

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2023 (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		
	3RD QUARTER 1.10.2023 to 31.12.2023		3RD QUARTER 1.10.2022 to 31.12.2022		TO-DATE 1.4.2023 to 31.12.2023		PERIOD 1.4.2022 to 31.12.2022		
		RM'000		RM'000		RM'000		RM'000	
Revenue	5%	1,712,192		1,629,097	4%	5,001,798		4,789,156	
Operating Profit	25%	259,317		208,144	24%	731,109		590,892	
Depreciation and amortisation	7%	(66,655)		(62,291)	6%	(193,777)		(182,421)	
Interest income	29%	2,398		1,857	10%	6,029		5,469	
Finance costs	5%	(17,835)		(16,962)	15%	(53,418)		(46,463)	
Share of profit of associates (net)		373		223		781		841	
Profit Before Taxation	36%	177,598		130,971	33.2%	490,724		368,318	
Less: Tax expense		(43,085)	(Effective tax rate) 24.3%	(29,876)	(Effective tax rate) 22.8%	(123,330)	(Effective tax rate) 25.1%	(84,289)	(Effective tax rate) 22.9%
Profit for the period	33%	134,513		101,095	29%	367,394		284,029	
Attributable to:									
Shareholders of the Company	27%	123,620		97,179	24%	339,071		273,504	
Minority interests		10,893	6.13% (% against PBT)	3,916	2.99% (% against PBT)	28,323	5.77% (% against PBT)	10,525	2.86% (% against PBT)
Profit for the period		134,513		101,095		367,394		284,029	
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)	27%	5.08		3.99	24%	13.93		11.24	
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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2023 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER	
	% increase against last period	3RD QUARTER 1.10.2023 to 31.12.2023		2ND QUARTER 1.7.2023 to 30.9.2023	
		RM'000		RM'000	
Revenue	1%	1,712,192		1,690,167	
Operating Profit	2%	259,317		255,141	
Depreciation and amortisation	6%	(66,655)		(62,864)	
Interest income	18%	2,398		2,028	
Finance costs	1%	(17,835)		(17,649)	
Share of profit of associates (net)		373		86	
Profit Before Taxation	0%	177,598		176,742	
Less: Tax expense		(43,085)	(Effective tax rate) 24.3%	(43,776)	(Effective tax rate) 24.8%
Profit for the period	1%	134,513		132,966	
Attributable to:					
Shareholders of the Company	1%	123,620		122,643	
Minority interests		10,893	6.13% (% against PBT)	10,323	5.84% (% against PBT)
Profit for the period		134,513		132,966	
Number of shares in issue ('000)		2,433,657		2,433,657	
Earnings per share:					
Basic earnings per ordinary shares (sen)	1%	5.08		5.04	
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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2023 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	3RD QUARTER 1.10.2023 to 31.12.2023 RM'000	3RD QUARTER 1.10.2022 to 31.12.2022 RM'000	TO-DATE 1.4.2023 to 31.12.2023 RM'000	PERIOD 1.4.2022 to 31.12.2022 RM'000
Profit for the period	134,513	101,095	367,394	284,029
Other comprehensive income/(loss), net of tax:				
Actuarial gain on estimated liabilities for employee benefits	-	-	-	-
Foreign currency translation differences for foreign operations	(11,599)	(50,399)	8,426	(12,637)
Cash flow hedge	(2,326)	8,314	(2,869)	5,393
Total comprehensive income for the period	120,588	59,010	372,951	276,785
Total comprehensive income attributable to:				
Shareholders of the Company	109,689	56,353	344,831	270,871
Minority interests	10,899	2,657	28,120	5,914
Total comprehensive income for the period	120,588	59,010	372,951	276,785

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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2023 RM'000 Unaudited	As at 31.3.2023 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,356,786	2,209,906
Right-of-use assets	518,553	520,544
Investment properties	24,773	25,065
Intangible assets	125,731	125,017
Investment in associates	6,600	6,202
Deferred tax assets	22,537	14,081
Trade and other receivables	23,944	26,085
	<u>3,078,924</u>	<u>2,926,900</u>
Current Assets		
Biological assets	268,816	251,914
Inventories	72 days 1,007,488	70 days 955,218
Contract assets	53,865	55,743
Contract costs	934	850
Current tax assets	29,043	32,884
Trade receivables	30 days 552,696	27 days 462,016
Other receivables, assets and prepayment	142,885	220,530
Derivative financial assets	21,357	25,643
Cash and cash equivalents	439,609	346,499
Assets classified as held for sale	2,365	6,902
	<u>2,519,058</u>	<u>2,358,199</u>
Total Assets	<u>5,597,982</u>	<u>5,285,099</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	620,025	620,025
Reserves	2,293,787	2,036,420
Equity attributable to shareholders of the Company	<u>2,913,812</u>	<u>2,656,445</u>
Minority interests	254,738	231,101
Total Equity	<u>3,168,550</u>	<u>2,887,546</u>
Non-Current Liabilities		
Long term borrowings (LT Debts/Total Equity)	4% 129,156	8% 237,898
Lease liabilities	184,619	181,284
Other payables	22,284	6,684
Employee benefits	14,758	12,258
Deferred tax liabilities	180,659	172,756
	<u>531,476</u>	<u>610,880</u>
Current Liabilities		
Short term-bankers acceptance	677,672	691,329
Other short term borrowings	293,895	325,839
Lease liabilities	29,819	29,493
Trade and other payables	783,136	649,117
Contract liabilities	58,102	77,265
Derivative financial liabilities	2,147	52
Taxation	53,185	13,578
	<u>1,897,956</u>	<u>1,786,673</u>
Total Liabilities	<u>2,429,432</u>	<u>2,397,553</u>
Total Equity and Liabilities	<u>5,597,982</u>	<u>5,285,099</u>
Net Assets per share (RM)	1.20	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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2023

	←-----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		
9 months ended 31.12.2022							
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	-	(8,026)	-	-	(8,026)	(4,611)	(12,637)
Actuarial gain/(loss) on estimated liabilities for employee benefits	-	-	-	-	-	-	-
Cash flow hedge	-	-	5,393	-	5,393	-	5,393
Total other comprehensive income/(expenses) for the year	-	(8,026)	5,393	-	(2,633)	(4,611)	(7,244)
Profit for the period	-	-	-	273,504	273,504	10,525	284,029
Total comprehensive income/(expenses) for the period	-	(8,026)	5,393	273,504	270,871	5,914	276,785
<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	-	-	-	-	-	(7,212)	(7,212)
- Acquisition of non-controlling interests	-	-	-	(1,883)	(1,883)	(4,727)	(6,610)
Total transactions with owners of the Company	-	-	-	(87,061)	(87,061)	(11,939)	(99,000)
At 31.12.2022	620,025	(86,396)	1,583	2,119,724	2,654,936	229,256	2,884,192

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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2023

	<-----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		
9 months ended 31.12.2023							
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	-	8,629	-	-	8,629	(203)	8,426
Actuarial gain/(loss) on estimated liabilities for employee benefits	-	-	-	-	-	-	-
Cash flow hedge	-	-	(2,869)	-	(2,869)	-	(2,869)
Total other comprehensive income/(expenses) for the year	-	8,629	(2,869)	-	5,760	(203)	5,557
Profit for the period	-	-	-	339,071	339,071	28,323	367,394
Total comprehensive income/(expenses) for the period	-	8,629	(2,869)	339,071	344,831	28,120	372,951
<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	-	-	-	(2,287)	(2,287)	20,775	18,488
Total transactions with owners of the Company	-	-	-	(87,465)	(87,465)	(4,483)	(91,948)
At 31.12.2023	620,025	(59,435)	(1,529)	2,354,751	2,913,812	254,738	3,168,550

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 3RD QUARTER ENDED 31.12.2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.12.2023

	Period ended 31.12.2023 RM'000	Period ended 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	490,724	368,318
Adjustments for:		
Depreciation & amortisation	193,777	182,421
Increase in working capital	30,407	12,304
Income tax paid	(80,273)	(83,455)
Other non-cash items	27,187	(1,541)
Net cash generated from operating activities	661,822	478,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(275,676)	(160,304)
Others	3,594	(3,201)
Net cash used in investing activities	(272,082)	(163,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(183,162)	(215,213)
Payment of lease liabilities	(31,318)	(27,063)
Dividend paid to minority interest	(25,258)	(7,212)
Dividend paid to shareholders	(85,178)	(85,178)
Others	20,775	-
Net cash used in financing activities	(304,141)	(334,666)
Net increase/(decrease) in cash and cash equivalents	85,599	(20,124)
Cash and cash equivalents at 1 April	343,188	471,821
Cash and cash equivalents at 31 December	428,787	451,697

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 3rd quarter ended 31.12.2023

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	361,664	88,689
Palm Oil and Clean Energy	154,556	8,758
Integrated Livestock Farming	911,297	63,604
Convenience Store Chain	284,675	16,547
Total	<u>1,712,192</u>	<u>177,598</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
	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022		1.4.2023 to 31.12.2023	1.4.2022 to 31.12.2022	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	361,664	362,516	0%	1,072,298	1,047,837	2%
Palm Oil and Clean Energy (POCE)	154,556	135,139	14%	509,800	433,743	18%
Integrated Livestock Farming (ILF)	911,297	912,893	0%	2,605,315	2,664,191	-2%
Convenience Store Chain (CVS)	284,675	218,549	30%	814,385	643,385	27%
Total	1,712,192	1,629,097	5%	5,001,798	4,789,156	4%
	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022		1.4.2023 to 31.12.2023	1.4.2022 to 31.12.2022	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	88,689	74,552	19%	224,143	201,034	11%
Palm Oil and Clean Energy (POCE)	8,758	(1,245)	NA	34,051	(2,633)	NA
Integrated Livestock Farming (ILF)	63,604	51,865	23%	187,399	133,577	40%
Convenience Store Chain (CVS)	16,547	5,799	185%	45,131	36,340	24%
Total	177,598	130,971	36%	490,724	368,318	33%

- a. MPM's current quarter sales was flat against the corresponding quarter where better performance of fishmeal and surimi-based products contributed by higher export price helped to offset weaker performance of surimi which continued to face stiff competition internationally.

Earnings was 19% better than the corresponding quarter mainly due to higher margin for fishmeal and surimi-based products from higher export selling price as a result of strong USD.

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

Cumulative earnings increased by 11% against the corresponding period mainly due to improved margin for fishing activities, fishmeal and surimi-based products as a result of better fish landing and higher export price from 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.

Turnaround in earnings against the corresponding quarter mainly due to higher project progress and margin recovery at BM GreenTech. In addition, better performance reported by palm oil activities with higher yield from plantations and improved milling efficiency.

Cumulative sales increased by 18% 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 earnings.

- c. ILF's current quarter sales was marginally lower against the corresponding quarter mainly due to lower selling price for farm produce at the overseas farming operations and raw material trading despite higher volume of raw material trading and egg and also contribution from newly acquired layer farm in the quarter.

Earnings increased by 23% against the corresponding quarter mainly due to improved feed raw material trading margin and better performance of layer operations in Malaysia helped by cost subsidy for high input costs and contribution from the newly acquired layer farm in the quarter.

Despite higher volume and selling price for farm produce, cumulative sales decreased marginally against the corresponding period mainly due to lower trading volume and unit selling price for feed raw material.

Despite weaker margin for Vietnam layer operations, cumulative earnings increased by 40% against the corresponding period mainly due to strong performance of Malaysia farming operations and recovery in Indonesia operations. In addition, high input costs were partly mitigated by continued Malaysia government cost subsidy for egg.

- d. CVS's current quarter sales increased by 30% against the corresponding quarter mainly due to increase of 42 stores and additional FM Mini installation during the period.

Earnings increased significantly against the corresponding quarter mainly due to higher sales and margin normalization from store operation efficiency.

Cumulative sales increased by 27% against the corresponding period mainly due to the same reasons as the quarterly sales.

In line with high sales, cumulative earnings increased by 24% against the corresponding period whilst higher operating cost was mitigated through store operation efficiency improvement efforts.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2023 to	1.7.2023 to		1.10.2023 to	1.7.2023 to	
	31.12.2023	30.9.2023		31.12.2023	30.9.2023	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	361,664	363,606	-1%	88,689	78,394	13%
Palm Oil and Clean Energy (POCE)	154,556	179,885	-14%	8,758	13,909	-37%
Integrated Livestock Farming (ILF)	911,297	871,793	5%	63,604	67,440	-6%
Convenience Store Chain (CVS)	284,675	274,883	4%	16,547	16,999	-3%
Total	1,712,192	1,690,167	1%	177,598	176,742	0%

- a. Despite better performance of surimi-based products, MPM's current quarter sales decreased marginally against the preceding quarter mainly due to weaker performance of fishing, fishmeal and aquaculture activities.

However, earnings increased by 13% mainly due to improved margin of surimi-based products with lower input material costs.

- b. POCE's current quarter sales decreased by 14% against the preceding quarter mainly due to lower sales recorded at BM Greentech with slower project progress and lower FFB production tonnage in palm oil activities.

Earnings decreased by 37% from the preceding quarter was mainly due to overall lower POCE sales and weaker margin attributed to project mix at BM Greentech.

- c. ILF's current quarter sales increased by 5% against the preceding quarter mainly due to higher trading volume for feed raw material albeit at a lower unit selling price and contribution from the newly acquired layer farm in the quarter.

Despite improved performance of Malaysia's trading activities and layer farming, earnings decreased by 6% against the preceding quarter mainly due to margin erosion for East Malaysia broiler integration after cost subsidy withdrawal as well as weaker performance of Indonesia and Vietnam farming operations.

- d. CVS's current quarter sales increased by 4% against the preceding quarter mainly due to increase of 6 stores.

Earning decreased marginally against the preceding quarter mainly due to higher operating cost.

B3 Prospects for the next quarter to 31st March 2024

Despite high interest rate environment, escalated Middle East tension and uncertain global economy outlook, the management is cautiously optimistic that the business performance will remain satisfactory in the coming quarter notwithstanding seasonal factor, as we envisage the egg cost subsidy to continue.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

	Individual quarter 3 months ended 31.12.2023 RM'000	Cumulative period To date 31.12.2023 RM'000
Current income tax expense	43,385	124,367
Deferred tax expense	(300)	(1,037)
	<u>43,085</u>	<u>123,330</u>

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 3rd quarter ended 31.12.2023					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.595)	RM denomination	Foreign denomination (USD\$1 = RM4.595)	RM denomination	Foreign denomination (USD\$1 = RM4.595)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	2,071	-	13,571	-	15,642
Term loans (Islamic)	-	-	-	9,104	-	9,104
	-	2,071	-	22,675	-	24,746
Unsecured						
Term loans (Conventional)	105,588	-	163,760	-	269,348	-
Term loans (Islamic)	21,002	-	3,460	-	24,462	-
Bank overdrafts	-	-	7,425	3,203	7,425	3,203
Bankers' acceptance (Conventional)	-	-	277,684	341,145	277,684	341,145
Bankers' acceptance (Islamic)	-	-	-	58,842	-	58,842
Revolving credit	-	-	33,118	60,000	33,118	60,000
Supplier factoring facilities	-	-	-	-	-	-
Hire purchase liabilities	-	495	-	255	-	750
	126,590	495	485,447	463,445	612,037	463,940
Total	126,590	2,566	485,447	486,120	612,037	488,686

	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 31.12.2023, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.12.2023	Fair Value gain/ (loss) as at 31.12.2023
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	214,227	20,382
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	22,745	620
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	33,045	399
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	183,322	(2,178)
- More than 1 year		
	453,339	19,223

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.

B12 Dividend

On 29 February 2024, the Board of Directors has declared an interim single-tier dividend of 3.00 cents per ordinary share for the financial year ending 31 March 2024. The interim dividend amounting to approximately RM73.01 million is payable on 29 March 2024 to shareholders whose names appear on the Record of Depositors on 15 March 2024.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.12.2023	Cumulative to date 31.12.2023
(a) Net profit attributable to ordinary shareholders (RM'000)	123,620	339,071
(b) Number of ordinary shares in issue ('000)- weighted average	2,433,657	2,433,657
Basic Earnings per share (sen)	5.08	13.93