

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2008

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31.3.2008

	INDIVIDUAL QUARTER			Change %	CUMULATIVE QUARTERS			Change %
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		CORRESPONDING YEAR	
	4TH QUARTER 1.1.2008 TO 31.3.2008 RM'000		4TH QUARTER 1.1.2007 TO 31.3.2007 RM'000		1.4.2007 TO 31.3.2008 RM'000		1.4.2006 TO 31.3.2007 RM'000	
Revenue	327,083		265,999	22.96%	1,302,031		1,118,519	16.41%
Operating Profit	36,048		28,915	24.67%	137,720		112,908	21.98%
Depreciation and amortisation	-8,046		-6,553	22.78%	(27,706)		(24,716)	12.10%
Interest income	256		70	265.71%	893		343	160.35%
Interest expense	Interest Cover (7.30)	Interest Cover (6.38)	-3,880	9.70%	Interest Cover (7.19)	Interest Cover (7.50)	(15,476)	30.47%
Share of profit of associate (net)	74		149	-50.34%	389		456	-14.69%
Profit Before Taxation	24,452		19,044	28.40%	95,820		77,129	24.23%
Less: Tax expense (Effective rate)	Effective tax rate -8.68%	Effective tax rate -5.92%	(2,123)	-9.66%	Effective tax rate -9.66%	Effective tax rate -11.08%	(9,257)	(8,545)
Profit for the period	22,329		17,916	24.63%	86,563		68,584	26.21%
Attributable to:								
Shareholders of the Company	21,072		17,249	22.16%	80,772		63,248	27.71%
Minority interests	5.14% of PBT	3.50% of PBT	1,257	6.04% of PBT	5,791	6.92% of PBT	667	5,336
Profit for the period	22,329		17,916		86,563		68,584	
Number of shares in issue ('000)	220,000		220,000		220,000		220,000	
Earnings per share:								
Basic earnings per ordinary shares (sen)	9.58		7.84	22.16%	36.71		28.75	27.71%
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 MARCH 2008

	At 31.3.2008 RM'000 Unaudited	At 31.3.2007 RM'000 Audited
ASSETS		
Property, plant and equipment	343,589	286,162
Intangible assets	437	427
Biological assets	26,273	14,578
Prepaid lease payments	60,886	49,662
Investment properties	7,818	8,903
Investment in Associates	3,121	3,449
Other long term investments	49	103
Deferred tax asset	564	61
Goodwill on Consolidation	3,522	2,855
Total non-current assets	<u>446,259</u>	<u>366,200</u>
Current Assets		
Trade receivables	106,846	92,116
Other receivables, deposits and prepayments	57,940	45,414
Inventories	133,669	120,139
Biological assets	18,786	15,615
Current tax assets	2,688	3,047
Cash and cash equivalents	48,059	28,312
	<u>367,988</u>	<u>304,643</u>
Total Assets	<u>814,247</u>	<u>670,843</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	110,000	110,000
Reserves	251,142	187,798
Equity attributable to shareholders of the Company	<u>361,142</u>	<u>297,798</u>
Minority interests	34,422	25,501
Total Equity	<u>395,564</u>	<u>323,299</u>
Non-current liabilities		
Long term borrowings	84,026	61,624
Deferred tax liabilities	26,213	26,151
	<u>110,239</u>	<u>87,775</u>
Current Liabilities		
Payables	73,655	55,427
Short term borrowings	233,058	203,203
Taxation	1,731	1,139
	<u>308,444</u>	<u>259,769</u>
Total Liabilities	<u>418,683</u>	<u>347,544</u>
Total equity and liabilities	<u>814,247</u>	<u>670,843</u>
Net Assets per share (RM)	<u>1.64</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 4TH QUARTER ENDED 31.3.2008**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2008**

	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	-			80,772	80,772	5,791	86,563
Net gains/(losses) recognised directly to equity			(1,368)		(1,368)		-1,368
Issuance of shares	-				-	3,130	3,130
Dividends				(16,060)	(16,060)	-	(16,060)
At 31.3.08	<u>110,000</u>	<u>40,346</u>	<u>(1,379)</u>	<u>212,175</u>	<u>361,142</u>	<u>34,422</u>	<u>395,564</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 (428915-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2008.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2008.

	Year ended 31.3.2008	Year ended 31.3.2007
	RM'000	RM'000
Net cash from operating activities	102,838	95,709
Net cash (used) in investing activities	-109,393	-79,899
Net cash from/(used) in financing activities	<u>23,598</u>	<u>-16,938</u>
Net decrease in cash and cash equivalents	17,043	-1,128
Cash and cash equivalents at 1.4.2007	17,562	#N/A
Cash and cash equivalents at 31.12.2007	<u>34,605</u>	<u>#N/A</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.

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2008.

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 proposed a final dividend of 13% (Single Tier) for the year (based on 330 million shares) to be approved at the next AGM.

A8 Segmental Information

Segment information in respect of the Group's business segments for the 4th quarter ended 31.3.2008.

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	67,787	8,375
Crude Palm Oil Milling	88,118	2,835
Integrated Livestock Farming	171,178	13,242
Total	<u>327,083</u>	<u>24,452</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 1.4.2007	531
Additions	<u>81</u>
At 31.3.2008	<u>612</u>

QL RESOURCES BERHAD (428915-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2008

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
	1.1.2008 to 31.3.2008	1.1.2007 to 31.3.2007		1.4.2007 to 31.3.2008	1.4.2006 to 31.3.2007	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	67,787	58,592	16%	271,864	245,385	11%
Crude Palm Oil Milling (CPOM)	88,118	56,760	55%	302,781	216,633	40%
Integrated Livestock Farming (ILF)	171,178	150,647	14%	727,386	656,500	11%
Total	<u>327,083</u>	<u>265,999</u>	23%	1,302,031	1,118,518	16%
	1.1.2008 to 31.3.2008	1.1.2007 to 31.3.2007		1.4.2007 to 31.3.2008	1.4.2006 to 31.3.2007	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	8,375	5,287	58%	38,797	33,458	16%
Crude Palm Oil Milling (CPOM)	2,835	1,296	119%	9,852	9,251	6%
Integrated Livestock Farming (ILF)	<u>13,242</u>	<u>12,461</u>	6%	47,171	34,420	37%
Total	<u>24,452</u>	<u>19,044</u>	28%	95,820	77,129	24%

- a. MPM's current quarter and cumulative quarters sales increased 16% and 11% respectively against last year. The increased sales were due to higher sales contribution from surimi-based products operations as well as higher surimi prices. Earnings for the current quarter increased 58% mainly due to better margin for surimi and fishmeal. On a cumulative basis, earnings increased 16% due to the same reasons.
- b. CPOM's current quarter sales increased 55% against corresponding quarter due to a 88% increase in CPO price (Current qtr: RM3367 vs Corresponding qtr: RM1888) During the quarter, quantity of FFB processed decreased by 8% due to competition from entry of new CPO mills . Cumulatively, sales increased 40% for the same reason.

CPOM's current quarter earnings increased significantly against corresponding quarter due to higher contribution from own plantation. Cumulatively, earnings increased 6% for the same reason.

- c. ILF's current quarter sales increased 14% against corresponding quarter due higher unit value of animal feed raw material traded. Cumulatively, sales increased 11% due to the same reason.

ILF's current quarter earnings increased 6% due to better margin from farm produced. Cumulatively earnings increased 37% due to the same reason.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2008 to 31.3.2008	1.10.2007 to 31.12.2007		1.1.2008 to 31.3.2008	1.10.2007 to 31.12.2007	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	67,787	68,297	-1%	8,375	10,584	-21%
Crude Palm Oil Milling (CPOM)	88,118	87,811	0.3%	2,835	3,243	-13%
Integrated Livestock Farming (ILF)	171,178	197,102	-13%	13,242	14,412	-8%
Total	327,083	353,210	-7%	24,452	28,239	-13%

- a. MPM's current quarter sales decreased 1% against preceding quarter mainly due to lower catch (4th quarter falls in the Monsoon months) in Peninsular East Coast and Kota Kinabalu operation. Earnings decreased 21% due to the same reason.
- b. CPOM's current quarter sales increased 0.3% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM3367 vs Preceding Qtr:RM2821). Earnings decreased 13% mainly due to lower FFB processed.
- c. ILF's current quarter sales decreased 13% against preceding quarter due to lower volume of animal feed raw materials traded. Earnings decreased 8% against preceding quarter due to the same reason.

B3 Commentary on Prospects for the next quarter to 31.3.2008

The directors are cautiously optimistic on the next quarter to 30.6.2008.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current income tax expense
Deferred tax expense

Cumulative period

Todate
31.3.2008

RM'000

9,698
(441)
9,257

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.

Investment in quoted securities is analysed as:

Cost:

Book Value:

Market Value:

	Current quarter ended	Todate
	31.3.2008	31.3.2008
	<hr/> RM'000	<hr/> RM'000
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

B8 Corporate Proposals

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

- a) On 16th April 2008, the Company announced the following:
- i Bonus issue of up to 110 million new shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing shares; and
 - ii Share buyback scheme of QL of up to 10% of the issued and paid-up shares.
- b) On 16th May 2008, the Company announced that it had signed a Memorandum Of Understanding to acquire 100% equity interest in Heap Loong Poultry Farm Sdn Bhd (HLP) for a consideration of RM6.68 million and on 20th May 2008, we have signed the S&P Agreement.
The consideration is arrived based on a willing buyer-willing seller basis, taking into consideration the NTA of HLP as at 30th April 2008 (subject to downward adjustment in the event the due diligence findings reveal that NTA is less than RM5.20 million.)

	RM'000	RM'000
B9 Borrowings		
<i>Bank overdraft-short term (secured)</i>	481	
<i>Bank overdraft-short term (unsecured)</i>	<u>12,973</u>	13,454
<i>HP Creditors-short term (unsecured)</i>	1,898	
<i>HP Creditors-long term (unsecured)</i>	<u>7,100</u>	8,998
<i>Bankers' acceptance-short term (secured)</i>	1,361	
<i>Bankers' acceptance-short term (unsecured)</i>	<u>179,652</u>	181,013
<i>Term loans-short term (secured)</i>	#N/A	
<i>Term loans-short term (unsecured)</i>	<u>36,693</u>	#N/A
<i>Term loans-long term (secured)</i>	#N/A	
<i>Term loans-long term (unsecured)</i>	<u>76,926</u>	#N/A
Total Borrowings for trade purpose		<u><u>#N/A</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 31.3.08, 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 recommend a final dividend of 12% (Single Tier) for the year based on 330 million shares to be approved at the next AGM.

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.3.2008	Cumulative Todate 31.3.2008
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>21,072</u>	<u>80,772</u>
(b) Number of ordinary shares in issue ('000)- weighted average	<u>220,000</u>	<u>220,000</u>
Basic Earnings per share (sen)	<u>9.58</u>	<u>36.71</u>

B14 Dividends Paid/declared

Dividend No.	Financial year	Type	Rate	Payment date
7	2006	Final dividend Based on 9.0 sen (Gross)per ordinary shares of RM0.50 sen.	18% per share less tax	27th Sep 06
8	2007	Final dividend Based on 10.0 sen (Gross) per ordinary shares of RM0.50 sen.	20% per share less tax	25th Sep 07
9	2008	Proposed Final dividend Based on 6.5 sen (Single Tier) per ordinary shares (after Bonus issue: 330 million shares) of RM0.50 sen.	13% per share (Single Tier)	To be approved at next AGM