

**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2008**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2008**

	% increase against last period	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
		1ST QUARTER 1.4.2008 TO 30.6.2008 RM'000	1ST QUARTER 1.4.2007 TO 30.6.2007 RM'000	TO-DATE 1.4.2008 TO 30.6.2008 RM'000	PERIOD 1.4.2007 TO 30.6.2007 RM'000
Revenue	16.09%	<u>364,492</u>	<u>313,971</u>	<u>364,492</u>	<u>313,971</u>
Operating Profit	#N/A	#N/A	28,923	#N/A	28,923
Depreciation and amortisation	5.49%	-7,204	-6,829	(7,204)	(6,829)
Interest income		41	75	41	75
Interest expense		-3,400	-3,746	(3,400)	(3,746)
Share of profit of associate (net)		<u>137</u>	<u>112</u>	<u>137</u>	<u>112</u>
Profit Before Taxation	#N/A	#N/A	18,535	#N/A	18,535
Less: Tax expense (Effective tax rate)	#N/A	<u>(3,554)</u>	<u>(2,267)</u>	<u>(3,554)</u>	<u>(2,267)</u>
Profit for the period		#N/A	16,268	#N/A	16,268
Attributable to:					
Shareholders of the Company	#N/A	#N/A	15,425	#N/A	15,425
Minority interests (% against PBT)	#N/A	1,753	843	1,753	843
Profit for the period		#N/A	16,268	#N/A	16,268
Number of shares in issue-weighted ('000)		329,943	330,000	329,943	330,000
Earnings per share:					
Basic earnings per ordinary shares (sen)	#N/A	#N/A	4.67	#N/A	4.67
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 2008.

Note: NA denotes "Not Applicable"

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

**QUARTERLY REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS AT 30TH JUNE 2008**

	At 30.6.2008 RM'000 Unaudited	At 31.3.2008 RM'000 Audited
<b>ASSETS</b>		
Property, plant and equipment	352,435	341,835
Intangible assets	437	437
Biological assets	29,992	25,662
Prepaid lease payments	88,694	83,060
Investment properties	7,276	7,195
Investment in Associates	3,259	3,121
Other long term investments	49	49
Deferred tax asset	1,165	564
Goodwill on Consolidation	3,522	3,522
<b>Total non-current assets</b>	<u>486,829</u>	<u>465,445</u>
<b>Current Assets</b>		
Trade receivables	127,287	108,503
Other receivables, deposits and prepayments	51,746	49,825
Inventories	145,792	134,218
Biological assets	24,332	18,786
Current tax assets	3,346	2,938
Cash and cash equivalents	30,812	48,089
	<u>383,315</u>	<u>362,359</u>
<b>Total Assets</b>	<u><u>870,144</u></u>	<u><u>827,804</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	165,000	110,000
Reserves	216,931	250,796
<b>Equity attributable to shareholders of the Company</b>	<u>381,931</u>	<u>360,796</u>
Minority interests	41,089	39,456
<b>Total Equity</b>	<u>423,020</u>	<u>400,252</u>
<b>Non-current liabilities</b>		
Long term borrowings	80,171	82,970
Deferred tax liabilities	26,409	26,180
	<u>106,580</u>	<u>109,150</u>
<b>Current Liabilities</b>		
Payables	117,010	82,598
Short term borrowings	220,109	234,077
Taxation	3,425	1,727
	<u>340,544</u>	<u>318,402</u>
<b>Total Liabilities</b>	<u>447,124</u>	<u>427,552</u>
<b>Total equity and liabilities</b>	<u><u>870,144</u></u>	<u><u>827,804</u></u>
Net Assets per share (RM)	1.16	1.64
Based on number of shares:(('000)	<u>329,943</u>	<u>220,000</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

**QL RESOURCES BERHAD** (428915-X)  
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**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2008**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2008.**

	Share Capital	Share Premium	Treasury Shares	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
At 1st April 2008	110,000	40,346	-	(1,755)	212,205	<b>360,796</b>	39,456	<b>400,252</b>
Movement for the period:						-		
Net profit for the period	-				#N/A	<b>#N/A</b>	1,753	<b>#N/A</b>
Net gains/(losses) recognised	-			573		<b>573</b>		<b>573</b>
Bonus issue	55,000	(40,000)			-15,000	-		-
Bonus issue expenses		(56)				<b>(56)</b>		<b>(56)</b>
Share buyback			(926)			<b>(926)</b>		<b>(926)</b>
Dividends						-	(120)	<b>(120)</b>
At 30.6.2008	<u>165,000</u>	<u>290</u>	<u>(926)</u>	<u>(1,182)</u>	<u>#N/A</u>	<u>#N/A</u>	<u>41,089</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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**QL RESOURCES BERHAD** (428915-X)  
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**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2008**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2008**

	<b>1st quarter ended 30.6.2008 RM'000</b>	<b>1st quarter ended 30.6.2007 RM'000</b>
Net cash from operating activities	17,399	26,199
Net cash used in investing activities	-27,275	-21,716
Net cash used in financing activities	<u>-6,962</u>	<u>3,305</u>
Net decrease in cash and cash equivalents	-16,838	7,788
Cash and cash equivalents at 1.4.2008	35,114	17,562
Cash and cash equivalents at 30.6.2008	<u>18,276</u>	<u>25,350</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2008**

**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 2008.

The adoption of the following revised FRSS from financial period beginning 1st April 2008 are as follows:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS118	Revenue
FRS134	Interim Financial Reporting
FRS137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSS does not have significant financial impact on 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.
- (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.

**A3 Unusual items**

There are no unusual items 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 except for the followings:

- i) Repurchased a total of 348,000 ordinary shares of its issued share capital from the open market during the current financial quarter at an average cost of RM2.66 per share. The total consideration paid for share buy-back, including transaction costs during the current financial quarter amounted to RM926,028 and were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of S67A (as amended) of CA 1965.

**A6 Dividend paid**

There was no dividend paid during the financial period under review.

**A7 Segmental Information**

Segment information in respect of the Group's business segments for the period ended 30.6.2008.

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	83,983	12,585
Palm Oil Activities	96,429	3,056
Integrated Livestock Farming	184,080	11,210
Total	<u>364,492</u>	<u>26,851</u>

**A8 Valuation of 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 for the interim period.

**A10 Changes in composition of the Group.**

There were no material changes in the composition of the Group in the current interim period under review.

**A11 Changes in Contingent Liabilities**

Corporate guarantee given to secure banking facilities granted to subsidiaries :	RM' million
At 31.3.2008	565
Additions	<u>56</u>
At 30.6.2008	<u>621</u>

**QL RESOURCES BERHAD** (428915-X)

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**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2008**

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
	1.4.2008 to 30.6.2008	1.4.2007 to 30.6.2007		1.4.2008 to 30.6.2008	1.4.2007 to 30.6.2007	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	83,983	#N/A	#N/A	83,983	#N/A	#N/A
Palm Oil Activities (POA)	96,429	#N/A	#N/A	96,429	#N/A	#N/A
Integrated Livestock Farming (ILF)	184,080	#N/A	#N/A	184,080	#N/A	#N/A
Total	<u>364,492</u>	<u>#N/A</u>	#N/A	<u>364,492</u>	<u>#N/A</u>	#N/A
	1.4.2008 to 30.6.2008	1.4.2007 to 30.6.2007		1.4.2008 to 30.6.2008	1.4.2007 to 30.6.2007	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	12,585	#N/A	#N/A	12,585	#N/A	#N/A
Palm Oil Activities (POA)	3,056	#N/A	#N/A	3,056	#N/A	#N/A
Integrated Livestock Farming (ILF)	<u>11,210</u>	<u>#N/A</u>	#N/A	<u>11,210</u>	<u>#N/A</u>	#N/A
Total	<u>26,851</u>	<u>#N/A</u>	#N/A	<u>26,851</u>	<u>#N/A</u>	#N/A

- MPM's current quarter sales and earnings increased 20% and 30% against corresponding quarter respectively. The increased sales and earnings were due to higher contribution from surimi as well as deep sea fishing operations.
- POA's current quarter sales increased 64% against corresponding quarter mainly due to higher CPO price (Current qtr: RM3,487 vs Corresponding qtr: RM2,317) CPO prices increased 50% and FFB (Fresh Fruit Bunches) processed increased by 13% against corresponding quarter respectively, resulting only in an increased of 64% in sales for the period. POA's current quarter earnings increased 92% against corresponding quarter due to higher milling margins as well as higher contribution from own estates.
- ILF's current quarter sales remained almost unchanged against corresponding quarter however current quarter's earnings increased 54% against corresponding quarter due to better margin from raw material trade.

**B2 Review of current quarter performance with the preceding quarter.**

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.4.2008 to 30.6.2008	1.1.2008 to 31.3.2008		1.4.2008 to 30.6.2008	1.1.2008 to 31.3.2008	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	83,983	68,986	22%	12,585	8,375	50%
Palm Oil Activities (POA)	96,429	87,269	10%	3,056	2,835	8%
Integrated Livestock Farming (ILF)	<u>184,080</u>	<u>175,623</u>	5%	<u>11,210</u>	<u>13,242</u>	-15%
Total	<u>364,492</u>	<u>331,878</u>	10%	<u>26,851</u>	<u>24,452</u>	10%

- a. MPM's current quarter sales increased 22% against preceding quarter due to higher surimi prices as well as improved fish catch . (Preceding quarter is a monsoon quarter) Earnings increased 50% due to the same reason.
- b. POA's current quarter sales increased 10% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM3,487 vs Preceding Qtr:RM2,764) Earnings increased 8% due to higher contribution from own plantation unit.
- c. ILF's current quarter sales increased 5% against preceding quarter due to higher farm produced prices and unit value of raw material. Earnings decreased 15% against preceding quarter due to lower margin from raw material trade.

**B3 Commentary on Prospects for the next quarter to 30 September 2008.**

The directors are cautiously optimistic on the next quarter to 30.9.2008.

**B4 Profit Forecast**

No profit forecast was published during the period under review.

**B5 Tax expense****Cumulative period**

	<b>Todate 30.6.2008 RM'000</b>
Current income tax expense	4,301
Deferred tax expense	<u>(372)</u>
	<u>3,929</u>

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**

Current quarter ended

Todate

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

Investment in quoted securities is analysed as:

	<u>30.6.2008</u>	<u>30.6.2008</u>
	RM'000	RM'000
Cost:	<u>4</u>	<u>4</u>
Book Value:	<u>4</u>	<u>4</u>
Market Value:	<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.

## B9 Borrowings

	RM'000	RM'000
<i>Bank overdraft-short term (secured)</i>	374	
<i>Bank overdraft-short term (unsecured)</i>	<u>12,162</u>	12,536
<i>HP Creditors-short term (unsecured)</i>	1,888	
<i>HP Creditors-long term (unsecured)</i>	<u>3,018</u>	4,906
<i>Bankers' acceptance-short term (secured)</i>	4,245	
<i>Bankers' acceptance-short term (unsecured)</i>	<u>170,371</u>	174,616
<i>Term loans-short term (secured)</i>	#N/A	
<i>Term loans-short term (unsecured)</i>	<u>31,068</u>	#N/A
<i>Term loans-long term (secured)</i>	1,048	
<i>Term loans-long term (unsecured)</i>	<u>76,105</u>	77,153
<b>Total Borrowings for trade purpose</b>		<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 30.6.2008, the Group has hedged outstanding foreign currency contracts amounting to USD 18.5 million (RM 60.42 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.

Dividend No.	Financial year	Type	Rate	Payment date
9	2008	Proposed Final dividend Based on 6.5 sen (Single Tier) per ordinary shares of RM0.50sen (after bonus issue)	13% per share (Single Tier)	To be approved at the AGM on 27th August 2008

**B13 Earnings per share**

(a) Net profit attributable to ordinary shareholders(RM'000)	#N/A	#N/A
Number of ordinary shares in issue ('000)- weighted average	<u>329,943</u>	<u>329,943</u>
Basic Earnings per share (sen)	<u>#N/A</u>	<u>#N/A</u>

**B14 Disclosure of audit report qualification and status of matters raised**

There was no qualification in the audit report of the preceding annual financial statements.