

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2023 (UNAUDITED)

Table 1: Financial review for current quarter and financial year to date

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS			
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING	
	4TH QUARTER 1.1.2023 to 31.3.2023		4TH QUARTER 1.1.2022 to 31.3.2022		TO-DATE 1.4.2022 to 31.3.2023		PERIOD 1.4.2021 to 31.3.2022	
	% increase against last period	RM'000	RM'000	% increase against last period	RM'000	RM'000	RM'000	RM'000
Revenue	8%	1,474,603	1,361,657	20%	6,263,759	5,235,976		
Operating Profit	23%	190,635	154,972	33%	781,527	587,010		
Depreciation and amortisation	23%	(62,753)	(50,821)	10%	(245,174)	(222,379)		
Interest income	-14%	1,829	2,139	-6%	7,298	7,780		
Finance costs	29%	(17,573)	(13,630)	24%	(64,036)	(51,721)		
Share of profit of associates (net)		375	116		1,216	521		
Profit Before Taxation	21%	112,513	92,776	49.7%	480,831	321,211		
Less: Tax expense		(34,640)	(21,943)		(118,929)	(85,670)		
		(Effective tax rate) 30.8%	(Effective tax rate) 23.7%		(Effective tax rate) 24.7%	(Effective tax rate) 26.7%		
Profit for the period	10%	77,873	70,833	54%	361,902	235,541		
Attributable to:								
Shareholders of the Company	6%	73,317	69,415	60%	346,821	217,345		
Minority interests		4,556	1,418		15,081	18,196		
		4.05% (% against PBT)	1.53% (% against PBT)		3.14% (% against PBT)	5.66% (% against PBT)		
Profit for the period		77,873	70,833		361,902	235,541		
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)	6%	3.01	2.85	60%	14.25	8.93		
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 2022 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2023 (UNAUDITED)

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

		CURRENT QUARTER		PRECEDING QUARTER
		4TH QUARTER 1.1.2023 to 31.3.2023		3RD QUARTER 1.10.2022 to 31.12.2022
	% increase against last period	RM'000		RM'000
Revenue	-9%	1,474,603		1,629,097
Operating Profit	-8%	190,635		208,144
Depreciation and amortisation	1%	(62,753)		(62,291)
Interest income	-2%	1,829		1,857
Finance costs	4%	(17,573)		(16,962)
Share of profit of associates (net)		375		223
Profit Before Taxation	-14%	112,513		130,971
Less: Tax expense		(34,640)	(Effective tax rate) 30.8%	(29,876)
Profit for the period	-23%	77,873		101,095
Attributable to:				
Shareholders of the Company	-25%	73,317		97,179
Minority interests		4,556	4.05% (% against PBT)	3,916
Profit for the period		77,873		101,095
Number of shares in issue ('000)		2,433,657		2,433,657
Earnings per share:				
Basic earnings per ordinary shares (sen)	-25%	3.01		3.99
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 2022 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2023 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	4TH QUARTER 1.1.2023 to 31.3.2023 RM'000	4TH QUARTER 1.1.2022 to 31.3.2022 RM'000	TO-DATE 1.4.2022 to 31.3.2023 RM'000	PERIOD 1.4.2021 to 31.3.2022 RM'000
Profit for the period	77,873	70,833	361,902	235,541
Other comprehensive income/(loss), net of tax:				
Actuarial gain on estimated liabilities for employee benefits	373	1,367	373	1,367
Foreign currency translation differences for foreign operations	20,486	3,053	7,849	21,387
Cash flow hedge	(233)	1,461	5,160	5,784
Total comprehensive income for the period	98,499	76,714	375,284	264,079
Total comprehensive income attributable to:				
Shareholders of the Company	92,019	75,643	362,890	245,787
Minority interests	6,480	1,071	12,394	18,292
Total comprehensive income for the period	98,499	76,714	375,284	264,079

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2022 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 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2023 RM'000 Unaudited	As at 31.3.2022 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,230,020	2,187,275
Right-of-use assets	511,920	475,265
Investment properties	27,008	26,813
Intangible assets	125,165	128,108
Investment in associates	6,202	2,391
Deferred tax assets	18,129	11,803
Trade and other receivables	26,085	24,614
	<u>2,944,529</u>	<u>2,856,269</u>
Current Assets		
Biological assets	252,747	231,988
Inventories	69 days 953,376	57 days 679,302
Contract assets	55,525	53,820
Contract costs	850	1,075
Current tax assets	41,592	28,944
Trade receivables	27 days 463,394	30 days 427,617
Other receivables, assets and prepayment	214,443	142,990
Derivative financial assets	23,770	4,281
Cash and cash equivalents	346,500	481,131
Assets classified as held for sale	6,865	49,638
	<u>2,359,062</u>	<u>2,100,786</u>
Total Assets	<u>5,303,591</u>	<u>4,957,055</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	620,025	620,025
Reserves	2,036,460	1,851,101
Equity attributable to shareholders of the Company	<u>2,656,485</u>	<u>2,471,126</u>
Minority interests	231,060	235,281
Total Equity	<u>2,887,545</u>	<u>2,706,407</u>
Non-Current Liabilities		
Long term borrowings (LT Debts/Total Equity)	9% 246,150	16% 436,289
Lease liabilities	180,778	145,996
Other payables	6,684	4,642
Employee benefits	13,974	10,875
Deferred tax liabilities	176,810	154,085
	<u>624,396</u>	<u>751,887</u>
Current Liabilities		
Short term-bankers acceptance	694,102	575,607
Other short term borrowings	293,337	348,499
Lease liabilities	29,509	25,563
Trade and other payables	668,629	463,952
Contract liabilities	89,137	62,221
Derivative financial liabilities	52	490
Taxation	16,884	22,429
	<u>1,791,650</u>	<u>1,498,761</u>
Total Liabilities	<u>2,416,046</u>	<u>2,250,648</u>
Total Equity and Liabilities	<u>5,303,591</u>	<u>4,957,055</u>
Net Assets per share (RM)	1.09	1.02
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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2023

	←-----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		
12 months ended 31.3.2022							
At 1.4.2021	620,025	(99,369)	(9,870)	1,803,407	2,314,193	231,321	2,545,514
Foreign currency translation differences for foreign operations	-	20,999	-	-	20,999	388	21,387
Cash flow hedge	-	-	6,060	-	6,060	(276)	5,784
Actuarial gain/(loss) on estimated liabilities for employee benefits				1,383	1,383	(16)	1,367
Total other comprehensive income/(expenses) for the year	-	20,999	6,060	1,383	28,442	96	28,538
Profit for the period	-	-	-	217,345	217,345	18,196	235,541
Total comprehensive income/(expenses) for the period	-	20,999	6,060	218,728	245,787	18,292	264,079
<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	-	-	-	-	-	(10,922)	(10,922)
- Acquisition of non-controlling interests	-	-	-	(3,676)	(3,676)	(3,410)	(7,086)
Total transactions with owners of the Company	-	-	-	(88,854)	(88,854)	(14,332)	(103,186)
At 31.3.2022	620,025	(78,370)	(3,810)	1,933,281	2,471,126	235,281	2,706,407

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2023

	<-----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		
12 months ended 31.3.2023							
At 1.4.2022	620,025	(78,370)	(3,810)	1,933,281	2,471,126	235,281	2,706,407
Foreign currency translation differences for foreign operations	-	10,536	-	-	10,536	(2,687)	7,849
Actuarial gain/(loss) on estimated liabilities for employee benefits	-	-	-	373	373	-	373
Cash flow hedge	-	-	5,160	-	5,160	-	5,160
Total other comprehensive income/(expenses) for the year	-	10,536	5,160	373	16,069	(2,687)	13,382
Profit for the period	-	-	-	346,821	346,821	15,081	361,902
Total comprehensive income/(expenses) for the period	-	10,536	5,160	347,194	362,890	12,394	375,284
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(170,356)	(170,356)	-	(170,356)
- Dividends paid to non-controlling interests	-	-	-	-	-	(10,691)	(10,691)
- Acquisition of non-controlling interests	-	-	-	(7,175)	(7,175)	(5,924)	(13,099)
Total transactions with owners of the Company	-	-	-	(177,531)	(177,531)	(16,615)	(194,146)
At 31.3.2023	620,025	(67,834)	1,350	2,102,944	2,656,485	231,060	2,887,545

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2022 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 4TH QUARTER ENDED 31.3.2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.3.2023

	Period ended 31.3.2023 RM'000	Period ended 31.3.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	480,831	321,211
Adjustments for:		
Depreciation & amortisation	245,174	230,021
(Increase)/Decrease in working capital	(60,048)	3,925
Income tax paid	(120,332)	(88,983)
Other non-cash items	25,355	4,221
Net cash generated from/(used in) operating activities	570,980	470,395
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(194,950)	(222,040)
Others	(3,200)	23,889
Net cash generated from/(used in) investing activities	(198,150)	(198,151)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings	(283,354)	(116,327)
Payment of lease liabilities	(37,057)	(28,844)
Dividend paid to minority interest	(10,691)	(10,922)
Dividend paid to shareholders	(170,356)	(85,178)
Others	-	(39,673)
Net cash generated from/(used in) financing activities	(501,458)	(280,944)
Net increase in cash and cash equivalents	(128,628)	(8,700)
Cash and cash equivalents at 1.4.2022	471,821	480,521
Cash and cash equivalents at 31.3.2023	343,193	471,821

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2022 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 2022.

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 2022 except for the adoption of the followings:

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

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
	<u>1.00</u>

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

In respect of the financial year ended 31 March 2023, a first interim single tier dividend of 3.50 sen per ordinary share totalling approximately RM85.2m was declared on 9 Feb 2023 and paid on 29 Mar 2023.

A7. Segmental information

Segment information in respect of the Group's business segments for the 4th quarter ended 31.3.2023

	RM'000	RM'000
	Sales	PBT
Marine Products Manufacturing	307,138	41,198
Palm Oil and Clean Energy	167,251	14,369
Integrated Livestock Farming	778,818	49,538
Convenience Store Chain	221,396	7,408
Total	<u>1,474,603</u>	<u>112,513</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
	1.1.2023 to 31.3.2023	1.1.2022 to 31.3.2022		1.4.2022 to 31.3.2023	1.4.2021 to 31.3.2022	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	307,138	279,136	10%	1,354,975	1,164,856	16%
Palm Oil and Clean Energy (POCE)	167,251	178,063	-6%	600,994	647,935	-7%
Integrated Livestock Farming (ILF)	778,818	727,686	7%	3,443,009	2,786,474	24%
Convenience Store Chain (CVS)	221,396	176,772	25%	864,781	636,711	36%
Total	1,474,603	1,361,657	8%	6,263,759	5,235,976	20%
	1.1.2023 to 31.3.2023	1.1.2022 to 31.3.2022		1.4.2022 to 31.3.2023	1.4.2021 to 31.3.2022	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	41,198	44,209	-7%	242,232	200,764	21%
Palm Oil and Clean Energy (POCE)	14,369	5,836	146%	11,736	45,329	-74%
Integrated Livestock Farming (ILF)	49,538	27,654	79%	183,115	32,115	470%
Convenience Store Chain (CVS)	7,408	15,077	-51%	43,748	43,003	2%
Total	112,513	92,776	21%	480,831	321,211	50%

- a. MPM's current quarter sales increased by 10% against the corresponding quarter mainly due to better performance of surimi-based products and seafood processing, which offset weaker performance of other activities due to lower volume with delay in new fishing season commencement albeit higher selling price.

Despite better results recorded by fishmeal and surimi-based products with improved margin, earnings was lower by 7% mainly due to weaker performance of surimi, aquaculture and fishing activities.

Cumulative sales increased by 16% mainly due to improved performance for all activities especially better selling price, in addition to normalized fishing activities which was severely disrupted by MCO in the preceding year.

Cumulative earnings increased by 21% mainly due to overall recovery in selling volume and price post MCO disruption, in addition to better export margin from strong US Dollar.

- b. Despite higher project progress recorded by Boilermach, POCE's current quarter sales decreased by 6% against the corresponding quarter mainly due to weaker palm oil activities with significantly lower CPO selling price.

Earnings increased by 146% against the corresponding quarter mainly due to higher sales and project margin recovery at Boilermach and marginal foreign currency translation gain under palm oil activities.

Cumulative sales decreased by 7% against the corresponding period mainly due to weaker performance of palm oil activities affected by significant drop in FFB tonnage produced and processed, despite higher project progress at Boilermach.

Cumulative earnings decreased by 74% mainly contributed by palm oil activities with significant drop in FFB tonnage produced and processed as well as lower OER due to excessive rainfall. In addition, the performance of Boilermach was adversely affected by higher input cost with strong US Dollar.

- c. ILF's current quarter sales increased by 7% against the corresponding quarter mainly due to improved selling volume and price for farm produce as well as higher average selling price for feed raw material trading.

Earnings increased significantly against the corresponding quarter mainly due to strong performance of layer and broiler operations in Malaysia helped by higher production volume and efficiency, where high input costs were partly mitigated by government subsidy albeit margin compression in feed raw material trading.

Cumulative sales increased by 24% against the corresponding period mainly due to higher selling price and volume for feed raw material trading, as well as improved farm produce selling price.

Cumulative earnings increased significantly mainly due to turnaround in Vietnam and Peninsular Malaysia operations after market normalized as compared to depressed market under stringent MCO measures previously. In addition, Malaysian government cost subsidy helped to mitigate high farming input cost.

- d. CVS's current quarter sales increased by 25% against the corresponding period mainly due to 76 new stores opening despite marginally lower average store sales affected by weaker consumer sentiment.

Earnings decreased by 51% mainly due to higher operating cost affected by hike in minimum wage and reduction in weekly working hour implementation. In addition, new central kitchen has yet to achieve economies of scale.

Cumulative sales increased by 36% mainly due to the same reasons as the quarterly sales.

Cumulative earnings increased marginally mainly due to weaker performance in the second half of financial year affected by hike in operating cost and weakened consumer sentiment with high inflation and interest cost, albeit strong performance in the first half from new store opening and higher consumer spend. In addition, new central kitchen has yet to achieve economies of scale.

B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2023 to	1.10.2022 to		1.1.2023 to	1.10.2022 to	
	31.3.2023	31.12.2022		31.3.2023	31.12.2022	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	307,138	362,516	-15%	41,198	74,552	-45%
Palm Oil and Clean Energy (POCE)	167,251	135,139	24%	14,369	(1,245)	NA
Integrated Livestock Farming (ILF)	778,818	912,893	-15%	49,538	51,865	-4%
Convenience Store Chain (CVS)	221,396	218,549	1%	7,408	5,799	28%
Total	1,474,603	1,629,097	-9%	112,513	130,971	-14%

- a. MPM's current quarter sales decreased by 15% mainly due to seasonal factor where fishing activities halted with the onset of monsoon season, lower fishmeal and surimi sales volume as well as lower surimi selling price caused by weaker market demand.

Earnings decreased by 45% mainly due to seasonal factor and compressed margin from fishmeal and surimi products caused by low production volume.

- b. POCE's current quarter sales increased by 24% against the preceding quarter mainly due to higher project progress at Boilermach and higher CPO selling price for palm oil activities.

Turnaround in earnings from the preceding quarter mainly due to higher profit reported by Boilermach with margin recovery, and for palm oil activities, marginal foreign currency translation gain recorded in the current quarter as compared to significant translation loss in the preceding quarter.

- c. ILF's current quarter sales decreased by 15% against the preceding quarter mainly due to lower trading volume and price for feed raw material trading as well as weaker performance of Vietnam operations with lower egg price during the lunar new year season.

Earnings decreased marginally against the preceding quarter mainly due to weaker performance of Vietnam and Indonesia operations despite improved margin for feed raw material trading and Malaysia broilers operation.

- d. Despite additional 14 new stores opening, CVS's current quarter sales were flat against the preceding quarter mainly due to lower average store sales caused by weaker consumer sentiment.

Earning increased by 28% against the preceding quarter mainly due to improved operating efficiency and cost control.

B3 Prospects for new financial year 2024

Amid challenging external environment, Malaysia's economy is forecasted to expand with a lower GDP growth of 4%-5% in 2023 driven partly by domestic demand, higher tourism activity and increase in business investment. Potential downside risks to economic growth will be when global economy slips into recession and geopolitical tensions escalate.

The Group's core businesses are food related which are generally sensitive to consumer sentiment and changes in government policy. Current high interest rate environment and rising cost of living are expected to dampen consumer sentiment. In addition, the upcoming changes to Malaysia's egg and chicken cost subsidy scheme to market-driven pricing mechanism and volatile commodity prices may impact the performance of ILF segment.

Nevertheless, as our businesses are dealing in basic foods, the management is cautiously optimistic that the Group's business performance will remain resilient for the new financial year. The recovery momentum from past few quarters and our continued focus in driving operational efficiency coupled with the scheduled opening of new CVS outlets together will help to cushion the adverse effects from the above-mentioned challenges.

B4 Profit forecast

No profit forecast was published during the period under review.

B5 Tax expense

	Individual quarter 3 months ended 31.3.2023 RM'000	Cumulative period To date 31.3.2023 RM'000
Current income tax expense	21,009	101,797
Deferred tax expense	13,631	17,132
	34,640	118,929

The effective tax rate of the Group for the current quarter was higher due to tax expense recognised on the unrealized forex gain from Indonesian Rupiah movement as per Indonesian tax law. The rate for cumulative period was close to the statutory rate.

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 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)	-	2,399	-	455	-	2,854
Term loans (Islamic)	-	-	-	-	-	-
	-	2,399	-	455	-	2,854
Unsecured						
Term loans (Conventional)	231,642	-	231,824	-	463,466	-
Term loans (Islamic)	11,648	-	2,496	-	14,144	-
Bank overdrafts	-	-	2,408	713	2,408	713
Bankers' acceptance (Conventional)	-	-	214,657	412,473	214,657	412,473
Bankers' acceptance (Islamic)	-	-	-	66,972	-	66,972
Revolving credit	-	-	7,375	47,840	7,375	47,840
Supplier factoring facilities	-	-	-	-	-	-
Hire purchase liabilities	-	461	-	226	-	687
	243,290	461	458,760	528,224	702,050	528,685
Total	243,290	2,860	458,760	528,679	702,050	531,539

	As at 4th quarter ended 31.3.2022					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.208)	RM denomination	Foreign denomination (USD\$1 = RM4.208)	RM denomination	Foreign denomination (USD\$1 = RM4.208)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans (Conventional)	-	2,851	-	440	-	3,291
Term loans (Islamic)	-	-	-	-	-	-
	-	2,851	-	440	-	3,291
Unsecured						
Term loans (Conventional)	419,972	-	255,990	-	675,962	-
Term loans (Islamic)	13,466	-	27,847	-	41,313	-
Bank overdrafts	-	-	-	9,124	-	9,124
Bankers' acceptance (Conventional)	-	-	207,863	279,507	207,863	279,507
Bankers' acceptance (Islamic)	-	-	11,810	76,427	11,810	76,427
Revolving credit	-	-	-	29,537	-	29,537
Supplier factoring facilities	-	-	-	25,561	-	25,561
Hire purchase liabilities	-	-	-	-	-	-
	433,438	-	503,510	420,156	936,948	420,156
Total	433,438	2,851	503,510	420,596	936,948	423,447

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

B10 Financial instruments

As at 31.3.2023, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.3.2023	Fair Value gain/ (loss) as at 31.3.2023
	RM'000	RM'000
(i) Cross currency swap		
- Less than 1 year		
- More than 1 year	341,286	22,729
(ii) Interest rate swap		
- Less than 1 year		
- More than 1 year	59,601	1,527
(iii) Foreign exchange contracts (sell)		
- Less than 1 year	24,290	279
- More than 1 year		
(iv) Foreign exchange contracts (buy)		
- Less than 1 year	63,814	3,986
- More than 1 year		
	488,991	28,521

B11 Changes in material litigation

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

B12 Dividend

The Directors had proposed a final single tier dividend of 3.50 sen per share totalling of approximately RM85.2 million in respect of the year ended 31.3.2023, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

B13 Earnings per share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.3.2023	Cumulative to date 31.3.2023
(a) Net profit attributable to ordinary shareholders (RM'000)	73,317	346,821
(b) Number of ordinary shares in issue ('000)- weighted average	2,433,657	2,433,657
Basic Earnings per share (sen)	3.01	14.25