

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2018 (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	
	3RD QUARTER 1.10.2018 to 31.12.2018		3RD QUARTER 1.10.2017 to 31.12.2017		TO-DATE 1.4.2018 to 31.12.2018		PERIOD 1.4.2017 to 31.12.2017	
	% increase against last period	RM'000	RM'000	Restated	% increase against last period	RM'000	RM'000	Restated
Revenue	10%	978,858	892,018		10%	2,715,288	2,479,403	
Operating Profit	30%	152,925	118,044		15%	360,967	312,744	
Depreciation and amortisation	53%	(48,742)	(31,906)		23%	(118,816)	(96,553)	
Interest income	-23%	2,009	2,596		6%	6,358	5,995	
Finance costs	34%	(16,160)	(12,058)		31%	(45,366)	(34,711)	
Share of profit of associates (net)		2,933	2,439			7,999	6,940	
Profit Before Taxation	18%	92,965	79,115		9%	211,142	194,415	
Less: Tax expense		(17,675)	(15,409)	(Effective tax rate) 19%		(30,710)	(29,754)	(Effective tax rate) 15%
Profit for the period	18%	75,290	63,706		10%	180,432	164,661	
Attributable to:								
Shareholders of the Company	16%	69,137	59,435		11%	173,516	156,130	
Minority interests		6,153	4,271	(Effective tax rate) 7% (% against PBT)		6,916	8,531	(Effective tax rate) 3% (% against PBT)
Profit for the period		75,290	63,706	(Effective tax rate) 5% (% against PBT)		180,432	164,661	(Effective tax rate) 4% (% against PBT)
Number of shares in issue ('000)		1,622,438	1,622,438			1,622,438	1,622,438	
Earnings per share:								
Basic earnings per ordinary shares (sen)	16%	4.26	3.66		11%	10.69	9.62	
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 2018 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2018 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER
	<i>% increase against last period</i>	3RD QUARTER 1.10.2018 to 31.12.2018		2ND QUARTER 1.7.2018 to 30.9.2018
		RM'000		RM'000
Revenue	6%	978,858		920,255
Operating Profit	35%	152,925		113,548
Depreciation and amortisation	37%	(48,742)		(35,581)
Interest income	-18%	2,009		2,463
Finance costs	0%	(16,160)		(16,151)
Share of profit of associates (net)		2,933		2,720
Profit Before Taxation	39%	92,965		66,999
Less: Tax expense		(17,675)	(Effective tax rate) 19.0%	(5,513) 8.2%
Profit for the period	22%	75,290		61,486
Attributable to:				
Shareholders of the Company	14%	69,137		60,517
Minority interests		6,153	6.62% (% against PBT)	969 1.45% (% against PBT)
Profit for the period		75,290		61,486
Number of shares in issue ('000)		1,622,438		1,622,438
Earnings per share:				
Basic earnings per ordinary shares (sen)	14%	4.26		3.73
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 2018 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2018 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	3RD QUARTER 1.10.2018 to 31.12.2018 RM'000	3RD QUARTER 1.10.2017 to 31.12.2017 RM'000	TO-DATE 1.4.2018 to 31.12.2018 RM'000	1.4.2017 to 31.12.2017 RM'000
		Restated		Restated
Profit for the period	75,290	63,706	180,432	164,661
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	25,397	(36,025)	2,350	(66,901)
Fair value of available-for-sale financial assets	-	-	-	(59)
Share of gain/(loss) of equity-accounted associates	7	1,080	(1,762)	2,372
Cash Flow Hedge	(1,996)	(7,881)	(3,499)	(17,276)
Total comprehensive income for the period	98,698	20,880	177,521	82,797
Total comprehensive income attributable to:				
Shareholders of the Company	92,436	20,511	180,979	80,098
Minority interests	6,262	369	(3,458)	2,699
Total comprehensive income for the period	98,698	20,880	177,521	82,797

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2018 RM'000 Unaudited		As at 31.3.2018 RM'000 Restated		As at 1.4.2017 RM'000 Restated
ASSETS					
Property, plant and equipment	1,871,477		1,800,007		1,675,590
Investment properties	36,500		22,732		23,671
Prepaid lease payments	56,172		57,600		57,777
Intangible assets	10,494		10,617		11,067
Investment in associates	134,283		131,258		116,156
Deferred tax assets	17,838		2,172		799
Other receivables	7,549		10,033		8,056
	<u>2,134,313</u>		<u>2,034,419</u>		<u>1,893,116</u>
Current Assets					
Biological assets	186,846		168,480		157,692
Inventories	77 days 618,838	53 days	376,289	60 days	405,728
Current tax assets	21,057		25,273		15,963
Trade receivables	35 days 350,806	35 days	311,936	37 days	307,280
Other receivables, assets and prepayment	121,709		92,678		98,968
Derivative financial assets	-		242		6,894
Cash and cash equivalents	286,928		304,028		306,907
Assets classified as held for sale	8,593		7,043		110
	<u>1,594,777</u>		<u>1,285,969</u>		<u>1,299,542</u>
Total Assets	<u>3,729,090</u>		<u>3,320,388</u>		<u>3,192,658</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	620,025		620,025		620,025
Reserves	1,291,206		1,183,237		1,153,416
Equity attributable to shareholders of the Company	<u>1,911,231</u>		<u>1,803,262</u>		<u>1,773,441</u>
Minority interests	69,539		75,368		71,242
Total Equity	<u>1,980,770</u>		<u>1,878,630</u>		<u>1,844,683</u>
Non-Current Liabilities					
Long term borrowings (LT Debts/Total Equity)	30% 603,782	29%	548,204	19%	344,077
Payables	-		208		-
Employee benefits	7,501		6,282		4,483
Deferred tax liabilities	104,935		98,332		96,707
	<u>716,218</u>		<u>653,026</u>		<u>445,267</u>
Current Liabilities					
Short term-bankers acceptance	318,895		254,393		283,752
Other short term borrowings	338,618		211,527		295,959
Payables	358,734		283,040		313,394
Derivative financial liabilities	6,253		34,339		28
Taxation	9,602		5,433		9,575
	<u>1,032,102</u>		<u>788,732</u>		<u>902,708</u>
Total Liabilities	<u>1,748,320</u>		<u>1,441,758</u>		<u>1,347,975</u>
Total Equity and Liabilities	<u>3,729,090</u>		<u>3,320,388</u>		<u>3,192,658</u>
Net Assets per share (RM)	1.18		1.11		1.09
Based on number of shares:('000)	<u>1,622,438</u>		<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 2018 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2018

	<-----Non-Distributable----->			Distributable		Non-controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Translation reserves RM'000	Hedging reserve RM'000	Retained Profit RM'000	Attributable to shareholders of the Company RM'000		
9 months ended 31.12.2018							
At 1.4.2018, as previously reported	620,025	(88,801)	558	1,260,818	1,792,600	98,331	1,890,931
Effect of transition to MFRS Framework and adoption of new MFRSs (see Note A1)	-	(14,219)	-	24,881	10,662	(22,963)	(12,301)
At 1.4.2018, as restated	620,025	(103,020)	558	1,285,699	1,803,262	75,368	1,878,630
Foreign currency translation differences for foreign operations	-	12,724	-	-	12,724	(10,374)	2,350
Fair value of available-for-sale financial assets	-	-	-	-	-	-	-
Share on gain of equity-accounted associates	-	-	(1,762)	-	(1,762)	-	(1,762)
Cash flow hedge	-	-	(3,499)	-	(3,499)	-	(3,499)
Total other comprehensive income/(expenses) for the year	-	12,724	(5,261)	-	7,463	(10,374)	(2,911)
Profit for the year	-	-	-	173,516	173,516	6,916	180,432
Total comprehensive income/(expenses) for the period	-	12,724	(5,261)	173,516	180,979	(3,458)	177,521
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(73,010)	(73,010)	-	(73,010)
- Dividends paid to non-controlling interest	-	-	-	-	-	(2,371)	(2,371)
Total transactions with owners of the Company	-	-	-	(73,010)	(73,010)	(2,371)	(75,381)
At 31.12.2018	620,025	(90,296)	(4,703)	1,386,205	1,911,231	69,539	1,980,770

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2018 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 3RD QUARTER ENDED 31.12.2018 (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2018

	<-----Non-Distributable----->				Distributable		Total Equity RM'000	
	Share capital RM'000	Translation reserves RM'000	Fair value reserves RM'000	Hedging reserve RM'000	Retained Profit RM'000	Attributable to shareholders of the Company RM'000		Non- controlling interests RM'000
9 months ended 31.12.2017								
At 1.4.2017, as previously reported	620,025	16,405	-	(2,303)	1,114,179	1,748,306	93,305	1,841,611
Effect of transition to MFRS Framework and adoption of new MFRSs (see Note A1)	-	(16,405)	-	-	41,540	25,135	(22,063)	3,072
At 1.4.2017, as restated	620,025	-	-	(2,303)	1,155,719	1,773,441	71,242	1,844,683
Foreign currency translation differences for foreign operations	-	(61,069)	-	-	-	(61,069)	(5,832)	(66,901)
Fair value of available-for-sale financial assets	-	-	(59)	-	-	(59)	-	(59)
Share on gain of equity-accounted associates	-	-	-	2,372	-	2,372	-	2,372
Cash flow hedge	-	-	-	(17,276)	-	(17,276)	-	(17,276)
Total other comprehensive income/(expenses) for the year	-	(61,069)	(59)	(14,904)	-	(76,032)	(5,832)	(81,864)
Profit for the year	-	-	-	-	156,130	156,130	8,531	164,661
Total comprehensive income/(expenses) for the period	-	(61,069)	(59)	(14,904)	156,130	80,098	2,699	82,797
<i>Contribution by and distributions to owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	-	(53,041)	(53,041)	-	(53,041)
- Dividends paid to non-controlling interest	-	-	-	-	-	-	(2,186)	(2,186)
Total transactions with owners of the Company	-	-	-	-	(53,041)	(53,041)	(2,186)	(55,227)
At 31.12.2017	620,025	(61,069)	(59)	(17,207)	1,258,808	1,800,498	71,755	1,872,253

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2018 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 3RD QUARTER ENDED 31.12.2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.12.2018

	3rd quarter ended 31.12.2018 RM'000	3rd quarter ended 31.12.2017 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	211,142	194,415
Adjustments for:		
Depreciation & amortisation	118,816	96,553
(Increase)/Decrease in working capital	(215,548)	(43,481)
Income tax paid	(13,119)	(29,507)
Other non-cash items	(34,873)	(82,971)
Net cash generated from/(used in) operating activities	66,418	135,009
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(165,031)	(195,707)
Others	1,428	(4,518)
Net cash generated from/(used in) investing activities	(163,603)	(200,225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	156,633	159,242
Dividend paid to minority interest	(2,372)	(2,186)
Dividend paid to shareholders	(73,010)	(90,482)
Others	-	(1)
Net cash generated from/(used in) financing activities	81,251	66,573
Net (decrease)/increase in cash and cash equivalents	(15,934)	1,357
Cash and cash equivalents at 1.4.2018	282,285	281,580
Cash and cash equivalents at 31.12.2018	266,351	282,937

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2018 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 2018. For the periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs"). The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018 except for the effect of the transition from FRSs to MFRSs and the adoption of new MFRSs, amendments to standards and IC Interpretations as disclosed below.

The Group has adopted the new Malaysian Financial Reporting Standards ("MFRSs") Framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 April 2018. For the periods up to, and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs") Framework as allowed by MASB as it includes transitioning entities.

The interim financial report of the Group for the current quarter ended 30 June 2018 is the first set of interim financial report prepared in accordance with the MFRSs Framework, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards". Subject to certain transition elections and the effects of adoption of MFRS 141 and MFRS 9 as disclosed below, the requirements under FRSs and MFRSs are similar. The Group has consistently applied the same accounting policies in its opening MFRSs statement of financial position as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

A) Transition from FRSs to MFRSs

(i) MFRS 1 exemption options

As provided in MFRS 1, first time adopters of MFRSs can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the following exemptions:

a) Exemption for business combinations

The Group has elected to apply MFRS 3 "Business Combination" prospectively from the date FRS 3 "Business Combinations" was adopted on 1 April 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 "Consolidated Financial Statements" on the same date as FRS 3. This election does not have any impact to the Group.

b) Assets and liabilities of subsidiaries, joint ventures and associates

The assets and liabilities of subsidiaries, joint ventures and associates which have adopted the MFRS Framework or International Financial Reporting Standards ("IFRS") earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments.

c) Exemption for cumulative foreign currency translation differences

The Group has elected to apply optional exemption for cumulative foreign currency translation differences and deemed the cumulative translation differences arising on the translation of a foreign operation recognised as a separate component of equity to be zero at the date of transition, and reclassify any amounts recognised in accordance with FRSs at that date to retained earnings.

d) MFRS 9 "Financial Instruments"

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 "Financial Instrument: Recognition and Measurement" and FRS 7 "Financial Instrument: Disclosures" for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained earnings and other reserve as at 1 April 2018.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRSs statement of financial position as at 1 April 2017 and throughout all periods presented in the interim financial report.

(ii)(a) Effect of adoption of MFRS 141, Agriculture

MFRS 141, Agriculture prescribes the accounting treatment, financial statements presentation and disclosures related to agricultural activity. It requires biological assets (except for bearer plants) to be measured at fair value less costs to sell from initial recognition of biological assets up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. Gains and losses arising on the initial recognition of biological assets at fair value less costs to sell and changes in fair value less costs to sell are recognised on the statement of profit or loss in the period in which they arise.

Prior to the adoption of MFRS 141 Agriculture, produce growing - fresh fruit bunches on bearer plants was not recognised and the livestock was measured at lower of amortised cost and net realisable value. Following the adoption of MFRS 141 Agriculture, produce growing - fresh fruit bunches on bearer plants and livestock (except for shrimp) are measure at fair value less cost to sell with fair value changes recognised in profit or loss as the biological assets transformation take place. Shrimp livestock are measure at cost less accumulated impairment losses due to the market prices or fair value at present conditions of these biological assets are unavailable and the valuation based on discounted cash flow method is considered unreliable given the uncertainty with respect to external factors.

(ii)(b) Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments to MFRS 116 and MFRS 141, Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116, Property, Plant and Equipment. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). Under FRS accounting framework, the Group capitalised all the new planting expenditure incurred from land clearing to the point of harvesting under plantation development expenditure and was not amortised and the replanting expenditure, which represents cost incurred in replanting old planted areas, was charged to profit or loss. Hence, the effect of adoption of Amendments to MFRS 116 and MFRS 141 would result in reclassification of bearer plants from biological assets – plantation development expenditure to property, plant and equipment and additional depreciation on property, plant and equipment.

B) Adoption of new MFRSs, amendments to standards and IC interpretations

Following the adoption of MFRSs framework, the Group has adopted the following new accounting standards and amendments to standards which are applicable and effective for annual periods beginning on 1 January 2018:

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

The adoption of these new MFRSs, amendments and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

(i) MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

Under MFRS 9, there are three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and cash flow characteristics of the financial assets. Investment in equity instruments are always measured at fair value through profit or loss with an irrecoverable option at inception to present changes in fair value in OCI. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cashflow and the cash flow represent principle and interest.

Currently, the Group classifies and measures financial assets and liabilities based on amortised cost. Upon adoption of MFRS 9, the Group does not expect the new guidance to affect the classification and measurement of these financial instruments.

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments. Upon the adoption of MFRS 9, the impairment allowance on receivables has increased.

The effects of the adoption of transition from FRSs to MFRSs and adoption of new MFRSs, amendments to standards and IC interpretations are as follow:

Condensed Consolidated Income Statements

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
Quarter ended 31 December 2017					
Operating profit	115,203	-	2,841	-	118,044
Depreciation and amortisation	(30,362)	-	(1,544)	-	(31,906)
Profit before taxation	77,818	-	1,297	-	79,115
Taxation	(14,721)	-	(688)	-	(15,409)
Profit for the period	63,097	-	609	-	63,706
Profit/(Loss) attributable to:					
Owners of the Company	57,855	-	1,580	-	59,435
Non-controlling interests	5,242	-	(971)	-	4,271
Number of shares in issue ('000)	1,622,438				1,622,438
Earnings per share (sen):					
- Basic	3.57				3.66

9 months ended 31 December 2017

Operating profit	312,997	-	(253)	-	312,744
Depreciation and amortisation	(91,793)	-	(4,760)	-	(96,553)
Profit before taxation	199,428	-	(5,013)	-	194,415
Taxation	(29,844)	-	90	-	(29,754)
Profit for the period	169,584	-	(4,923)	-	164,661
Profit/(Loss) attributable to:					
Owners of the Company	159,872	-	(3,742)	-	156,130
Non-controlling interests	9,712	-	(1,181)	-	8,531
Number of shares in issue ('000)	1,622,438				1,622,438
Earnings per share (sen):					
- Basic	9.85				9.62

Condensed Consolidated Statement of Comprehensive Income

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
Quarter ended 31 December 2017					
Profit for the financial period	63,097	-	609	-	63,706
Foreign currency translation differences ("FCTR")	(34,873)	-	(1,152)	-	(36,025)
Total comprehensive income for the period	21,423	-	(543)	-	20,880
Total comprehensive income attributable to:					
Owners of the Company	20,326	-	185	-	20,511
Non-controlling interests	1,097	-	(728)	-	369
9 months ended 31 December 2017					
Profit for the financial period	169,584	-	(4,923)	-	164,661
Foreign currency translation differences ("FCTR")	(66,167)	-	(734)	-	(66,901)
Total comprehensive income for the period	88,454	-	(5,657)	-	82,797
Total comprehensive income attributable to:					
Owners of the Company	85,091	-	(4,993)	-	80,098
Non-controlling interests	3,363	-	(664)	-	2,699

Condensed Consolidated Statement of Financial Position

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
As at 31 March 2018					
Non-current assets					
Property, plant and equipment	1,705,224	-	94,783	-	1,800,007
Biological assets	133,681	-	(133,681)	-	-
Current assets					
Biological assets	133,213	-	35,267	-	168,480
Trade receivables	313,836	-	-	(1,900)	311,936
Equity					
Retained earnings	1,260,818	12,232	14,056	(1,407)	1,285,699
Foreign currency translation differences ("FCTR")	(88,801)	(12,232)	(1,987)	-	(103,020)
Non-controlling interests	98,331	-	(22,926)	(37)	75,368
Non-current liabilities					
Deferred tax liabilities	91,561	-	7,227	(456)	98,332
As at 1 April 2017					
Non-current assets					
Property, plant and equipment	1,559,805	-	115,785	-	1,675,590
Biological assets	151,989	-	(151,989)	-	-
Current assets					
Biological assets	108,758	-	48,934	-	157,692
Equity					
Retained earnings	1,114,179	15,396	26,144	-	1,155,719
Foreign currency translation differences ("FCTR")	16,405	(15,396)	(1,009)	-	-
Non-controlling interests	93,305	-	(22,063)	-	71,242
Non-current liabilities					
Deferred tax liabilities	87,050	-	9,657	-	96,707

Condensed Consolidated Statement of Cash Flows

	As previously stated under FRSs RM'000	Effect of transition from FRSs to MFRSs		Effect of adoption of new MFRS MFRS 9 RM'000	Restated under MFRS RM'000
		MFRS 1 RM'000	MFRS 141 RM'000		
9 months ended 31 December 2017					
Cash flows from operating activities					
Profit before taxation	199,428	-	(5,013)	-	194,415

Depreciation & amortisation	91,793	-	4,760	-	96,553
(Increase)/Decrease in working capital	(48,494)	-	5,013	-	(43,481)
Fair value loss/(gain) arising from biological assets	-	-	253	-	253

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 during the period under review

A7. Segmental information

Segment information in respect of the Group's business segments for the 3rd quarter ended 31.12.2018

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	279,394	51,787
Palm Oil Activities	70,450	8,668
Integrated Livestock Farming	629,014	32,510
Total	978,858	92,965

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 3RD QUARTER ENDED 31.12.2018

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of performance for the current quarter and financial period to-date

	Current quarter	Last year corresponding quarter	% change	Cumulative quarters	Cumulative corresponding quarters last year	% change
	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017		1.4.2018 to 31.12.2018	1.4.2017 to 31.12.2017	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	279,394	266,186	5%	763,430	698,843	9%
Palm Oil Activities (POA)	70,450	103,977	-32%	225,230	297,342	-24%
Integrated Livestock Farming (ILF)	629,014	521,855	21%	1,726,628	1,483,218	16%
Total	978,858	892,018	10%	2,715,288	2,479,403	10%
	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017		1.4.2018 to 31.12.2018	1.4.2017 to 31.12.2017	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
		Restated			Restated	
Marine Product Manufacturing (MPM)	51,787	39,354	32%	121,751	102,383	19%
Palm Oil Activities (POA)	8,668	9,323	-7%	9,863	18,113	-46%
Integrated Livestock Farming (ILF)	32,510	30,438	7%	79,528	73,919	8%
Total	92,965	79,115	18%	211,142	194,415	9%

- a. MPM's current quarter sales increased 5% against corresponding quarter mainly due to higher contributions from surimi-based products and prawn aquaculture. Earnings for the current quarter increased 32% due to the same reason.

Similarly cumulative sales and earnings increased 9% and 19% respectively due to the same reason.

- b. POA's current quarter sales decreased 32% against corresponding quarter mainly due to lower CPO price (RM1,916 current qtr vs RM2,592 corresponding qtr) and higher unsold stock. Although CPO price dropped 26%, POA's current quarter earnings however only decreased 7% against corresponding quarter due to higher FFB produced and better CPO milling margins.

POA's cumulative quarter sales and earnings decreased 24% and 46% respectively against corresponding quarter mainly due to:

- i) In Q1 & Q2, FFB processed in Indonesia operation decrease due to overall poor production and lower OER;
ii) drop in average CPO price. (Average 3 qtrs : CPO price of RM2,160 current period vs RM2,660 corresponding period)

- c. ILF's current quarter sales increased 21% against corresponding quarter mainly due to higher unit value of raw material traded. Earnings however only increased 7% due to overall weaker poultry farming units contribution despite better feed raw material trade margins.

Similarly ILF's cumulative sales and earnings increased 16% and 8% respectively against corresponding quarter due to the same reasons.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2018 to 31.12.2018	1.7.2018 to 30.9.2018		1.10.2018 to 31.12.2018	1.7.2018 to 30.9.2018	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	279,394	266,756	5%	51,787	39,098	32%
Palm Oil Activities (POA)	70,450	82,453	-15%	8,668	(1,631)	NA
Integrated Livestock Farming (ILF)	629,014	571,046	10%	32,510	29,532	10%
Total	978,858	920,255	6%	92,965	66,999	39%

- a. MPM's current quarter sales increased 5% against preceding quarter due to seasonal factor. Earnings increased 32% due to the same reason.
- b. POA's current quarter sales decreased 15% against preceding quarter mainly due to lower CPO price and unsold stocks. CPO price (RM1,916 current qtr vs RM2,198 preceding qtr). Earnings however increased significantly due to better OER, higher FFB processed and better CPO milling margins.
- c. ILF's current quarter sales increased 10% against preceding quarter mainly due to higher sales contribution from feed raw material. Earnings increased 10% against preceding quarter due to higher contribution from feed raw material unit as well as recovery of poultry farm produced prices.

B3 Prospects for the year ending 31st March 2019

Barring unforeseen events, the management are confident that FY2019 performance will be better than FY2018.

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	Cumulative period
3 months ended	To date
31.12.2018	31.12.2018
RM'000	RM'000
9,066	18,823
8,609	11,887
17,675	30,710

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 material disposal of unquoted investments and/or properties during quarter under review.

B7 Quoted investments

There were no sales or purchase of quoted investment for the quarter under review except as disclosed.

B8 Corporate proposals

There were no corporate proposals for the quarter under review.

B9 Group borrowings

	As at 3rd quarter ended 31.12.2018					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.138)	RM denomination	Foreign denomination (USD\$1 = RM4.138)	RM denomination	Foreign denomination (USD\$1 = RM4.138)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	363,325	60,000	111,747	-	475,072	60,000
Term loans (Islamic)	108,663	71,706	27,384	76,704	136,047	148,410
Bank overdrafts	-	-	1,951	18,626	1,951	18,626
Bankers' acceptance (Conventional)	-	-	5,790	228,687	5,790	228,687
Bankers' acceptance (Islamic)	-	-	-	84,418	-	84,418
Revolving credit	-	-	-	102,080	-	102,080
Finance lease liabilities (HP creditors)	9	79	3	123	12	202
Total	471,997	131,785	146,875	510,638	618,872	642,423

	As at 4th quarter ended 31.3.2018					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM3.865)	RM denomination	Foreign denomination (USD\$1 = RM3.865)	RM denomination	Foreign denomination (USD\$1 = RM3.865)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured						
Term loans (Conventional)	270,432	5,757	59,298	1,204	329,730	6,961
Term loans (Islamic)	144,938	126,960	-	71,037	144,938	197,997
Bank overdrafts	-	-	-	21,745	-	21,745
Bankers' acceptance (Conventional)	-	-	-	173,613	-	173,613
Bankers' acceptance (Islamic)	-	-	-	80,780	-	80,780
Revolving credit	-	-	-	58,146	-	58,146
Finance lease liabilities (HP creditors)	8	109	21	76	29	185
Total	415,378	132,826	59,319	406,601	474,697	539,427

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

B10 Financial instruments

As at 31.12.2018, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.12.2018	Fair Value as at 31.12.2018
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year	-	-
- More than 1 year	492,107	(6,148)
(ii) Interest rate swap		
- Less than 1 year	-	-
- More than 1 year	96,704	(423)
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	39,882	288
- More than 1 year	-	-
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	55,159	(371)
- More than 1 year	-	-
	683,852	(6,654)

B11 Changes in material litigation

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

B12 Dividend

No dividend was proposed during the period under review.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.12.2018	Cumulative to date 31.12.2018
(a) Net profit attributable to ordinary shareholders (RM'000)	69,137	173,516

(b) Number of ordinary shares in issue ('000)-
weighted average
Basic Earnings per share (sen)

<u>1,622,438</u>	<u>1,622,438</u>
4.26	10.69