

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.07

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.07

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	3RD QUARTER 1.10.2007 TO 31.12.2007 RM'000	3RD QUARTER 1.10.2006 TO 31.12.2006 RM'000	TO-DATE 1.4.2007 TO 31.12.2007 RM'000	PERIOD 1.4.2006 TO 31.12.2006 RM'000
Revenue	<u>353,210</u>	<u>291,243</u>	<u>974,947</u>	<u>852,519</u>
Operating Profit	39,212	32,205	101,686	83,625
Depreciation and amortisation	-6,530	-6,092	(19,660)	(18,163)
Interest income	130	225	637	471
Interest expense	-4,673	-3,338	(11,595)	(8,325)
Share of profit of associate (net)	<u>100</u>	<u>149</u>	<u>301</u>	<u>477</u>
Profit Before Taxation	28,239	23,149	71,369	58,085
Less: Tax expense	<u>(2,802)</u>	<u>(3,145)</u>	<u>(7,135)</u>	<u>(7,417)</u>
Profit for the period	<u>25,437</u>	<u>20,004</u>	<u>64,234</u>	<u>50,668</u>
Attributable to:				
Shareholders of the Company	23,615	18,192	59,700	45,999
Minority interests	1,822	1,812	4,534	4,669
Profit for the period	<u>25,437</u>	<u>20,004</u>	<u>64,234</u>	<u>50,668</u>
Number of shares in issue ('000)	220,000	220,000	220,000	220,000
Earnings per share:				
Basic earnings per ordinary shares (sen)	10.73	8.27	27.14	20.91
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 2007.

Note: NA denotes "Not Applicable"

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31ST DECEMBER 2007

	At 31.12.2007 RM'000	At 31.3.2007 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	328,280	286,162
Intangible assets	811	427
Biological assets	24,808	14,578
Prepaid lease payments	50,963	49,662
Investment properties	10,389	8,903
Investment in Associates	3,227	3,449
Other long term investments	49	103
Deferred tax asset	615	61
Goodwill on Consolidation	3,417	2,855
Total non-current assets	<u>422,559</u>	<u>366,200</u>
Current Assets		
Trade receivables	146,463	92,116
Other receivables, deposits and prepayments	37,658	45,414
Inventories	126,469	120,139
Biological assets	17,410	15,615
Current tax assets	5,032	3,047
Cash and cash equivalents	45,462	28,312
	<u>378,494</u>	<u>304,643</u>
Total Assets	<u>801,053</u>	<u>670,843</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	110,000	110,000
Reserves	231,533	187,798
Equity attributable to shareholders of the Company	<u>341,533</u>	<u>297,798</u>
Minority interests	30,462	25,501
Total Equity	<u>371,995</u>	<u>323,299</u>
Non-current liabilities		
Long term borrowings	86,628	61,624
Deferred tax liabilities	26,588	26,151
	<u>113,216</u>	<u>87,775</u>
Current Liabilities		
Payables	73,950	55,427
Short term borrowings	239,209	203,203
Taxation	2,683	1,139
	<u>315,842</u>	<u>259,769</u>
Total Liabilities	<u>429,058</u>	<u>347,544</u>
Total equity and liabilities	<u>801,053</u>	<u>670,843</u>
Net Assets per share (RM)	<u>1.55</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 3RD QUARTER ENDED 31.12.2007**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 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	-			59,700	59,700	4,534	64,234
Net gains/(losses) recognised directly to equity			95		95		95
Issuance of shares	-				-	3,063	3,063
Acquisition of additional shares in existing subsidiaries						(2,636)	(2,636)
Dividends				(16,060)	(16,060)		(16,060)
At 31.12.07	110,000	40,346	84	191,103	341,533	30,462	371,995

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 (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.12.2007

	3rd quarter ended 31.12.2007 RM'000	3rd quarter ended 31.12.2006 RM'000
Net cash from operating activities	55,674	33,670
Net cash (used) in investing activities	-72,586	-36,971
Net cash from/(used) in financing activities	<u>36,577</u>	<u>-4,879</u>
Net decrease in cash and cash equivalents	19,665	-8,180
Cash and cash equivalents at 1.4.2007	17,562	18,690
Cash and cash equivalents at 31.12.2007	<u><u>37,227</u></u>	<u><u>10,510</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.

QL RESOURCES BERHAD (428915-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2007

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
	1.10.2007 to 31.12.2007	1.10.2006 to 31.12.2006		1.4.2007 to 31.12.2007	1.4.2006 to 31.12.2006	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	68,297	65,718	4%	204,076	186,794	9%
Crude Palm Oil Milling (CPOM)	87,811	55,112	59%	214,663	159,873	34%
Integrated Livestock Farming (ILF)	197,102	170,413	16%	556,208	505,852	10%
Total	<u>353,210</u>	<u>291,243</u>	21%	974,947	852,519	14%
	1.10.2007 to 31.12.2007	1.10.2006 to 31.12.2006		1.4.2007 to 31.12.2007	1.4.2006 to 31.12.2006	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	10,584	9,763	8%	30,422	28,172	8%
Crude Palm Oil Milling (CPOM)	3,243	3,009	8%	7,018	7,955	-12%
Integrated Livestock Farming (ILF)	14,412	10,377	39%	33,929	21,958	55%
Total	<u>28,239</u>	<u>23,149</u>	22%	71,369	58,085	23%

- a. MPM's current quarter and cumulative quarters sales increased 4% and 9% respectively against last year. The increased sales is due to higher contribution from surimi-based products operations as well as higher surimi prices. Earnings for the current quarter increased 8% mainly due to higher surimi and surimi-based products prices. On a cumulative basis, earnings increased 8% due to the same reasons.
- b. CPOM's current quarter sales increased 59% against corresponding quarter due to a 74% increase in CPO price (Current qtr: RM2821 vs Corresponding qtr: RM1624) During the quarter, quantity of FFB processed decreased by 11% due to competition from entry of new CPO mills . Cumulatively, sales increased 34% for the same reason.

Despite improving CPO prices, CPOM's current quarter earnings increased 8% against corresponding quarter due to lower FFB processed as well as higher cost due to competition for FFB supplies from two new CPO mills nearby. Cumulatively, earnings decreased 12% for the same reason.

- c. ILF's current quarter sales increased 16% against corresponding quarter due higher unit value of animal feed raw material traded. Cumulatively, sales increased 10% due to the same reason.

ILF's current quarter and cumulative earnings increased 39% and 55% respectively against last year due to better margin from raw material trade as well as higher farm produced prices.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2007 to 31.12.2007	1.7.2007 to 30.9.2007		1.10.2007 to 31.12.2007	1.7.2007 to 30.9.2007	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	68,297	65,879	4%	10,584	10,165	4%
Crude Palm Oil Milling (CPOM)	87,811	68,008	29%	3,243	2,180	49%
Integrated Livestock Farming (ILF)	<u>197,102</u>	<u>173,880</u>	13%	<u>14,412</u>	<u>12,249</u>	18%
Total	<u>353,210</u>	<u>307,767</u>	15%	<u>28,239</u>	<u>24,594</u>	15%

- a. MPM's current quarter sales increased 4% against preceding quarter mainly due to improved fishmeal prices and higher surimi prices. The increased prices is mainly seasonal. Earnings however increased 4% due to better margins from surimi and fishmeal operations.
- b. CPOM's current quarter sales increased 29% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM2821 vs Preceding Qtr:RM2552) Earnings increased 49% due to higher contribution from own plantation unit.
- c. ILF's current quarter sales increased 13% against preceding quarter due to higher unit value of animal feed raw materials. Earnings increased 18% against preceding quarter due to higher farm produced price as well as higher margin from raw material trade.

B3 Commentary on Prospects for the next quarter to 31.3.2008

The directors are cautiously optimistic on the next quarter to 31.3.2008.

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
31.12.2007
RM'000

7,334
(199)
7,135

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.

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
2,115	
<u>6,120</u>	8,235
1,928	
<u>3,818</u>	5,746
1,127	
<u>190,796</u>	191,923
282	
<u>36,841</u>	37,123
2,381	
<u>80,429</u>	82,810
	<u>325,837</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 31.12.07, the Group has hedged outstanding foreign currency contracts amounting to USD 11.96 million (RM 40.07 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 31.12.2007	Cumulative Todate 31.12.2007
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>23,615</u>	<u>59,700</u>
Number of ordinary shares in issue ('000)- weighted average	<u>220,000</u>	<u>220,000</u>
Basic Earnings per share (sen)	<u>10.73</u>	<u>27.14</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	Final dividend Based on 10.0 sen per ordinary shares of RM0.50 sen.	20% per share less tax	25th Sep 07

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2007

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, except for the adoption of FRS124: Related Party Disclosure from 1st January 2007. The adoption of FRS124 does not have any financial impact on the financial statement for the current interim period.

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 3rd quarter ended 31.12.2007

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	68,297	10,584
Crude Palm Oil Milling	87,811	3,243
Integrated Livestock Farming	197,102	14,412
Total	<u>353,210</u>	<u>28,239</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	<u>60</u>
At 31.12.2007	<u>591</u>