

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2024

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2024 (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 1.7.2024 to 30.9.2024		2ND QUARTER 1.7.2023 to 30.9.2023		TO-DATE 1.4.2024 to 30.9.2024		PERIOD 1.4.2023 to 30.9.2023		
		RM'000		RM'000		RM'000		RM'000	
Revenue	11%	1,872,968		1,690,167	6%	3,493,313		3,289,606	
Operating Profit	6%	272,543		257,071	7%	507,460		473,722	
Depreciation and amortisation	6%	(68,849)		(64,794)	7%	(137,577)		(129,052)	
Interest income	32%	2,687		2,028	35%	4,912		3,631	
Finance costs	-12%	(15,457)		(17,649)	-14%	(30,728)		(35,583)	
Share of profit of associates (net)		314		86		380		408	
Profit Before Taxation	8%	191,238		176,742	10.0%	344,447		313,126	
Less: Tax expense		(51,523)	(Effective tax rate) 26.9%	(43,776)	(Effective tax rate) 24.8%	(91,221)	(Effective tax rate) 26.5%	(80,245)	(Effective tax rate) 25.6%
Profit for the period	5%	139,715		132,966	9%	253,226		232,881	
Attributable to:									
Shareholders of the Company	5%	128,281		122,643	9%	235,710		215,451	
Minority interests		11,434	5.98% (% against PBT)	10,323	5.84% (% against PBT)	17,516	5.09% (% against PBT)	17,430	5.57% (% against PBT)
Profit for the period		139,715		132,966		253,226		232,881	
Number of shares in issue ('000)		3,649,135		3,649,135		3,649,135		3,649,135	
Earnings per share:									
Basic earnings per ordinary shares (sen)	5%	3.52		3.36	9%	6.46		5.90	
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 2024 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 30.9.2024

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2024 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER	
	% increase against last period	2ND QUARTER 1.7.2024 to 30.9.2024		1ST QUARTER 1.4.2024 to 30.6.2024	
		RM'000		RM'000	
Revenue	16%	1,872,968		1,620,345	
Operating Profit	16%	272,543		234,917	
Depreciation and amortisation	0%	(68,849)		(68,728)	
Interest income	21%	2,687		2,225	
Finance costs	1%	(15,457)		(15,271)	
Share of profit of associates (net)		314		66	
Profit Before Taxation	25%	191,238		153,209	
Less: Tax expense		(51,523)	(Effective tax rate) 26.9%	(39,698)	(Effective tax rate) 25.9%
Profit for the period	23%	139,715		113,511	
Attributable to:					
Shareholders of the Company	19%	128,281		107,429	
Minority interests		11,434	5.98% (% against PBT)	6,082	3.97% (% against PBT)
Profit for the period		139,715		113,511	
Number of shares in issue ('000)		3,649,135		3,649,135	
Earnings per share:					
Basic earnings per ordinary shares (sen)	19%	3.52		2.94	
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 2024 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2024 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2ND QUARTER 1.7.2024 to 30.9.2024 RM'000	2ND QUARTER 1.7.2023 to 30.9.2023 RM'000	TO-DATE 1.4.2024 to 30.9.2024 RM'000	PERIOD 1.4.2023 to 30.9.2023 RM'000
Profit for the period	139,715	132,966	253,226	232,881
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(45,420)	(17,754)	(60,729)	20,026
Cash flow hedge	(1,228)	(280)	(1,951)	(543)
Total comprehensive income for the period	93,067	114,932	190,546	252,364
Total comprehensive income attributable to:				
Shareholders of the Company	78,675	105,955	172,157	235,143
Minority interests	14,392	8,977	18,389	17,221
Total comprehensive income for the period	93,067	114,932	190,546	252,364

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2024 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 30.9.2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2024 RM'000 Unaudited	As at 31.3.2024 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,317,483	2,340,572
Right-of-use assets	521,594	527,367
Investment properties	61,153	60,670
Intangible assets	126,571	126,554
Investment in associates	6,936	6,556
Other investments	330	-
Deferred tax assets	31,303	24,244
Trade and other receivables	21,023	23,539
	<u>3,086,393</u>	<u>3,109,502</u>
Current Assets		
Biological assets	255,636	246,712
Inventories	63 days 919,663	63 days 883,970
Contract assets	42,278	45,936
Contract costs	2,588	1,863
Current tax assets	20,247	31,007
Trade receivables	26 days 497,844	31 days 558,142
Other receivables, assets and prepayment	178,648	174,035
Derivative financial assets	4,195	22,294
Cash and cash equivalents	482,847	397,805
Assets classified as held for sale	2,150	5,557
	<u>2,406,096</u>	<u>2,367,321</u>
Total Assets	<u>5,492,489</u>	<u>5,476,823</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	620,025	620,025
Treasury shares	(5,882)	-
Reserves	2,410,307	2,322,615
Equity attributable to shareholders of the Company	<u>3,024,450</u>	<u>2,942,640</u>
Minority interests	262,144	255,179
Total Equity	<u>3,286,594</u>	<u>3,197,819</u>
Non-Current Liabilities		
Long term borrowings (LT Debts/Total Equity)	3% 92,759	2% 70,821
Lease liabilities	190,048	193,223
Other payables	8,008	7,537
Employee benefits	14,614	16,359
Deferred tax liabilities	184,540	182,504
	<u>489,969</u>	<u>470,444</u>
Current Liabilities		
Short term-bankers acceptance	656,850	707,758
Other short term borrowings	176,730	289,780
Lease liabilities	33,460	32,598
Trade and other payables	663,857	668,734
Contract liabilities	125,680	72,072
Derivative financial liabilities	9,042	120
Taxation	50,307	37,498
	<u>1,715,926</u>	<u>1,808,560</u>
Total Liabilities	<u>2,205,895</u>	<u>2,279,004</u>
Total Equity and Liabilities	<u>5,492,489</u>	<u>5,476,823</u>
Net Assets per share (RM)	<u>0.83</u>	<u>0.81</u>
Based on number of shares:(000)	<u>3,649,135</u>	<u>3,649,135</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2024 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 30.9.2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2024

	←-----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
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 2024 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30.9.2024

6 months ended 30.9.2024	←-----Non-Distributable-----→				Distributable		Non-controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Translation reserves RM'000	Hedging reserve RM'000	Retained Profit RM'000	Attributable to shareholders of the Company RM'000		
At 1.4.2024	620,025	-	(41,442)	216	2,363,841	2,942,640	255,179	3,197,819
Foreign currency translation differences for foreign operations	-	-	(60,841)	-	-	(60,841)	112	(60,729)
Cash flow hedge	-	-	-	(2,712)	-	(2,712)	761	(1,951)
Total other comprehensive income/(expenses) for the year	-	-	(60,841)	(2,712)	-	(63,553)	873	(62,680)
Profit for the period	-	-	-	-	235,710	235,710	17,516	253,226
Total comprehensive income/(expenses) for the period	-	-	(60,841)	(2,712)	235,710	172,157	18,389	190,546
<i>Contribution by and distributions to owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	-	(85,146)	(85,146)	-	(85,146)
- Dividends paid to non-controlling interests	-	-	-	-	-	-	(10,743)	(10,743)
- Acquisition of treasury shares	-	(5,882)	-	-	-	(5,882)	-	(5,882)
- Acquisition of non-controlling interests	-	-	-	-	(36)	(36)	36	-
- Changes in ownership of non-controlling interests	-	-	-	-	717	717	(717)	-
Total transactions with owners of the Company	-	(5,882)	-	-	(84,465)	(90,347)	(11,424)	(101,771)
At 30.9.2024	620,025	(5,882)	(102,283)	(2,496)	2,515,086	3,024,450	262,144	3,286,594

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30.9.2024

	Period ended 30.9.2024 RM'000	Period ended 30.9.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	344,447	313,126
Adjustments for:		
Depreciation & amortisation	137,577	129,052
Increase in working capital	68,287	513
Income tax paid	(70,292)	(47,674)
Other non-cash items	(40,788)	20,680
Net cash generated from operating activities	439,231	415,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(150,079)	(203,969)
Others	-	(3)
Net cash used in investing activities	(150,079)	(203,972)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(90,816)	(10,260)
Payment of lease liabilities	(21,769)	(20,581)
Dividend paid to minority interest	(10,743)	(25,258)
Dividend paid to shareholders	(85,146)	(85,178)
Acquisition of treasury shares	(5,882)	-
Others	36	17,115
Net cash used in financing activities	(214,320)	(124,162)
Net increase in cash and cash equivalents	74,832	87,563
Cash and cash equivalents at 1 April	392,381	343,188
Cash and cash equivalents at 30 September	467,213	430,751

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2024 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 2024.

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 2024 except for the adoption of the followings:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

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) Integrated livestock farming activities are not significantly affected in any of the quarters.
- 3) Convenience store chain activities are affected by festive season holidays especially Ramadan, in addition to new stores opening.
- 4) 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.

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 3 years quarterly data, our average seasonal earnings index is as follows:

Q1 April to June	0.21
Q2 July to September	0.26
Q3 October to December	0.29
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 other than the following:-

Treasury shares

During the financial period ended 30 September 2024, the Company repurchased 1,350,000* of its issued ordinary shares from the open market at an average price of RM4.36 per share with internally generated funds. The shares repurchased are being held as treasury shares.

The number of treasury shares bought back and held in hand as at 30 September 2024 are as follows:

Month of Repurchase	Price per share (RM) *			Number of shares *	Amount (RM'000)
	Lowest	Highest	Average		
August 2024	4.27	4.40	4.36	1,350,000	5,882

Note: *after adjusting for Bonus Issue at 1 for 2 which was completed on 19 September 2024

A6. Dividend paid

In respect of the financial year ended 31 March 2024, a final single tier dividend of 3.50 sen per ordinary share totalling approximately RM85.15 million was approved at the AGM held on 29 August 2024 and paid on 23 September 2024.

A7. Segmental information

Segment information in respect of the Group's business segments for the 2nd quarter ended 30.9.2024

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	391,502	71,413
Integrated Livestock Farming	993,189	79,453
Convenience Store Chain	301,421	15,997
Palm Oil and Clean Energy	186,856	24,375
Total	<u>1,872,968</u>	<u>191,238</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

On 11 July 2024, BM Greentech Berhad ("BM Greentech") being a subsidiary of QL Green Resources Sdn. Bhd. ("QLGR", a wholly-owned subsidiary of the Group) had entered into a conditional share acquisition agreement ("**SAA**") with the Vendors to acquire 66,600,000 ordinary shares in Plus Xnergy Holdings Sdn Bhd ("PXH"), representing 100% equity interest in PXH, for a purchase consideration of RM110.0 million to be satisfied via an issuance and allotment of 81,481,482 new BM Greentech Shares ("**Consideration Share(s)**") at an issue price of RM1.35 per Consideration Share ("**Issue Price**") ("**Proposed Acquisition**");

In conjunction with the Proposed Acquisition, BM Greentech shall also undertake a proposed special issuance of 90,312,918 new BM Greentech Shares ("**Placement Share(s)**") to QLGR at the same price as the Issue Price (i.e. RM1.35 per Placement Share) with the aim to maintain QLGR's current shareholdings at 52.57% equity interest to ensure that BM Greentech remains a subsidiary of QL group upon allotment and issuance of the Consideration Shares. For avoidance of doubt, the allotment and issuance of the Consideration Shares and Placement Shares will be implemented concurrently ("**Proposed Special Issuance to QL**"); and

Upon completion of the Proposed Acquisition and Proposed Special Issuance to QL, BM Greentech proposes to undertake the proposed bonus issue of up to 171,948,600 warrants in BM Greentech ("**Warrant(s)**") on the basis of 1 Warrant for every 4 existing BM Greentech Shares held by the shareholders whose names appear in the Record of Depositors of BM Greentech on the entitlement date to be determined and announced later ("**Proposed Bonus Issue of Warrants**").

On 29 Oct 2024, BM Greentech announced that the Proposed Acquisition and Proposed Special Issuance to QL have been completed following the issuance and allotment of 81,481,482 Consideration Shares and the listing of 90,312,918 Placement Shares on the Main Market of Bursa Securities on 25 October 2024.

On 22 November 2024, BM Greentech further announced that the Exercise Price of Warrant(s) has been fixed at RM1.88 per Warrant and the Entitlement Date and Listing Date of Warrant(s) are set at 6 December 2024 and 16 December 2024 respectively.

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
	1.7.2024 to 30.9.2024	1.7.2023 to 30.9.2023		1.4.2024 to 30.9.2024	1.4.2023 to 30.9.2023	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	391,502	363,606	8%	726,615	710,634	2%
Integrated Livestock Farming (ILF)	993,189	871,793	14%	1,810,942	1,694,018	7%
Convenience Store Chain (CVS)	301,421	274,883	10%	611,242	529,710	15%
Palm Oil and Clean Energy (POCE)	186,856	179,885	4%	344,514	355,244	-3%
Total	1,872,968	1,690,167	11%	3,493,313	3,289,606	6%
	1.7.2024 to 30.9.2024	1.7.2023 to 30.9.2023		1.4.2024 to 30.9.2024	1.4.2023 to 30.9.2023	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	71,413	78,394	-9%	129,270	135,454	-5%
Integrated Livestock Farming (ILF)	79,453	67,440	18%	140,098	123,795	13%
Convenience Store Chain (CVS)	15,997	16,999	-6%	36,498	28,584	28%
Palm Oil and Clean Energy (POCE)	24,375	13,909	75%	38,581	25,293	53%
Total	191,238	176,742	8%	344,447	313,126	10%

- a. MPM's current quarter sales increased by 8% against the corresponding quarter mainly due to higher sales volume achieved for fishmeal, surimi and surimi-based products albeit at a lower unit price across all activities caused by weaker USD as well as weak performance reported for fishing and aquaculture activities.

Despite improved profitability from fishmeal and surimi contributed by higher sales volume, earnings were 9% lower than the corresponding quarter mainly due to under performance of other activities as well as export margin erosion from the weakening of USD.

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

Cumulative earnings decreased by 5% mainly due to the same reasons as the quarterly earnings.

- b. ILF's current quarter sales increased by 14% against the corresponding quarter mainly due to substantially higher sales volume for feed raw materials trading and increase in egg production volume contributed by newly acquired Peninsular layer farm in quarter 3 FY2024 despite lower unit price for feed raw materials trading and lower egg ceiling price in Malaysia.

Despite lower egg selling price and feed raw material trading price in Malaysia, earnings were 18% higher than the corresponding quarter mainly due to substantially higher feed raw material trading volume with stable margin, better performance of Malaysia layer operations supported by lower feed cost and egg cost subsidy as well as improved performance of Indonesia operations.

Cumulative sales increased by 7% against the corresponding period mainly due to the same reasons as the quarterly sales.

Cumulative earnings increased 13% against the corresponding period mainly due to the same reasons as the quarterly earnings.

- c. CVS's current quarter sales increased by 10% against the corresponding quarter mainly due to net increase of 34 stores and 41 FM Mini despite marginal decline in average store sales.

Earnings were marginally lower against the corresponding quarter mainly due to lower average store sales.

Cumulative sales increased by 15% against the corresponding period mainly due to net increase in stores and higher average store sales during the festives and also positive impact from initial EPF Account 3 withdrawal in the first quarter.

Cumulative earnings increased by 28% against the corresponding period mainly driven by higher average store sales in the first quarter.

- d. POCE's current quarter sales were marginally higher against the corresponding quarter due to higher project progress especially solar energy project delivery reported by BM Greentech which helped to mitigate weaker performance of palm oil activities affected by lower FFB tonnage produced and processed despite higher CPO price.

However, earnings were 75% higher than the corresponding quarter mainly due to higher margin at BM Greentech especially solar energy projects. In addition, palm oil activities reported improved margin helped by higher CPO price and favorable FX translation despite lower FFB tonnage produced and processed.

Cumulative sales were marginally lower against the corresponding period mainly due to slower project progress at BM Greentech affected by festive holidays in first quarter as well as lower FFB tonnage produced and processed under POA.

However, cumulative earnings were 53% higher than the corresponding period mainly due to the same reasons as the quarterly earnings.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.7.2024 to	1.4.2024 to		1.7.2024 to	1.4.2024 to	
	30.9.2024	30.6.2024		30.9.2024	30.6.2024	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	391,502	335,113	17%	71,413	57,857	23%
Integrated Livestock Farming (ILF)	993,189	817,753	21%	79,453	60,645	31%
Convenience Store Chain (CVS)	301,421	309,821	-3%	15,997	20,501	-22%
Palm Oil and Clean Energy (POCE)	186,856	157,658	19%	24,375	14,206	72%
Total	1,872,968	1,620,345	16%	191,238	153,209	25%

- a. MPM's current quarter sales increased by 17% against the preceding quarter mainly due to higher sales volume of fishmeal and surimi despite at a lower unit price. Meanwhile, surimi-based products sustained its performance with stable volume and price.

Earnings increased by 23% mainly due to improved margin from lower input cost for fishmeal and surimi despite margin erosion from weaker USD for surimi-based products export.

- b. ILF's current quarter sales increased by 21% against the preceding quarter mainly due to substantially higher sales volume for feed raw material trading albeit at a lower unit price.

Earnings improved by 31% against the preceding quarter mainly due to substantially higher sales volume with stable margin for feed raw material trading, better performance of Malaysia layer operations with lower feed cost and egg cost subsidy as well as improved performance of Indonesia and Vietnam farming operations.

- c. Despite net increase of 8 stores and 13 FM Mini, CVS's current quarter sales decreased marginally against the preceding quarter mainly due to normalized average store sales from the seasonal festives demand surge as well as the positive impact of EPF Account 3 withdrawal scheme during the first quarter.

Earnings decreased by 22% against the preceding quarter due to lower average store sales.

- d. POCE's current quarter sales increased by 19% against the preceding quarter mainly due to higher project progress especially solar energy projects delivery at BM Greentech despite lower FFB tonnage produced and processed and slower CPO sales delivery at POA.

Earnings increased by 72% from the preceding quarter mainly due to overall higher project progress and improved margin from project mix at BM Greentech as well as better performance in palm oil activities helped by higher CPO price and favorable FX translation.

B3 Prospects for the next quarter to 31st December 2024

Despite continued Middle East tension, anticipated increase in US trade protectionism policies under the incoming Trump administration, heightened US-China trade war and uncertain global economy outlook as well as weakened domestic consumer spending, the management is cautiously positive that the business performance will remain satisfactory in the coming quarter with the continued egg cost subsidy and ceiling price mechanism in Malaysia.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

	Individual quarter 3 months ended 30.9.2024 RM'000	Cumulative period To date 30.9.2024 RM'000
Current income tax expense	46,666	91,668
Deferred tax expense	4,857	(447)
	51,523	91,221

The effective tax rate of the Group for the current quarter is higher mainly due to provision for global minimum tax impact at Vietnam subsidiaries and tax provision on unrealized FX gain based on Indonesia 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

The Company issued 1,216,827,826 new ordinary shares pursuant to the bonus issue on the basis of (1) one bonus shares for every (2) two existing ordinary shares held in the Company. The bonus issue exercise was completed on 19 September 2024 following the listing and quotation of the 1,216,827,826 bonus shares issued pursuant to the bonus issue on the Main Market of Bursa Malaysia Securities Berhad.

B9 Group borrowings

	As at 2nd quarter ended 30.9.2024					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.125)	RM denomination	Foreign denomination (USD\$1 = RM4.125)	RM denomination	Foreign denomination (USD\$1 = RM4.125)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	1,730	-	457	-	2,187
Bankers' acceptance (Conventional)	-	-	-	6,334	-	6,334
	-	1,730	-	6,791	-	8,521
Unsecured						
Term loans (Conventional)	30,119	-	88,262	-	118,381	-
Term loans (Islamic)	59,837	-	5,168	-	65,005	-
Bank overdrafts	-	-	4,622	10,816	4,622	10,816
Bankers' acceptance (Conventional)	-	-	244,339	343,670	244,339	343,670
Bankers' acceptance (Islamic)	-	-	-	62,507	-	62,507
Revolving credit	-	-	28,058	39,000	28,058	39,000
Supplier factoring facilities	-	-	-	-	-	-
Hire purchase liabilities	-	1,073	-	347	-	1,420
	89,956	1,073	370,449	456,340	460,405	457,413
Total	89,956	2,803	370,449	463,131	460,405	465,934

	As at 4th quarter ended 31.3.2024					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.723)	RM denomination	Foreign denomination (USD\$1 = RM4.723)	RM denomination	Foreign denomination (USD\$1 = RM4.723)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	1,957	-	453	-	2,410
Bankers' acceptance (Conventional)	-	-	-	5,322	-	5,322
	-	1,957	-	5,775	-	7,732
Unsecured						
Term loans (Conventional)	48,953	-	180,812	-	229,765	-
Term loans (Islamic)	19,911	-	4,343	-	24,254	-
Bank overdrafts	-	-	4,649	580	4,649	580
Bankers' acceptance (Conventional)	-	-	284,231	356,335	284,231	356,335
Bankers' acceptance (Islamic)	-	-	-	61,870	-	61,870
Revolving credit	-	-	27,450	63,201	27,450	63,201
Supplier factoring facilities	-	-	-	8,292	-	8,292
Hire purchase liabilities	-	-	-	-	-	-
	68,864	-	501,485	490,278	570,349	490,278
Total	68,864	1,957	501,485	496,053	570,349	498,010

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

B10 Financial instruments

As at 30.9.2024, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 30.9.2024	Fair Value gain/ (loss) as at 30.9.2024
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	143,099	(6,311)
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	5,294	58
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	83,748	4,275
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	79,802	(2,714)
- More than 1 year		
	311,943	(4,692)

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.

The arbitration proceedings are still on ongoing with both parties are in the process of filing their respective pleadings/written statements for deliberations and hearings.

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 30.9.2024	Cumulative to date 30.9.2024
(a) Net profit attributable to ordinary shareholders (RM'000)	128,281	235,710
(b) Number of ordinary shares in issue ('000)- weighted average	3,649,135	3,649,135
Basic Earnings per share (sen)	3.52	6.46