

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2007

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2007

			(Restated)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	4TH QUARTER 1.1.2007 TO 31.3.2007 RM'000	4TH QUARTER 1.1.2006 TO 31.3.2006 RM'000	TO-DATE 1.4.2006 TO 31.3.2007 RM'000	PERIOD 1.4.2005 TO 31.3.2006 RM'000
Revenue	265,999	238,695	1,118,518	1,010,545
Operating Profit	29,882	21,049	112,271	89,738
Depreciation and amortisation	-6,517	-6,020	(24,679)	(20,291)
Interest income	70	147	540	337
Interest expense	-5,252	-3,747	(12,341)	(11,290)
Share of profit of associate (net)	(21)	133	456	433
Profit Before Taxation	18,162	11,562	76,247	58,927
Less: Tax expense	(1,128)	(803)	#N/A	(7,525)
Profit for the period	17,034	10,759	#N/A	51,402
Attributable to:				
Shareholders of the Company	16,367	10,136	#N/A	48,346
Minority interests	667	623	#N/A	3,056
Profit for the period	17,034	10,759	#N/A	51,402
Number of shares in issue ('000)	220,000	208,889	220,000	202,192
Earnings per share:				
Basic earnings per ordinary shares (sen)	7.44	4.85	#N/A	23.91
Diluted earnings per ordinary shares (sen)	NA	NA	#N/A	NA

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for year ended 31 March 2006.

Note: NA denotes "Not Applicable"

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31ST MARCH 2007

	At 31.3.2007 RM'000	At 31.3.2006 RM'000 (Restated)
ASSETS		
Property, plant and equipment	279,871	245,344
Investment properties	16,580	9,390
Biological assets	14,578	13,104
Prepaid lease	49,441	32,729
Goodwill on Consolidation	2,667	2,583
Intangible assets	427	496
Investment in Associates	3,449	3,762
Other long term investments	103	103
Deferred tax asset	61	215
Total Non-current assets	<u>367,177</u>	<u>307,726</u>
Current Assets		
Inventories	93,561	103,158
Biological assets	15,615	11,794
Trade receivables	92,568	91,744
Other receivables & prepayment	74,837	42,736
Cash, bank balances and fixed deposits	28,312	25,985
	<u>304,893</u>	<u>275,417</u>
Total Assets	<u><u>672,070</u></u>	<u><u>583,143</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	110,000	110,000
Reserves	186,915	138,817
Equity attributable to shareholders of the Company	<u>296,915</u>	<u>248,817</u>
Minority interests	25,501	20,746
Total Equity	<u>322,416</u>	<u>269,563</u>
Non-current liabilities		
Long term borrowings	61,624	65,587
Deferred tax liabilities	26,151	24,940
	<u>87,775</u>	<u>90,527</u>
Current Liabilities		
Payables	57,558	59,997
Short term borrowings	203,203	161,907
Taxation	1,118	1,149
	<u>261,879</u>	<u>223,053</u>
Total Liabilities	<u>349,654</u>	<u>313,580</u>
Total equity and liabilities	<u><u>672,070</u></u>	<u><u>583,143</u></u>
Net Assets per share (RM)	<u>1.35</u>	<u>1.13</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for year ended 31 March 2006 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 31.3.2007

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2007.

	Share Capital	Share premium	Exchange translation Reserve	Retained Profit	Attributable to shareholders of the Company	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As previously stated	110,000	40,346	-	97,672	248,018	20,746	268,764
Effect of adopting FRS3	-	-	-	<u>799</u>	<u>799</u>	-	<u>799</u>
At 1st April 2006 (Restated)	110,000	40,346	-	98,471	248,817	20,746	269,563
Movement for the period:					-		
Net profit for the period	-			#N/A	#N/A	#N/A	#N/A
Dilution of equity interest in subsidiaries					-	986	986
Net gain/losses recognised directly to equity			(12)		(12)	-	(12)
Acquisition of equity interest in subsidiaries					-	(625)	(625)
Dividends paid to minority interests					-	(942)	(942)
Dividends				#N/A	#N/A	-	#N/A
At 31.3.2007	<u>110,000</u>	<u>40,346</u>	<u>(12)</u>	<u>#N/A</u>	<u>#N/A</u>	<u>#N/A</u>	<u>#N/A</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2006 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 31.3.2007

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
	1.1.2007 to 31.3.2007	1.1.2006 to 31.3.2006		1.4.2006 to 31.3.2007	1.4.2005 to 31.3.2006	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	58,592	46,150	27%	245,385	190,594	29%
Crude Palm Oil Milling (CPOM)	56,760	47,009	21%	216,633	199,675	8%
Integrated Livestock Farming (ILF)	150,647	145,536	4%	656,500	620,276	6%
Total	<u>265,999</u>	<u>238,695</u>	11%	1,118,518	1,010,545	11%
	1.1.2007 to 31.3.2007	1.1.2006 to 31.3.2006		1.4.2006 to 31.3.2007	1.4.2005 to 31.3.2006	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	5,287	3,929	35%	33,458	27,282	23%
Crude Palm Oil Milling (CPOM)	1,296	1,518	-15%	9,251	7,723	20%
Integrated Livestock Farming (ILF)	11,579	6,115	89%	33,538	23,922	40%
Total	<u>18,162</u>	<u>11,562</u>	57%	76,247	58,927	29%

- a. MPM's current quarter sales and earnings increased 27% and 35% against corresponding quarter respectively. The increased sales and earnings were due to higher contribution from surimi-based products operations as well as higher fishmeal prices.

Cumulatively, sales and earnings increased 29% and 23% respectively due to higher contributions from surimi-based products, deep sea fishing and fishmeal operations.

- b. CPOM's current quarter sales increased 21% against corresponding quarter mainly due to higher CPO price (Current qtr: RM1888 vs Corresponding qtr: RM1378)

Although CPO prices increased 15.6% against last year, FFB processed decreased by 15% against last year, resulting in a cumulative increased of 8% in sales mainly due to better OER.

CPOM's current quarter earnings decreased 15% against corresponding quarter due to lower FFB processed.

Cumulatively, earnings increased 20% due to better OER (Oil Extraction Rate) as well as higher contribution from own plantation units.

- c. ILF's current quarter sales increased 4% against corresponding quarter due higher unit value of animal feed raw material.

Cumulatively, sales increased 6% due to new contribution from newly acquired poultry farming unit in KK as well as higher unit value of animal feed raw materials.

ILF's current quarter earnings increased significantly due to better margins from raw material trade and farm produced products.

Cumulatively, earnings increased 40% for the same reason.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter -restated	% change	Current quarter	Preceding quarter	% change
	1.1.2007 to 31.3.2007	1.10.2006 to 31.12.2006		1.1.2007 to 31.3.2007	1.10.2006 to 31.12.2006	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	58,592	65,718	-11%	5,287	9,763	-46%
Crude Palm Oil Milling (CPOM)	56,760	55,112	3%	1,296	3,009	-57%
Integrated Livestock Farming (ILF)	<u>150,647</u>	<u>170,413</u>	-12%	<u>11,579</u>	<u>10,377</u>	12%
Total	<u>265,999</u>	<u>291,243</u>	-9%	<u>18,162</u>	<u>23,149</u>	-22%
		Refer B2 c ii.				

- a. MPM's current quarter sales decreased 11% against preceding quarter due to lower catch (fourth quarter falls in the Monsoon season) in Peninsular East Coast and Kota Kinabalu operations. Earnings decreased 46% due to the same reason.
- b. CPOM's current quarter sales increased 3% against preceding quarter due to higher CPO price. (Current Qtr:RM1,888 vs Preceding Qtr:RM1,624). Earnings decreased 57% due to lower FFB processed (Low crop season) as well as lower OER.
- c i ILF's current quarter sales decreased 12% against preceding quarter due to lower volume of animal feed raw material trade. Earnings increased 12% against preceding quarter due to better margins from farm produced price and raw material trade.
- c ii The 3rd quarter integrated livestock activities sales was restated due to error in elimination of intercompany transactions amounting to RM13.288million. The above restatement has no effect on the said 3rd quarter earnings.

B3 Commentary on Prospects for the next quarter to 30 June 2007.

The directors are cautiously optimistic on the next quarter to 30.6.2007.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense**Cumulative period**

Current income tax expense
Deferred tax expense

Todate
31.3.2007

RM'000
7,180
1,365
8,545

The 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.

Current quarter ended
31.3.2007

Todate
31.3.2007

Investment in quoted securities is analysed as:

	RM'000	RM'000
Cost:	<u>48</u>	<u>48</u>
Book Value:	<u>48</u>	<u>48</u>
Market Value:	<u>54</u>	<u>54</u>

B8 Corporate Proposals

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

B9 Borrowings

	RM'000	RM'000
<i>Bank overdraft-short term (secured)</i>	3,376	
<i>Bank overdraft-short term (unsecured)</i>	<u>7,375</u>	
		10,751
<i>HP Creditors-short term (unsecured)</i>	1,844	
<i>HP Creditors-long term (unsecured)</i>	<u>4,165</u>	
		6,009
<i>Bankers' acceptance-short term (secured)</i>	3,436	
<i>Bankers' acceptance-short term (unsecured)</i>	<u>164,177</u>	
		167,613
<i>Term loans-short term (secured)</i>	2,599	
<i>Term loans-short term (unsecured)</i>	<u>20,396</u>	
		<u>22,995</u>
<i>Term loans-long term (secured)</i>	1,126	
<i>Term loans-long term (unsecured)</i>	<u>56,333</u>	<u>57,459</u>
Total Borrowings for trade purpose		<u><u>264,827</u></u>

B10 Off Balance sheet financial instruments

The Group enters into forward exchange contracts as a hedge for certain contracts that are confirmed. The purpose of such hedging is to minimise losses and to preserve value of confirmed contracts. There is no cash requirement for the above hedging instrument. It is the Group's policy to enter into foreign currency contracts with the Group's bankers and as such the Group do not foresee any significant credit and/or market risks. Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency transactions are translated at rates ruling at the transaction dates. Foreign exchange difference are dealt with in the income statement. As at 31.3.2007, the Group has hedged outstanding foreign currency contracts amounting to USD 16.83 million (RM 58.9 million). These contracts are all short term in nature.

B11 Changes in Material Litigation

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

B12 Dividend

The directors do recommend a final dividend of 20% less tax for the year to be approved at the next AGM.

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

	Current quarter ended	Cumulative
	31.3.2007	Todate
	<u>31.3.2007</u>	<u>31.3.2007</u>

(a)	Net profit attributable to ordinary shareholders(RM'000)	<u>16,367</u>	<u>#N/A</u>
	Number of ordinary shares in issue ('000)-		
(b)	weighted average	<u>220,000</u>	<u>220,000</u>
	Basic Earnings per share (sen)	<u>7.44</u>	<u>#N/A</u>

B14 Dividends Paid/declared

Dividend No.	Financial year	Type	Rate	Payment date
7	2006	Final dividend Based on 9.0 sen per ordinary shares of RM0.50 sen.	18% per share less tax	27th Sep 06
8	2007	Proposed final dividend Based on 10.0 sen per ordinary shares of RM0.50 sen.	20% per share less tax	To be approved at next AGM

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

INTERIM FINANCIAL REPORT FOR THE 4RD QUARTER ENDED 31.3.2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2006.

	4rd quarter ended 31.3.2007 RM'000	4rd quarter ended 31.3.2006 RM'000
Net cash from operating activities	83,843	47,024
Net cash used in investing activities	-77,733	-83,190
Net cash used in financing activities	<u>-7,066</u>	<u>41,072</u>
Net decrease in cash and cash equivalents	-956	4,906
Cash and cash equivalents at 1.4.2006	18,692	13,786
Cash and cash equivalents at 31.3.2007	<u><u>17,736</u></u>	<u><u>18,692</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for year ended 31 March 2006 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements of the Group have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

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 annual financial statements for the financial year ended 31 March 2006, except for the adoption of the following new and revised Financial Reporting Standards (FRS) that are effective for financial periods beginning on or after 1 January 2006:-

- FRS 3 Business Combination**
- FRS 5 Non-current Assets Held for Sale and Discontinued Operations**
- FRS101 Presentation of Financial Statements**
- FRS102 Inventories**
- FRS108 Accounting Policies, Changes in Accounting Estimates and Errors**
- FRS110 Events after the Balance Sheet Date**
- FRS116 Property, Plant and Equipment**
- FRS117 Leases**
- FRS121 The Effect of Changes in Foreign Exchange Rates**
- FRS124 Related Party Disclosures**
- FRS127 Consolidated and Separate Financial Statements**
- FRS128 Investment in Associates**
- FRS131 Interests in Joint Ventures**
- FRS132 Financial Instruments: Disclosure and Presentation**
- FRS133 Earnings Per Share**
- FRS136 Impairment of Assets**
- FRS138 Intangible Assets**
- FRS140 Investment Property**

The adoption of the above FRS does not have significant financial impact on the Group except as disclosed as follows:-

FRS3: Business Combinations

Negative Goodwill on Consolidation

Previously Negative Goodwill on consolidation is retained in the Balance Sheet. With the adoption of FRS3, Negative Goodwill is now taken to income statement as and when they arise.

Goodwill on Consolidation

Previously Goodwill on Consolidation is capitalised. With the adoption of FRS3, goodwill will now be carried at cost less impairment losses. Goodwill will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The above changes in accounting policy have been accounted for prospectively and in accordance with FRS3, the Group has taken Negative Goodwill on Consolidation as at 31st March 2006 to Retained Profits as follows:

	As previously reported (RM'000)	Effect (RM'000)	As restated (RM'000)
<u>Balance Sheets</u>			
Retained profit brought forward	97,672	799	98,471
Negative Goodwill on Consolidation	799	(799)	-

FRS101: Presentation of Financial Statements

The adoption of the revised FR101 has affected the presentation of the minority interests and other disclosures in the income statement, balance sheet and statement of changes in equity.

In the consolidated income statement, minoritys are presented as an allocation of the total profit for the period as oppose to as a deduction before arriving at profit attributable to shareholders.

In the consolidated balance sheet, minority interests are now presented within total equity. Movement of the minority interests for the period is presented in the consolidated statement of changes in equity.

Share of associated company results is now reported as a single line item above the Group profit before tax.

The revised FRS101 has also give rise to new classes of assets and liabilities which are required to be reported on the face of the consolidated balance sheet. The comparative figures are restated to conform with the new presentation as follows:

	As previously reported (RM'000)	Effect (RM'000)	As restated (RM'000)
4th quarter ended 31.3.2007			
<u>Income Statements</u>			
Share of associated company profit	182	(49)	133
Profit Before Taxation	11,611	(49)	11,562
Taxation	852	(49)	803
Cumulative quarters (12 months) ended 31.3.2007			
<u>Income Statements</u>			
Share of associated company profit	564	(131)	433
Profit Before Taxation	59,058	(131)	58,927
Taxation	7,656	(131)	7,525

Balance Sheets

Property plant and equipment	300,568	(48,840)	251,728
Investment Properties		6,590	6,590
Prepaid lease		32,149	32,149
Biological Assets (Long Term)	-	13,104	13,104
Inventories	114,952	(12,722)	102,230
Biological Assets (Current)	-	12,722	12,722

A2 Status of Audit qualification

The Audit Report of the Group's preceding financial statements was not qualified.

A3 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.

A4 Unusual items

There are no unusual items during the quarter under review.

A5 Material changes in estimates

There were no material changes in estimates during the quarter under review.

A6 Debts and securities

There are no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review except as disclosed.

A7 Dividend paid

The directors do recommend a final dividend of 20% less tax for the year to be approved at the next AGM.

A8 Segmental Information

Segment information in respect of the Group's business segments for the 12 months ended 31.3.2007

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	245,385	33,458
Crude Palm Oil Milling	216,633	9,251
Integrated Livestock Farming	656,500	33,538
Total	<u>1,118,518</u>	<u>76,247</u>

A9 Property, plant and equipment

The valuations of land and building have been brought forward, without amendment from the previous annual report.

A10 Material subsequent Event

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements.

A11 Changes in composition of the Group.

There were no material changes in the composition of the Group in the current quarter.

A12 Changes in Contingent Liabilities

Corporate guarantee given to secure banking facilities granted to subsidiaries :	RM' million
At 31.3.2006	473
Additions	63
At 31.3.2007	<u>536</u>