

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2009

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31.3.2009

	INDIVIDUAL QUARTER		Change %	CUMULATIVE QUARTERS		Change %
	CURRENT YEAR	CORRESPONDING YEAR		CURRENT YEAR	CORRESPONDING YEAR	
	4TH QUARTER 1.1.2009 TO 31.3.2009 RM'000	4TH QUARTER 1.1.2008 TO 31.3.2008 RM'000		1.4.2008 TO 31.3.2009 RM'000	1.4.2007 TO 31.3.2008 RM'000	
Revenue	319,209	331,878	-3.8%	1,397,905	1,306,825	7.0%
Operating Profit	38,719	36,048	7.4%	159,997	137,442	16.4%
Depreciation and amortisation	(10,758)	(8,046)	33.7%	(34,468)	(27,706)	24.4%
Interest income	248	256	-3.1%	988	651	51.8%
Interest expense	Net Interest Cover (6.93) (4,297)	Net Interest Cover (7.75) (3,880)	10.7%	Net Interest Cover (7.84) (17,065)	Net Interest Cover (7.70) (14,944)	14.2%
Share of profit of associate (net)	110	74	48.6%	445	375	18.7%
Profit Before Taxation	24,022	24,452	-1.8%	109,897	95,818	14.7%
Less: Tax expense	Effective tax rate -17.2% (4,131)	Effective tax rate -8.7% (2,123)		Effective tax rate -12.0% (13,220)	Effective tax rate -9.63% (9,225)	
Profit for the period	19,891	22,329	-10.9%	96,677	86,593	11.6%
Attributable to:						
Shareholders of the Company	18,843	21,072	-10.6%	89,330	80,802	10.55%
Minority interests	4.4% of PBT 1,048	5.1% of PBT 1,257		6.7% of PBT 7,347	6.0% of PBT 5,791	
Profit for the period	19,891	22,329		96,677	86,593	
Number of shares in issue ('000)	328,615	330,000		328,519	330,000	
Earnings per share:						
Basic earnings per ordinary shares (sen)	5.73	6.39	-10.2%	27.19	24.49	11.1%
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"

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31ST MARCH 2009

	At 31.3.2009 RM'000 Unaudited	At 31.3.2008 RM'000 Audited
ASSETS		
Property, plant and equipment	410,939	341,835
Intangible assets	759	437
Biological assets	38,531	25,662
Prepaid lease payments	95,160	83,060
Investment properties	13,284	7,195
Investment in Associates	3,118	3,121
Other long term investments	49	49
Deferred tax asset	1,507	564
Goodwill on Consolidation	4,775	3,522
Total non-current assets	568,122	465,445
Current Assets		
Trade receivables	106,138	108,503
Other receivables, deposits and prepayments	45,556	49,825
Inventories	127,300	134,218
Biological assets	29,447	18,786
Current tax assets	8,787	2,938
Cash and cash equivalents	68,275	48,089
	385,503	362,359
Total Assets	953,625	827,804
EQUITY AND LIABILITIES		
Equity		
Share Capital	165,000	110,000
Reserves	252,358	250,796
Equity attributable to shareholders of the Company	417,358	360,796
Minority interests	47,825	39,456
Total Equity	465,183	400,252
Non-current liabilities		
Long term borrowings	163,039	82,970
Deferred tax liabilities	29,513	26,180
	192,552	109,150
Current Liabilities		
Payables	77,462	82,598
Short term borrowings	215,482	234,077
Taxation	2,946	1,727
	295,890	318,402
Total Liabilities	488,442	427,552
Total equity and liabilities	953,625	827,804
Net current assets ratio	1.30	1.14
Net Assets per share (RM)	1.27	1.64
Based on number of shares:('000)	328,519	220,000

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 4TH QUARTER ENDED 31.3.2009

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2009

	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	360,796	39,456	400,252
Movement for the period:						-		
Net profit for the period	-				89,330	89,330	7,347	96,677
Net gains/(losses) recognised	-			(5,524)		(5,524)		(5,524)
Bonus issue	55,000	(40,000)			-15,000	-		-
Bonus issue expenses		(97)				(97)		(97)
Shares issued to MI							12,482	12,482
Acquisition and/or disposal of shares							(8,873)	(8,873)
Share buyback			(5,753)			(5,753)		(5,753)
Dividends					(21,394)	(21,394)	(2,586)	(23,980)
At 31.3.2009	<u>165,000</u>	<u>249</u>	<u>(5,753)</u>	<u>(7,279)</u>	<u>265,141</u>	<u>417,358</u>	<u>47,826</u>	<u>465,184</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 4TH QUARTER ENDED 31.3.2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	Year ended 31.3.2009	Year ended 31.3.2008
	RM'000	RM'000
Net cash from operating activities	113,186	116,549
Net cash used in investing activities	-143,726	-116,496
Net cash from financing activities	<u>56,535</u>	<u>17,499</u>
Net increase in cash and cash equivalents	25,995	17,552
Cash and cash equivalents at 1.4.2008	35,114	17,562
Cash and cash equivalents at 31.3.2009	<u><u>61,109</u></u>	<u><u>35,114</u></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.

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.

FRS107	Cash Flow Statements
FRS112	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 and maybe affected by unusual and unforeseen events affecting each of the core activities.

Based on past 8 years quarterly data, our seasonal earnings index is as follows:

Q1	April to June	0.21
Q2	July to September	0.26
Q3	October to December	0.30
Q4	January to March	0.23
		<u>1.00</u>

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 433,900 ordinary shares of its issued share capital from the open market during the current financial quarter at an average cost of RM2.40 per share. The total consideration paid for share buy-back, including transaction costs during the current financial quarter amounted to RM1.04 million 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 were no dividend paid during the current quarter under review.

A7. Segmental Information

Segment information in respect of the Group's business segments for the 4th quarter ended 31.3.2009

	Turnover	Profit
	RM'000	RM'000
Marine products manufacturing	75,941	6,417
Palm Oil Activities	52,189	2,552
Integrated Livestock Farming	191,079	15,053
Total	<u>319,209</u>	<u>24,022</u>

A8. 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.

A10. Changes in composition of the Group.

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

A11. Changes in Contingent Liabilities

Corporate guarantee given to secure banking facilities granted to subsidiaries:	RM' million
At 31.3.2008	565
Additions	-1
At 31.3.2009	<u>564</u>

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2009

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS.

B1. Review of performance for the current quarter and financial period to-date.

A review of the Group performance and reasonable understanding of the Group's business must include looking at the background to our business activities as well as looking at seasonal or cyclical factors affecting the group as mentioned on Note A2.

As mentioned in Note A2, based on past 8 years quarterly data, our seasonal earnings index is as follows:

Quarters	Seasonal Earning Index
Q1(April to June)	0.21
Q2 (July to September)	0.26
Q3 (October to December)	0.30
Q4 (January to March)	0.23
	1.00

BACKGROUND	
Business Activities	Products & information
Marine products manufacturing activities (MPM)	Largest producer of Surimi (semi processed raw fish paste) in Malaysia. Largest producer of Surimi-based products (Fishballs, crabsticks etc) in Malaysia. Largest producer of Fishmeal (feed ingredient for poultry & aqua feed) in Malaysia. Leading deep sea fishing & frozen fish processor in Peninsular East Coast & Sabah.
Palm Oil Activities (POA)	Two independent CPO mills in Tawau & Kunak (Sabah). 3,000 acres mature oil palm plantation around Tawau, Sabah. 30,000 acres Oil Palm Plantation under development In Eastern Kalimantan, Indonesia. (Planted todate:12,000 acres)
Integrated Livestock Activities (ILF)	Leading distributor of animal feed raw materials such as corn & soyabean meal in Malaysia. Leading producer of poultry eggs in Peninsular as well as in East Malaysia. (2.1 million eggs per day) Leading integrated broiler and breeder producer in Sabah.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2009

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING RE

B1 Review of performance for the current quarter and financial period to-date. (continue)

	Current quarter	Last year corresponding quarter	% change
	1.1.2009 to 31.3.2009	1.1.2008 to 31.3.2008	
	Sales	Sales	
	RM'000	RM'000	
Marine product manufacturing (MPM)	75,941	68,986	10%
Palm Oil Activities (POA)	52,189	88,118	-41%
Integrated Livestock Farming (ILF)	191,079	174,774	9%
Total	<u>319,209</u>	<u>331,878</u>	-4%
	1.1.2009 to 31.3.2009	1.1.2008 to 31.3.2008	
	Profit before tax	Profit before tax	
	RM'000	RM'000	
Marine product manufacturing (MPM)	6,417	8,375	-23%
Palm Oil Activities (POA)	2,552	2,835	-10%
Integrated Livestock Farming (ILF)	15,053	13,242	14%
Total	<u>24,022</u>	<u>24,452</u>	-2%

- a. MPM's current quarter sales increased 10% against last year. The increased sales are due to higher contribution from surimi-based products. Cumulatively sales increased 19% against last year due to higher contribution from surimi, surimi-based products and deep sea fishing.

Earnings for the current quarter decreased 23% due to lower margins from surimi and lower catch from deep sea fishing activities. On a cumulative basis, earnings increased 16% due to better first half (Q1 & Q2) contribution from surimi & deep sea fishing and other activities.

- b. POA's current quarter sales decreased 41% against corresponding quarter due to lower CPO price. (Current qtr: RM1838 vs Corresponding qtr: RM3110). Cumulatively, sales decreased only 11% due to the same reason.

POA's current quarter earnings decreased 11% against corresponding quarter due to lower CPO price. Even though expenses from Indonesia plantation development project has increased, cumulatively earnings still increased 10% against last year.

- c. ILF's current quarter sales increased 9% against corresponding quarter due to higher farm produced prices as well as contribution from other activities. Cumulatively, sales increased 10% due to higher unit value of animal feed raw material in the earlier quarters as well as contribution from other activities.

ILF's current and cumulative quarter's earnings increased 14% respectively against last year due to contribution from newly acquired farms.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change
	1.1.2009 to 31.3.2009	1.9.2008 to 31.12.08	
	Sales	Sales	
Activities:			
Marine product manufacturing (MPM)	75,941	79,622	-5%
Palm Oil Activities (POA)	52,189	46,600	12%
Integrated Livestock Farming (ILF)	191,079	196,362	-3%
Total	<u>319,209</u>	<u>322,584</u>	-1%

- a. MPM's current quarter sales decreased 5% against preceding quarter due to seasonal factor as mentioned in A2. Earnings decreased 41% due to the same reason.

- b. POA's current quarter sales increased 12% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM1837 vs I Earnings however decreased 13% due to lower OER and FFB processed.

- c ILF's current quarter sales decreased 3% against preceding quarter due to lower unit value of animal feed raw material. Earnings increased 2% against preceding quarter due to higher contribution from poultry units.

B3 Commentary on Prospects for the next quarter to 30th June 2009.

The directors and management are cautiously optimistic on the Group's performance for the quarter ending 30.6.2009.

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.

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:

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

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 h 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 c Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange approximating those ruling Foreign currency transactions are translated at rates ruling at the transaction dates. Foreign exchange difference are dealt wit As at 31.3.2009, the Group has hedged outstanding foreign currency contracts amounting to USD 14.09 million (RM 49.38 mil 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

Dividend No.	Financial year	Type
9	2008	Proposed Final dividend Based on 6.5 sen (Single Tier) per ordinary shares of RM0.50sen
10	2009	Proposed Final dividend Based on 7.0 sen (Single Tier) per

ordinary shares of RM0.50sen

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

- (a) Net profit attributable to ordinary shareholders(RM'000)
- Number of ordinary shares in issue
- (b) ('000)-weighted average
- Basic Earnings per share (sen)

B14 Disclosure of audit report qualification and status matters raised

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

QUIREMENTS.

Cumulative quarters	Cumulative corresponding quarters last year	% change
1.4.2008 to 31.3.2009	1.4.2007 to 31.3.2008	
Sales	Sales	
RM'000	RM'000	
324,774	273,062	19%
268,307	302,781	-11%
804,823	730,982	10%
<u>1,397,904</u>	<u>1,306,825</u>	<u>7%</u>
1.4.2008 to 31.3.2009	1.4.2007 to 31.3.2008	
Profit before tax	Profit before tax	
RM'000	RM'000	
45,012	38,797	16%
10,900	9,851	11%
53,985	47,170	14%
<u>109,897</u>	<u>95,818</u>	<u>15%</u>

sed products.
fishing operations.

is.
I better 2nd half (Q3 & Q4) contribution from surimi-based products.

responding qtr: RM3367)

due to higher contributions from CPO milling unit and own estates.

on from newly acquired poultry units.
tion from newly acquired poultry units.

hired poultry units.

Current quarter	Preceding quarter	% change
1.1.2009 to 31.3.2009	1.9.2008 to 31.12.08	
Profit before tax	Profit before tax	
6,417	10,839	-41%
2,552	2,944	-13%
15,053	14,771	2%
<u>24,022</u>	<u>28,554</u>	-16%

Preceding Qtr:RM1616)

9, amid a current global world-wide economic slowdown and A-H1N1 flu tr

Year ended
31.3.2009
RM'000
11,009
<u>2,211</u>
<u>13,220</u>

Year ended
31.3.2009

RM'000

4

4

4

RM'000	RM'000
1,066	
<u>6,100</u>	
	7,166
1,901	
<u>1,865</u>	
	3,766
2,583	
<u>168,284</u>	
	170,867
164	
<u>35,384</u>	
	35,548
1,203	
<u>159,971</u>	
	161,174
	<u><u>378,521</u></u>

hedging is to minimise losses

3

credit and/or market risks.

at the transaction dates.

in the income statement.

illion).

Payment date
Approved at the AGM on 27th August 2008 Paid September08
To be approved at coming AGM

Current quarter ended 31.3.2009	Cumulative Todate 31.3.2009
<u>18.843</u>	<u>89.330</u>
<u>328.615</u>	<u>328.519</u>
<u>5.73</u>	<u>27.19</u>