226	3%	3,289,606	3,160,059	4%
	1.7.2023 to 30.9.2023	1.7.2022 to 30.9.2022		1.4.2023 to 30.9.2023	1.4.2022 to 30.9.2022	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	78,394	76,383	3%	135,454	126,482	7%
Palm Oil and Clean Energy (POCE)	13,909	3,176	338%	25,293	(1,388)	NA
Integrated Livestock Farming (ILF)	67,440	34,988	93%	123,795	81,712	52%
Convenience Store Chain (CVS)	16,999	14,694	16%	28,584	30,541	-6%
Total	176,742	129,241	37%	313,126	237,347	32%

- a. MPM's current quarter sales increased marginally against the corresponding quarter mainly due to better performance of fishing activities and fishmeal with good fish landing as well as sustained demand for surimi-based products albeit weaker performance of surimi with stiff market competition internationally.

Earnings was marginally better than the corresponding quarter in line with the sales increase.

Cumulative sales also improved marginally mainly due to the same reason as the quarterly results.

Cumulative earnings increased by 7% mainly due to improved margin for fishmeal and surimi-based products with strong USD, despite weaker margin reported by surimi and aquaculture activities.

- b. POCE's current quarter sales increased by 14% against the corresponding quarter mainly due to higher project progress in BM GreenTech (formerly known as Boilermech). In addition, palm oil activities benefitted from higher FFB tonnage produced and processed as well as higher CPO sales delivery despite at lower selling price.

Earnings was significantly higher against the corresponding quarter mainly due to higher sales and project margin recovery at BM GreenTech. In addition, improvement registered in palm oil activities with higher yield from plantations, better OER as well as improved milling efficiency.

Cumulative sales increased 19% against the corresponding period mainly due to the same reasons as the quarterly sales.

Strong turnaround in cumulative earnings mainly due to the same reasons as the quarterly results. In addition, there was no major impact from foreign currency translation loss as compared to the preceding year.

- c. Despite higher volume and selling price for farm produce, ILF's current quarter sales decreased marginally against the corresponding quarter mainly due to lower trading volume and unit selling price for feed raw material.

Earnings increased by 93% against the corresponding quarter mainly due to improved feed raw material trading margin with lower unit cost as well as strong performance of Malaysia farming operations and improvement in Indonesia farming operations. In addition, high input costs were partly mitigated by continued Malaysia government cost subsidy.

Cumulative sales decreased marginally against the corresponding period mainly due to the same reasons as the quarterly sales.

Despite weaker margin for feed raw material trading and Vietnam layer operations, cumulative earnings increased 52% against the corresponding period mainly due to strong performance of Malaysia farming operations as well as improvement in Indonesia farming operations. In addition, high input costs were partly mitigated by continued Malaysia government cost subsidy.

- d. CVS's current quarter sales increased by 23% against the corresponding period mainly due to 60 new stores opening as well as additional FM Mini set-up during the period.

Earnings increased by 16% against the corresponding period in line with higher sales but higher operating cost resulted in margin erosion.

Cumulative sales increased by 25% against the corresponding period mainly due to the same reasons as the quarterly sales.

Despite higher sales, cumulative earnings decreased by 6% against the corresponding period mainly due to higher operating cost affected by hike in labour and energy cost.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.7.2023 to	1.4.2023 to		1.7.2023 to	1.4.2023 to	
	30.9.2023	30.6.2023		30.9.2023	30.6.2023	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	363,606	347,028	5%	78,394	57,060	37%
Palm Oil and Clean Energy (POCE)	179,885	175,359	3%	13,909	11,384	22%
Integrated Livestock Farming (ILF)	871,793	822,225	6%	67,440	56,355	20%
Convenience Store Chain (CVS)	274,883	254,827	8%	16,999	11,585	47%
Total	1,690,167	1,599,439	6%	176,742	136,384	30%

- a. MPM's current quarter sales increased by 5% mainly due to sustained performance of fishing activities, fishmeal, surimi and surimi-based products in addition to recovery in aquaculture activities.

Earnings increased by 37% mainly due to the seasonal factor, strong fish landing, good fishmeal selling price as well as turnaround in aquaculture activities.

- b. POCE's current quarter sales increased marginally against the preceding quarter mainly due to higher sales recorded at BM Greentech which helped to offset lower CPO sales delivery and selling price reported by palm oil activities.

Earnings increased by 22% from the preceding quarter mainly due to higher sales and sustained margin at BM Greentech and also improved margin in palm oil activities from better yield reported by plantations despite lower selling price.

- c. ILF's current quarter sales increased by 6% against the preceding quarter mainly due to improved farm produce selling price in Indonesia and Vietnam operations as well as higher trading volume for feed raw material albeit at a lower unit selling price.

Earnings increased by 20% against the preceding quarter mainly due to sustained performance of the Malaysia operations and recovery in Indonesia and Vietnam farming operations.

- d. CVS's current quarter sales increased by 8% against the preceding quarter mainly due to 8 new stores opening and improved store operations performance.

Earning increased by 47% against the preceding quarter mainly due to higher sales as well as improved margin from operations.

B3 Prospects for the next quarter to 31st December 2023

Despite high interest rate environment and uncertain global economy outlook, the management is cautiously positive that the satisfactory business performance will continue into the coming quarter, with egg cost subsidy maintained by Malaysian government to help to mitigate high farming cost.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

	Individual quarter 3 months ended 30.9.2023	Cumulative period To date 30.9.2023
	RM'000	RM'000
Current income tax expense	44,136	80,982
Deferred tax expense	(360)	(737)
	43,776	80,245

The effective tax rate of the Group for the current quarter and cumulative period was slightly higher due to non tax deductibility of certain expenses and prior year deferred tax expense adjustment.

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 announced but not completed as at the date of this report.

B9 Group borrowings

	As at 2nd quarter ended 30.9.2023					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.694)	RM denomination	Foreign denomination (USD\$1 = RM4.694)	RM denomination	Foreign denomination (USD\$1 = RM4.694)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	2,185	-	449	-	2,634
Term loans (Islamic)	-	-	-	22,140	-	22,140
	-	2,185	-	22,589	-	24,774
Unsecured						
Term loans (Conventional)	151,633	-	168,420	-	320,053	-
Term loans (Islamic)	22,338	-	3,534	-	25,872	-
Bank overdrafts	-	-	4,004	5,801	4,004	5,801
Bankers' acceptance (Conventional)	-	-	298,296	421,914	298,296	421,914
Bankers' acceptance (Islamic)	-	-	-	45,443	-	45,443
Revolving credit	-	-	34,825	152,532	34,825	152,532
Supplier factoring facilities	-	-	-	-	-	-
Hire purchase liabilities	-	463	-	197	-	660
	173,971	463	509,079	625,887	683,050	626,350
Total	173,971	2,648	509,079	648,476	683,050	651,124

	As at 4th quarter ended 31.3.2023					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.42)	RM denomination	Foreign denomination (USD\$1 = RM4.42)	RM denomination	Foreign denomination (USD\$1 = RM4.42)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	2,409	-	445	-	2,854
Term loans (Islamic)	-	-	-	-	-	-
	-	2,409	-	445	-	2,854
Unsecured						
Term loans (Conventional)	223,841	-	239,625	-	463,466	-
Term loans (Islamic)	11,648	-	2,496	-	14,144	-
Bank overdrafts	-	-	2,408	713	2,408	713
Bankers' acceptance (Conventional)	-	-	214,657	410,334	214,657	410,334
Bankers' acceptance (Islamic)	-	-	-	66,338	-	66,338
Revolving credit	-	-	7,375	47,840	7,375	47,840
Supplier factoring facilities	-	-	-	24,937	-	24,937
Hire purchase liabilities	-	-	-	-	-	-
	235,489	-	466,561	550,162	702,050	550,162
Total	235,489	2,409	466,561	550,607	702,050	553,016

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

B10 Financial instruments

As at 30.9.2023, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 30.9.2023	Fair Value gain/ (loss) as at 30.9.2023
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	247,766	29,530
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	28,399	988
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	48,807	(952)
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	162,894	8,105
- More than 1 year		
	487,866	37,671

B11 Changes in material litigation

On 3 August 2023, QLRB's subsidiary, QL Oil ("QLO") had commenced arbitration proceedings in the Singapore International Arbitration Centre ("SIAC") against Hang Ting Pte Ltd (HT or First Respondent), and PT. Pipit Citra Perkasa (PCP or Second Respondent) (Collectively referred to as Respondents) to seek specific performance order(s) to compel the Respondents to comply with their obligations and duties under the Master Joint Venture Agreement dated 16 August 2006 ("MJVA") involving Pipit Mutiara Indah ("PMI"), an operating plantation company, and/or the relevant law and damages in relation to Respondents' breaches under MJVA.

On 4 September 2023, the Respondents had filed the Respondents' Response to the Notice of Arbitration ("RRNOA") with the Singapore International Arbitration Centre ("SIAC"). The Respondents had in the RRNOA, inter alia, counterclaimed against the QLO for alleged breaches by the QLO of the terms of the MJVA as well as oppressive conduct against the Respondents within the meaning of s. 216 of the Singapore Companies Act 1967. QLO has obtained preliminary legal advice from its Singapore counsels, and is of the view that the Respondents' counterclaims are unmeritorious.

On 12 September 2023, QLO announced to Bursa Malaysia that the General Division of the High Court of the Republic of Singapore had on 11 September 2023 granted an order that all further proceedings related to or in connection with the Singapore High Court Suit (HC/S982/2021) be stayed pending the outcome of the SIAC arbitration as announced by QLO on 3 August 2023. The Singapore lawsuit is against PCP, Ibu Juliet Kristianto Liu and the Estate of Pak Kristianto Kandi Saputro for, among other things, breach of the arbitration agreement contained in the MJVA with the intent to injure and/or cause loss to PMI, Chia Seong Fatt and/or QL Mutiara (S) Pte Ltd ("QLM") by unlawful and/or lawful means, and for conspiring and combining together to damage or destroy the financial and/or business interests of PMI, Chia and/or QLM.

There was no further progress since both Announcements.

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:

	Current quarter ended 30.9.2023	Cumulative to date 30.9.2023
(a) Net profit attributable to ordinary shareholders (RM'000)	122,643	215,451
(b) Number of ordinary shares in issue ('000)- weighted average	2,433,657	2,433,657
Basic Earnings per share (sen)	5.04	8.85