

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2021

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2021 (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			
		4TH QUARTER 1.1.2021 to 31.3.2021	4TH QUARTER 1.1.2020 to 31.3.2020		TO-DATE 1.4.2020 to 31.3.2021	PERIOD 1.4.2019 to 31.3.2020			
% increase against last period	RM'000	RM'000	% increase against last period	RM'000	RM'000				
Revenue	24%	1,213,803	982,412	5%	4,373,413	4,155,826			
Operating Profit	60%	214,283	133,896	26%	679,573	540,560			
Depreciation and amortisation	0%	(55,612)	(55,367)	11%	(206,858)	(186,151)			
Interest income	-14%	1,967	2,278	-18%	7,180	8,781			
Finance costs	-29%	(14,501)	(20,564)	-15%	(56,644)	(67,029)			
Share of profit of associates (net)		149	2,522		9,305	10,778			
Profit Before Taxation	133%	146,286	62,765	40.9%	432,556	306,939			
			(Effective tax rate)		(Effective tax rate)	(Effective tax rate)			
Less: Tax expense		(28,318)	19.4%	(18,018)	28.7%	(107,373)	24.8%	(67,972)	22.1%
Profit for the period	164%	117,968	44,747	36%	325,183	238,967			
Attributable to:									
Shareholders of the Company	165%	114,062	42,975	30%	311,397	239,362			
Minority interests		3,906	1,772		13,786	(395)			
		2.67% (% against PBT)		2.82% (% against PBT)		3.19% (% against PBT)		-0.13% (% against PBT)	
Profit for the period		117,968	44,747		325,183	238,967			
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)	165%	4.69	1.77	30%	12.80	9.84			
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 2020 and the accompanying explanatory notes attached to this interim financial statements.  
Note: NA denotes "Not Applicable"

**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2021**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2021 (UNAUDITED)**

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

		<b>CURRENT QUARTER</b>		<b>PRECEDING QUARTER</b>	
	% increase against last period	<b>4TH QUARTER 1.1.2021 to 31.3.2021 RM'000</b>		<b>3RD QUARTER 1.10.2020 to 31.12.2020 RM'000</b>	
<b>Revenue</b>	9%	1,213,803		1,111,372	
<b>Operating Profit</b>	28%	214,283		166,937	
<b>Depreciation and amortisation</b>	8%	(55,612)		(51,466)	
<b>Interest income</b>	18%	1,967		1,665	
<b>Finance costs</b>	9%	(14,501)		(13,305)	
<b>Share of profit of associates (net)</b>		149		4,717	
<b>Profit Before Taxation</b>	35%	146,286		108,548	
<b>Less: Tax expense</b>		(28,318)	(Effective tax rate) 19.4%	(28,037)	(Effective tax rate) 25.8%
<b>Profit for the period</b>	47%	117,968		80,511	
<b>Attributable to:</b>					
<b>Shareholders of the Company</b>	49%	114,062		76,326	
<b>Minority interests</b>		3,906	2.67% (% against PBT)	4,185	3.86% (% against PBT)
<b>Profit for the period</b>		117,968		80,511	
<b>Number of shares in issue ('000)</b>		2,433,657		2,433,657	
<b>Earnings per share:</b>					
<b>Basic earnings per ordinary shares (sen)</b>	49%	4.69		3.14	
<b>Diluted earnings per ordinary shares (sen)</b>		NA		NA	

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial statements.  
Note: NA denotes "Not Applicable"

**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2021 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	4TH QUARTER 1.1.2021 to 31.3.2021	4TH QUARTER 1.1.2020 to 31.3.2020	TO-DATE 1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	117,968	44,747	325,183	238,967
<b>Other comprehensive income/(loss), net of tax:</b>				
Foreign currency translation differences for foreign operations	7,000	(58,137)	39,788	(46,665)
Share of gain/(loss) of equity-accounted associates	(358)	(2,021)	1,795	(2,096)
Cash flow hedge	(515)	(22,934)	20,230	(26,424)
<b>Total comprehensive income for the period</b>	<b>124,095</b>	<b>(38,345)</b>	<b>386,996</b>	<b>163,782</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	121,595	(35,954)	370,437	167,797
Minority interests	2,500	(2,391)	16,559	(4,015)
<b>Total comprehensive income for the period</b>	<b>124,095</b>	<b>(38,345)</b>	<b>386,996</b>	<b>163,782</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 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 31.3.2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31.3.2021 RM'000 Unaudited		As at 31.3.2020 RM'000 Audited
<b>ASSETS</b>			
Property, plant and equipment	2,214,046		2,006,422
Right-of-use assets	450,584		366,200
Investment properties	35,830		21,013
Intangible assets	136,572		10,092
Investment in associates	2,264		142,175
Deferred tax assets	8,651		9,621
Other receivables	24,364		15,544
	<u>2,872,311</u>		<u>2,571,067</u>
<b>Current Assets</b>			
Biological assets	210,307		186,368
Inventories	67 days 648,532	67 days	55 days 496,347
Contract assets	28,764		-
Current tax assets	20,689		13,541
Trade receivables	35 days 415,613	35 days	32 days 358,150
Other receivables, assets and prepayment	146,884		123,232
Derivative financial assets	198		4,929
Cash and cash equivalents	487,468		308,200
Assets classified as held for sale	4,545		4,545
	<u>1,963,000</u>		<u>1,495,312</u>
<b>Total Assets</b>	<u>4,835,311</u>		<u>4,066,379</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	620,025		620,025
Reserves	1,694,918		1,397,491
<b>Equity attributable to shareholders of the Company</b>	<u>2,314,943</u>		<u>2,017,516</u>
Minority interests	231,546		73,498
<b>Total Equity</b>	<u>2,546,489</u>		<u>2,091,014</u>
<b>Non-Current Liabilities</b>			
Long term borrowings (LT Debts/Total Equity)	24% 608,255	24%	31% 650,361
Lease liabilities	141,749		129,035
Payables	1,298		972
Employee benefits	12,029		8,178
Deferred tax liabilities	147,676		110,060
	<u>911,007</u>		<u>898,606</u>
<b>Current Liabilities</b>			
Short term-bankers acceptance	508,670		320,374
Other short term borrowings	277,338		335,108
Lease liabilities	23,738		19,243
Payables	461,459		368,114
Contract liabilities	68,188		13,077
Derivative financial liabilities	14,436		7,834
Taxation	23,986		13,009
	<u>1,377,815</u>		<u>1,076,759</u>
<b>Total Liabilities</b>	<u>2,288,822</u>		<u>1,975,365</u>
<b>Total Equity and Liabilities</b>	<u>4,835,311</u>		<u>4,066,379</u>
Net Assets per share (RM)	0.95		0.83
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 2020 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 31.3.2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2021**

	←-----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		
<b>12 months ended 31.3.2020</b>							
<b>At 1.4.2019, as previously reported</b>	620,025	(93,231)	(3,406)	1,411,654	1,935,042	79,304	2,014,346
Adoption of MFRS 16, net of tax	-	-	-	(2,610)	(2,610)	-	(2,610)
<b>At 1.4.2019, as restated</b>	620,025	(93,231)	(3,406)	1,409,044	1,932,432	79,304	2,011,736
Foreign currency translation differences for foreign operations	-	(43,045)	-	-	(43,045)	(3,620)	(46,665)
Share on loss of equity-accounted associates	-	-	(2,096)	-	(2,096)	-	(2,096)
Cash flow hedge	-	-	(26,424)	-	(26,424)	-	(26,424)
Total other comprehensive income/(expenses) for the year	-	(43,045)	(28,520)	-	(71,565)	(3,620)	(75,185)
Profit for the period	-	-	-	239,362	239,362	(395)	238,967
<b>Total comprehensive income/(expenses) for the period</b>	-	(43,045)	(28,520)	239,362	167,797	(4,015)	163,782
<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 interests	-	-	-	-	-	(6,292)	(6,292)
- Acquisition of non-controlling interests	-	-	-	(9,703)	(9,703)	4,501	(5,202)
- Changes in ownership of non-controlling interests	-	-	-	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	(82,713)	(82,713)	(1,791)	(84,504)
<b>At 31.3.2020</b>	620,025	(136,276)	(31,926)	1,565,693	2,017,516	73,498	2,091,014

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2020 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 31.3.2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2021**

	<-----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		
<b>12 months ended 31.3.2021</b>							
<b>At 1.4.2020</b>	620,025	(136,276)	(31,926)	1,565,693	<b>2,017,516</b>	73,498	<b>2,091,014</b>
Foreign currency translation differences for foreign operations	-	37,015	-	-	<b>37,015</b>	2,773	<b>39,788</b>
Share on gain of equity-accounted associates	-	-	1,795	-	<b>1,795</b>	-	<b>1,795</b>
Cash flow hedge	-	-	20,230	-	<b>20,230</b>	-	<b>20,230</b>
Total other comprehensive income/(expenses) for the year	-	37,015	22,025	-	<b>59,040</b>	2,773	<b>61,813</b>
Profit for the period	-	-	-	311,397	<b>311,397</b>	13,786	<b>325,183</b>
<b>Total comprehensive income/(expenses) for the period</b>	-	37,015	22,025	311,397	<b>370,437</b>	16,559	<b>386,996</b>
<i>Contribution by and distributions to owners of the Company</i>							
- Dividends to owners of the Company	-	-	-	(73,010)	<b>(73,010)</b>	-	<b>(73,010)</b>
- Dividends paid to non-controlling interest	-	-	-	-	-	(4,799)	<b>(4,799)</b>
- Acquisition via business combination	-	-	-	-	-	147,277	<b>147,277</b>
- Changes in ownership of non-controlling interests	-	-	-	-	-	(989)	<b>(989)</b>
<b>Total transactions with owners of the Company</b>	-	-	-	(73,010)	<b>(73,010)</b>	141,489	<b>68,479</b>
<b>At 31.3.2021</b>	620,025	(99,261)	(9,901)	1,804,080	<b>2,314,943</b>	231,546	<b>2,546,489</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2020 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 31.3.2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31.3.2021**

	<b>Period ended 31.3.2021 RM'000</b>	<b>Period ended 31.3.2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	432,556	306,939
Adjustments for:		
Depreciation & amortisation	206,858	186,151
(Increase)/Decrease in working capital	124,403	35,598
Income tax paid	(75,492)	(31,915)
Other non-cash items	119,516	31,465
<b>Net cash generated from/(used in) operating activities</b>	<b>807,841</b>	<b>528,238</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(393,743)	(418,484)
Others	3,548	10,058
<b>Net cash generated from/(used in) investing activities</b>	<b>(390,195)</b>	<b>(408,426)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings	(91,819)	(5,821)
Payment of lease liabilities	(27,970)	(12,169)
Dividend paid to minority interest	(4,799)	(6,292)
Dividend paid to shareholders	(73,010)	(73,010)
Others	-	(3,066)
<b>Net cash generated from/(used in) financing activities</b>	<b>(197,598)</b>	<b>(100,358)</b>
<b>Net increase in cash and cash equivalents</b>	<b>220,048</b>	<b>19,454</b>
<b>Cash and cash equivalents at 1.4.2020</b>	<b>261,550</b>	<b>242,096</b>
<b>Cash and cash equivalents at 31.3.2021</b>	<b>481,598</b>	<b>261,550</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for year ended 31 March 2020 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 2020.

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 2020 except for the adoption of the followings:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*
- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

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 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. Meanwhile, clean energy activities are not seasonal but dependent on orders and delivery schedule.
- (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:

<b>Q1</b>	<b>April to June</b>	<b>0.21</b>
<b>Q2</b>	<b>July to September</b>	<b>0.27</b>
<b>Q3</b>	<b>October to December</b>	<b>0.28</b>
<b>Q4</b>	<b>January to March</b>	<b>0.24</b>
		<b>1.00</b>

### **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 4th quarter ended 31.3.2021

	<b>RM'000</b>	<b>RM'000</b>
	<b>Sales</b>	<b>PBT</b>
Marine Products Manufacturing	303,659	51,646
Palm Oil and Clean Energy	141,761	73,657
Integrated Livestock Farming	768,383	20,983
Total	<u>1,213,803</u>	<u>146,286</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, the result of Boilermech Holdings Berhad and its subsidiaries ("Boilermech") have been consolidated as a subsidiary after the Group obtained a controlling interest during the quarter. Boilermech's result was previously accounted as an associate under equity accounting.

## 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
	1.1.2021 to 31.3.2021	1.1.2020 to 31.3.2020		1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	303,659	270,256	12%	1,265,246	1,159,476	9%
Palm Oil and Clean Energy (POCE)	141,761	68,291	108%	312,662	255,937	22%
Integrated Livestock Farming (ILF)	768,383	643,865	19%	2,795,505	2,740,413	2%
<b>Total</b>	<b>1,213,803</b>	<b>982,412</b>	<b>24%</b>	<b>4,373,413</b>	<b>4,155,826</b>	<b>5%</b>
	1.1.2021 to 31.3.2021	1.1.2020 to 31.3.2020		1.4.2020 to 31.3.2021	1.4.2019 to 31.3.2020	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine Product Manufacturing (MPM)	51,646	43,835	18%	260,822	191,802	36%
Palm Oil and Clean Energy (POCE)	73,657	3,672	1906%	86,556	4,013	2057%
Integrated Livestock Farming (ILF)	20,983	15,258	38%	85,178	111,124	-23%
<b>Total</b>	<b>146,286</b>	<b>62,765</b>	<b>133%</b>	<b>432,556</b>	<b>306,939</b>	<b>41%</b>

- a. MPM's current quarter sales increased by 12% against the corresponding quarter mainly due to higher sales for surimi based products, seafood and aquaculture business.

Earnings increased by 18% in tandem with higher sales and also better margin achieved through production cost efficiency for surimi based products and aquaculture business.

Similarly cumulative sales and earnings increased by 9% and 36% respectively due to better performance of all segment activities except for fishing which was adversely affected by lack of foreign fishing crews with the imposition of movement control order ("MCO") and slower Q4 fish landing experienced in the new fishing season in South China Sea.

- b. Palm Oil Activities (POA) have been renamed as Palm Oil and Clean Energy (POCE) in the current quarter to better reflect the consolidation of Boilermech Holdings Berhad and its subsidiaries' ("Boilermech") result as a subsidiary after the Group obtained a controlling interest during the quarter. Previously, Boilermech's result was accounted for as an associate under equity accounting.

POCE's current quarter sales increased by 108% against the corresponding quarter mainly due to consolidation of Boilermech's sales, despite lower sales recorded for palm oil business which was affected by overall lower tonnage of FFB harvest and processed caused by adverse weather and labor shortage.

Earnings recorded 1906% increase against the corresponding quarter mainly due to an one-off gain of RM 79 million arising from remeasurement of the Group's previously held equity interest in Boilermech at its acquisition-date, as required under MFRS 3 Business Combination following the step acquisition on Boilermech. In addition, Boilermech's higher contribution helped to offset the weaker performance of palm oil business which was adversely affected by lower FFB harvest and processed as mentioned above, forward selling at lower price and drastic Indonesian windfall tax.

Cumulative sales increased by 9% mainly due to inclusion of Boilermech's sales in the current quarter.

Cumulative earnings increased by 2057% mainly due to one-off remeasurement gain on Boilermech, higher contribution by Boilermech's business as well as foreign currency translation gain from Indonesian Rupiah movement (RM/IDR at 3774 at end March 2020 vs 3496 as at end March 2021)

- c. ILF's current quarter sales increased by 19% against the corresponding quarter mainly due to higher unit selling price for raw material trading and feedmill operation and higher sales from FamilyMart business.

Earnings increased by 38% due to higher contribution from raw material trading and FamilyMart business, despite overall high feed costs and poor egg price in Peninsular and Vietnam.

Cumulative sales increased by 2% mainly due to higher unit selling price for raw material trading with rising commodity price and higher egg production.

Cumulative earnings decreased by 23% due to adverse impact of Covid-19 pandemic resulting in lower FamilyMart contribution, low egg price for Peninsular and weaker overall broiler integration performance.

## B2 Review of current quarter performance with the preceding quarter

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2021 to 31.3.2021	1.10.2020 to 31.12.2020		1.1.2021 to 31.3.2021	1.10.2020 to 31.12.2020	
	Sales	Sales		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Activities:						
Marine Product Manufacturing (MPM)	303,659	318,552	-5%	51,646	73,727	-30%
Palm Oil and Clean Energy (POCE)	141,761	52,378	171%	73,657	31	237503%
Integrated Livestock Farming (ILF)	768,383	740,442	4%	20,983	34,790	-40%
Total	1,213,803	1,111,372	9%	146,286	108,548	35%

- a. MPM's current quarter sales decreased by 5% against the preceding quarter mainly due to seasonal factor and also disruption in fishing activities caused by lack of foreign fishing crews and delayed Q4 fish landing experienced in the new fishing season in South China sea.

Earnings decreased by 30% mainly due to seasonal factor and also lower selling price across MPM activities, except for surimi based products.

- b. POCE's current quarter sales increased by 171% against the preceding quarter mainly due to consolidation of Boilermech's result and higher CPO price.

Earnings improved substantially due to one-off remeasurement gain on Boilermech under MFRS3 and higher contribution by Boilermech, despite weaker performance by palm oil business affected by forward selling at lower price and drastic Indonesian windfall tax.

- c. ILF's current quarter sales increased by 4% against the preceding quarter mainly due to higher unit selling price for raw material trading.

Earnings decreased by 40% against preceding quarter mainly due to overall higher feed costs and poor egg price for Peninsular and Vietnam market and weaker Broiler integration performance, despite higher raw material trading margin and improved performance from FamilyMart business.

## B3 Prospects for the next quarter to 30th June 2021

With the reimposition of MCO, the management expects another challenging quarter ahead but remains committed to strive for performance growth in FY2022.

## B4 Profit forecast

No profit forecast was published during the period under review.

## B5 Tax expense

	Individual quarter 3 months ended 31.3.2021	Cumulative period To date 31.3.2021
	RM'000	RM'000
Current income tax expense	23,330	84,262
Deferred tax expense	4,988	23,111
	28,318	107,373

The effective tax rate for cumulative period to date is slightly higher than the statutory rate due to tax expense recognised on the unrealized forex gain from Indonesian Rupiah movement as per Indonesian tax law.

## B6 Unquoted investments and properties

There were no disposal of unquoted investments and/or properties during quarter under review.

## B7 Quoted investments

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

## B8 Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

## B9 Group borrowings

	As at 4th quarter ended 31.3.2021					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.148)	RM denomination	Foreign denomination (USD\$1 = RM4.148)	RM denomination	Foreign denomination (USD\$1 = RM4.148)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Secured</b>						
Term loans (Conventional)	-	3,290	-	435	-	3,725
Term loans (Islamic)	-	-	-	-	-	-
	-	3,290	-	435	-	3,725
<b>Unsecured</b>						
Term loans (Conventional)	577,515	-	184,234	-	761,749	-
Term loans (Islamic)	27,450	-	36,600	-	64,050	-
Bank overdrafts	-	-	2,280	3,589	2,280	3,589
Bankers' acceptance (Conventional)	-	-	149,623	310,131	149,623	310,131
Bankers' acceptance (Islamic)	-	-	-	48,916	-	48,916
Revolving credit	-	-	-	50,076	-	50,076
Finance lease liabilities (HP creditors)	-	-	-	124	-	124
	604,965	-	372,737	412,836	977,702	412,836
<b>Total</b>	<b>604,965</b>	<b>3,290</b>	<b>372,737</b>	<b>413,271</b>	<b>977,702</b>	<b>416,561</b>

	As at 4th quarter ended 31.3.2020					
	Long term		Short term		Total borrowings	
	Foreign denomination (USD\$1 = RM4.318)	RM denomination	Foreign denomination (USD\$1 = RM4.318)	RM denomination	Foreign denomination (USD\$1 = RM4.318)	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unsecured</b>						
Term loans (Conventional)	600,054	-	117,399	-	717,453	-
Term loans (Islamic)	46,675	3,508	38,100	47,220	84,775	50,728
Bank overdrafts	-	-	37,783	8,867	37,783	8,867
Bankers' acceptance (Conventional)	-	-	66,194	177,430	66,194	177,430
Bankers' acceptance (Islamic)	-	-	-	76,750	-	76,750
Revolving credit	-	-	-	85,605	-	85,605
Finance lease liabilities (HP creditors)	-	124	-	134	-	258
	646,729	3,632	259,476	396,006	906,205	399,638
<b>Total</b>	<b>646,729</b>	<b>3,632</b>	<b>259,476</b>	<b>396,006</b>	<b>906,205</b>	<b>399,638</b>

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

## B10 Financial instruments

As at 31.3.2021, the outstanding derivatives (including financial instruments designated as hedging instruments) are as follows:

Types of derivatives	Contract/Notional Value as at 31.3.2021	Fair Value gain/ (loss) as at 31.3.2021
	RM'000	RM'000
<b>(i) Cross currency swap</b>		
- Less than 1 year		
- More than 1 year	652,159	(11,233)
<b>(ii) Interest rate swap</b>		
- Less than 1 year		
- More than 1 year	137,136	(3,358)
<b>(iii) Foreign exchange contracts (sell)</b>		
- Less than 1 year	81,008	(643)
- More than 1 year		
<b>(iv) Foreign exchange contracts (buy)</b>		
- Less than 1 year	33,555	3,538
- More than 1 year		
	<b>903,858</b>	<b>(11,696)</b>

## B11 Changes in material litigation

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

**B12 Dividend**

Following the bonus issue of up to 811,219,219 new ordinary shares in QL on the basis of 1 bonus share for every 2 existing ordinary shares in QL held on 15 Oct 2020, the number of shares had increased from 1,622,438,259 shares to 2,433,657,388 shares. The Directors had proposed a final single tier dividend of 3.50 sen per share totalling of approximately RM85.2m in respect of the year ended 31.3.2021 (2020: 4.50 sen per share totalling of approximately RM73.0m), subject to the approval of the shareholders at the forthcoming Annual General Meeting.

**B13 Earnings per share**

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The calculations of basic earnings per share were as follows:

	<b>Current quarter ended 31.3.2021</b>	<b>Cumulative to date 31.3.2021</b>
Net profit attributable to ordinary shareholders (RM'000)	114,062	311,397
Number of ordinary shares in issue ('000)- weighted average	<u>2,433,657</u>	<u>2,433,657</u>
Basic Earnings per share (sen)	<u>4.69</u>	<u>12.80</u>