

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2007

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	1ST QUARTER 1.4.2007 TO 30.6.2007 RM'000	1ST QUARTER 1.4.2006 TO 30.6.2006 RM'000	TO-DATE 1.4.2007 TO 30.6.2007 RM'000	PERIOD 1.4.2006 TO 30.6.2006 RM'000
Revenue	<u>313,971</u>	<u>269,254</u>	<u>313,971</u>	<u>269,254</u>
Operating Profit	28,923	23,369	28,923	23,369
Depreciation and amortisation	-6,829	-5,518	(6,829)	(5,518)
Interest income	75	75	75	75
Interest expense	-3,746	-2,683	(3,746)	(2,683)
Share of profit of associate (net)	<u>112</u>	<u>170</u>	<u>112</u>	<u>170</u>
Profit Before Taxation	18,535	15,413	18,535	15,413
Less: Tax expense	<u>(2,267)</u>	<u>(1,960)</u>	<u>(2,267)</u>	<u>(1,960)</u>
Profit for the period	<u>16,268</u>	<u>13,453</u>	<u>16,268</u>	<u>13,453</u>
Attributable to:				
Shareholders of the Company	15,425	12,364	15,425	12,364
Minority interests	843	1,089	843	1,089
Profit for the period	<u>16,268</u>	<u>13,453</u>	<u>16,268</u>	<u>13,453</u>
Number of shares in issue ('000)	220,000	220,000	220,000	220,000
Earnings per share:				
Basic earnings per ordinary shares (sen)	7.01	5.62	7.01	5.62
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 2007.

Note: NA denotes "Not Applicable"

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30TH JUNE 2007

	At 30.6.2007 RM'000	At 31.3.2007 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	300,142	286,162
Intangible assets	431	427
Biological assets	14,603	14,578
Prepaid lease payments	49,227	49,662
Investment properties	7,995	8,903
Investment in Associates	3,561	3,449
Other long term investments	82	103
Deferred tax asset	512	61
Goodwill on Consolidation	2,855	2,855
Total non-current assets	<u>379,408</u>	<u>366,200</u>
Current Assets		
Trade receivables	115,290	92,116
Other receivables, deposits and prepayments	47,243	45,414
Inventories	93,675	120,139
Biological assets	16,700	15,615
Current tax assets	3,517	3,047
Cash and cash equivalents	37,292	28,312
	<u>313,717</u>	<u>304,643</u>
Total Assets	<u>693,125</u>	<u>670,843</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	110,000	110,000
Reserves	203,224	187,798
Equity attributable to shareholders of the Company	<u>313,224</u>	<u>297,798</u>
Minority interests	26,808	25,501
Total Equity	<u>340,032</u>	<u>323,299</u>
Non-current liabilities		
Long term borrowings	57,463	61,624
Deferred tax liabilities	26,085	26,151
	<u>83,548</u>	<u>87,775</u>
Current Liabilities		
Payables	62,224	55,427
Short term borrowings	204,855	203,203
Taxation	2,466	1,139
	<u>269,545</u>	<u>259,769</u>
Total Liabilities	<u>353,093</u>	<u>347,544</u>
Total equity and liabilities	<u>693,125</u>	<u>670,843</u>
Net Assets per share (RM)	<u>1.42</u>	<u>1.35</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2007

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 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 1st April 2007	110,000	40,346	(11)	147,463	297,798	25,501	323,299
Movement for the period:					-		
Net profit for the period	-			15,425	15,425	843	16,268
Issuance of shares	-				-	2,685	2,685
Acquisition of additional shares in existing subsidiaries						(2,220)	(2,220)
Dividends				-	-		-
At 30.6.2007	<u>110,000</u>	<u>40,346</u>	<u>(11)</u>	<u>162,888</u>	<u>313,223</u>	<u>26,809</u>	<u>340,032</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD
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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2007

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
	1.4.2007 to 30.6.2007	1.4.2006 to 30.6.2006		1.4.2007 to 30.6.2007	1.4.2006 to 30.6.2006	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	69,901	59,889	17%	69,901	59,889	17%
Crude Palm Oil Milling (CPOM)	58,844	54,575	8%	58,844	54,575	8%
Integrated Livestock Farming (ILF)	185,226	154,790	20%	185,226	154,790	20%
Total	313,971	269,254	17%	313,971	269,254	17%
	1.4.2007 to 30.6.2007	1.4.2006 to 30.6.2006		1.4.2007 to 30.6.2007	1.4.2006 to 30.6.2006	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	9,672	7,697	26%	9,672	7,697	26%
Crude Palm Oil Milling (CPOM)	1,595	2,289	-30%	1,595	2,289	-30%
Integrated Livestock Farming (ILF)	7,268	5,426	34%	7,268	5,426	34%
Total	18,535	15,412	20%	18,535	15,412	20%

- a. MPM's current quarter sales and earnings increased 17% and 26% 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.
- b. CPOM's current quarter sales increased 8% against corresponding quarter mainly due to higher CPO price (Current qtr: RM2317 vs Corresponding qtr: RM1371)
CPO prices increased 69% and FFB (Fresh Fruit Bunches) processed decreased by 28% against corresponding quarter respectively, resulting only in an increased of 8% in sales for the period.
CPOM's current quarter earnings decreased 30% against corresponding quarter due to lower FFB processed.
Earning was also affected by competition for FFB supplies due to entry of two new CPO mills nearby.
- c. ILF's current quarter sales increased 20% against corresponding quarter due higher unit cost of animal feed raw material.
ILF's current quarter earnings increased 34% against corresponding quarter due to better margin from raw material trade as well as higher farm produced margin.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter -restated	% change	Current quarter	Preceding quarter	% change
	1.4.2007 to 30.6.2007	1.1.2007 to 31.3.2007		1.4.2007 to 30.6.2007	1.1.2007 to 31.3.2007	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	69,901	58,592	19%	9,672	5,270	84%
Crude Palm Oil Milling (CPOM)	58,844	56,760	4%	1,595	1,296	23%
Integrated Livestock Farming (ILF)	<u>185,226</u>	<u>150,647</u>	23%	<u>7,268</u>	<u>12,478</u>	-42%
Total	<u>313,971</u>	<u>265,999</u>	18%	<u>18,535</u>	<u>19,044</u>	-3%

- a. MPM's current quarter sales increased 19% against preceding quarter due to better fish catch as preceding quarter is a monsoon quarter. Earnings increased 84% due to the same reason.
- b. CPOM's current quarter sales increased 4% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM2137 vs Preceding Qtr:RM1888) Earnings increased 23% due to higher contribution from own plantation unit.
- c. ILF's current quarter sales increased 23% against preceding quarter due to higher volume of animal feed raw material trade. Earnings decreased 42% against preceding quarter due to lower farm produced margin. Current quarter raw material trade margin was also lower due to preceding quarter's margin being higher than normal.

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

The directors are cautiously optimistic on the next quarter to 30.9.2007.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current income tax expense
Deferred tax expense

The effective tax rate is lower than the statutory rate is mainly due to availability of tax incentives.

Cumulative period

Todate
30.6.2007
RM'000

2,793
(526)
2,267

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.

Investment in quoted securities is analysed as:

	Current quarter ended <u>30.6.2007</u>	Todate <u>30.6.2007</u>
	RM'000	RM'000
Cost:	<u>58</u>	<u>58</u>
Book Value:	<u>58</u>	<u>58</u>
Market Value:	<u>60</u>	<u>60</u>

B8 Corporate Proposals

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

B9 Borrowings

Bank overdraft-short term (secured)
Bank overdraft-short term (unsecured)

HP Creditors-short term (unsecured)
HP Creditors-long term (unsecured)

Bankers' acceptance-short term (secured)
Bankers' acceptance-short term (unsecured)

Term loans-short term (secured)
Term loans-short term (unsecured)

Term loans-long term (secured)
Term loans-long term (unsecured)

Total Borrowings for trade purpose

	RM'000	RM'000
	6,777	
	<u>5,170</u>	11,947
	1,849	
	<u>3,617</u>	5,466
	3,876	
	<u>159,410</u>	163,286
	697	
	<u>27,076</u>	27,773
	951	
	<u>52,895</u>	53,846
	<u>262,318</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 30.6.2007, the Group has hedged outstanding foreign currency contracts amounting to USD 13.3 million (RM 45.7 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 not recommend any dividend for the period under review.

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

	Current quarter ended 30.6.2007	Cumulative Todate 30.6.2007
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>15,425</u>	<u>15,425</u>
Number of ordinary shares in issue ('000)- weighted average	<u>220,000</u>	<u>220,000</u>
Basic Earnings per share (sen)	<u>7.01</u>	<u>7.01</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 the AGM on 21st August 2007

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2007

	1st quarter ended 30.6.2007 RM'000	1st quarter ended 30.6.2006 RM'000
Net cash from operating activities	26,199	13,871
Net cash used in investing activities	-21,716	-12,082
Net cash used in financing activities	<u>3,305</u>	<u>-3,200</u>
Net decrease in cash and cash equivalents	7,788	-1,411
Cash and cash equivalents at 1.4.2007	17,562	18,690
Cash and cash equivalents at 30.6.2007	<u><u>25,350</u></u>	<u><u>17,279</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2007**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 financial statements for the financial year ended 31 March 2007.

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 not recommend any dividend for the current quarter under review.

A8 Segmental Information

Segment information in respect of the Group's business segments for the period ended 30.6.2007.

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	69,901	9,672
Crude Palm Oil Milling	58,844	1,595
Integrated Livestock Farming	185,226	7,268
Total	<u>313,971</u>	<u>18,535</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 31.3.2007	531
Additions	-
At 30.6.2007	<u>531</u>