

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2009

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2009

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING		
	1ST QUARTER 1.4.2009 TO 30.6.2009		1ST QUARTER 1.4.2008 TO 30.6.2008		TO-DATE 1.4.2009 TO 30.6.2009		PERIOD 1.4.2008 TO 30.6.2008		
	% increase against last period	RM'000		RM'000		% increase against last period	RM'000		RM'000
Revenue	-2.24%	356,340		364,492		-2.24%	356,340		364,492
Operating Profit	3.82%	38,700		37,277		3.82%	38,700		37,277
Depreciation and amortisation	16.45%	(8,389)		(7,204)		16.45%	(8,389)		(7,204)
Interest income	382.66%	197		41		382.66%	197		41
Interest expense	-2.74%	(3,307)		(3,400)		-2.74%	(3,307)		(3,400)
Share of profit of associate (net)		128		137		-6.82%	128		137
Profit Before Taxation	1.78%	27,329		26,851		1.78%	27,329		26,851
Less: Tax expense (Effective tax rate)	-13.94%	(3,811)	-13.24%	(3,554)	-13.94%	(3,811)	-13.24%	(3,554)	
Profit for the period	0.95%	23,518		23,297		0.95%	23,518		23,297
Attributable to:									
Shareholders of the Company	3.6%	22,316		21,544		3.58%	22,316		21,544
Minority interests (% against PBT)	4.40%	1,202	6.53%	1,753	4.40%	1,202	6.53%	1,753	
Profit for the period		23,518		23,297			23,518		23,297
Number of shares in issue ('000)		327,363		329,943			327,363		329,943
Earnings per share:									
Basic earnings per ordinary shares (sen)	4.4%	6.82		6.53			6.82		6.53
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 2009.

Note: NA denotes "Not Applicable"

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

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30TH JUNE 2009

	At 30.6.2009 RM'000		At 31.3.2009 RM'000
	Unaudited		Audited
ASSETS			
Property, plant and equipment	425,457		416,385
Intangible assets	835		759
Biological assets	42,339		39,987
Prepaid lease payments	93,881		94,198
Investment properties	7,403		7,115
Investment in Associates	3,246		3,118
Other long term investments	49		49
Deferred tax asset	1,237		2,445
Goodwill on Consolidation	4,775		4,775
Total non-current assets	579,222		568,831
Current Assets			
Trade receivables	31 days 119,664	28 days	107,326
Other receivables, deposits and prepayments	54,222		48,364
Inventories	39 days 130,612	39 days	128,028
Biological assets	29,114		28,719
Current tax assets	4,729		3,982
Cash and cash equivalents	71,718		68,275
	410,059		384,694
Total Assets	989,281		953,525
EQUITY AND LIABILITIES			
Equity			
Share Capital	165,000		165,000
Reserves	277,492		252,932
Equity attributable to shareholders of the Company	442,492		417,932
Minority interests	48,625		47,423
Total Equity	491,117		465,355
Non-current liabilities			
Long term borrowings (LT Debts/Total Equity)	35% 171,527	35%	163,065
Deferred tax liabilities	28,217		29,342
	199,744		192,407
Current Liabilities			
Payables	80,687		77,462
Short term borrowings	213,968		215,455
Taxation	3,765		2,846
	298,420		295,763
Total Liabilities	498,164		488,170
Total equity and liabilities	989,281		953,525
Net Assets per share (RM)	1.35		1.27
Based on number of shares:('000)	327,363		328,800
	-		-

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for year ended 31 March 2009 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 30.6.2009**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 Asia. 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 as at 30.6.2009 : 13,000 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 (2.2 million eggs per day as at 30.6.09). Leading integrated broiler and breeder producer in East Malaysia.

QL RESOURCES BERHAD
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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2009

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

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

	Current quarter	Last year corresponding quarter	% change	Cumulative quarters	Cumulative corresponding quarters last year	% change
	1.4.2009 to 30.6.2009	1.4.2008 to 30.6.2008		1.4.2009 to 30.6.2009	1.4.2008 to 30.6.2008	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	81,630	83,983	-3%	81,630	83,983	-3%
Palm Oil Activities (POA)	56,798	96,429	-41%	56,798	96,429	-41%
Integrated Livestock Farming (ILF)	217,912	184,080	18%	217,912	184,080	18%
Total	<u>356,340</u>	<u>364,492</u>	-2%	<u>356,340</u>	<u>364,492</u>	-2%
	1.4.2009 to 30.6.2009	1.4.2008 to 30.6.2008		1.4.2009 to 30.6.2009	1.4.2008 to 30.6.2008	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	10,046	12,585	-20%	10,046	12,585	-20%
Palm Oil Activities (POA)	1,196	3,056	-61%	1,196	3,056	-61%
Integrated Livestock Farming (ILF)	16,087	11,210	44%	16,087	11,210	44%
Total	<u>27,329</u>	<u>26,851</u>	2%	<u>27,329</u>	<u>26,851</u>	2%

- a. MPM's current quarter sales decreased 3% against corresponding quarter due to lower contribution from surimi and lower catch from deep sea fishing.

Earnings for the current quarter decreased 20% due to the same reasons.

- b. POA's current quarter sales decreased 41% against corresponding quarter mainly due to 31% decreased in CPO price (Current qtr: RM2,423 vs Corresponding qtr: RM3,487) and 18% decreased in FFB (Fresh Fruit Bunches) processed against corresponding quarter respectively.

POA's current quarter earnings decreased 61% against corresponding quarter due to lower milling margins as well as lower contribution from own estates.

On the overall, State of Sabah's FFB processed decreased 16% against corresponding quarter last year. (Current qtr: 5,628,645mt vs Corresponding qtr: 6,677,852mt)

Reasons for the decreased in FFB (Sabah State) produced were due to oil palm trees in recuperative period and/or unusually heavy rainfalls in the January09 to February09 period according to relevant authorities.

- c. ILF's current quarter sales increased 18% against corresponding quarter due to higher farm produced prices as well as contribution from newly acquired poultry units. Earnings increased 44% against corresponding quarter due to better margin from raw material trade as well as contribution from newly acquired units.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.4.2009 to	1.1.2009 to		1.4.2009 to	1.1.2009 to	
	30.6.2009	31.3.2009		30.6.2009	31.3.2009	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	81,630	75,941	7%	10,046	6,417	57%
Palm Oil Activities (POA)	56,798	52,189	9%	1,196	2,552	-53%
Integrated Livestock Farming (ILF)	<u>217,912</u>	<u>191,079</u>	14%	<u>16,087</u>	<u>15,053</u>	7%
Total	<u>356,340</u>	<u>319,209</u>	12%	<u>27,329</u>	<u>24,022</u>	14%

- a. MPM's current quarter sales increased 7% against preceding quarter due to higher surimi prices and seasonal effect. Earnings increased 53% due to the same reason.
- b. POA's current quarter sales increased 9% against preceding quarter mainly due to higher CPO price. (Current Qtr:RM2,423 vs Preceding Qtr:RM1,838) Earnings decreased 53% due to lower contribution from own plantation unit and lower FFB processed. .
As per MPOB's statistics, Sabah State FFB production has grown at a slower pace due to factors such as biological tree stress and heavy rainfalls in the early part of the years.
- c. ILF's current quarter sales increased 14% against preceding quarter due to higher farm produced prices and higher trade volume of raw material. Earnings increased 7% against preceding quarter due to higher contribution from raw material trade.

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

The directors are cautiously optimistic on the Group's performance for the quarter ending 30.9.2009, amid current global world-wide economic slowdown and A-H1N1 flu threat.

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
30.6.2009

RM'000

3,894
(83)
3,811

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:

	Current quarter ended 30.6.2009	Todate 30.6.2009
	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 except as follows:

The Company proposes to implement a bonus issue of up to 66,000,000 new QL shares to be credited as fully paid-up on the basis of one (1) new bonus shares for every five (5) existing QL shares held on an entitlement date to be determined and announced later.

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
	-	
	<u>1,434</u>	1,434
	1,704	
	<u>1,716</u>	3,420
	2,428	
	<u>168,603</u>	171,031
	107	
	<u>39,691</u>	<u>39,798</u>
	1,250	
	<u>168,562</u>	<u>169,812</u>
		<u><u>385,495</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 30.6.2009, the Group has hedged outstanding foreign currency contracts amounting to USD 9.1 million (RM 32.2 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:

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

Current quarter ended 30.6.2008	Cumulative Todate 30.6.2008
<u>22,316</u>	<u>22,316</u>
<u>327,363</u>	<u>327,363</u>
<u>6.82</u>	<u>6.82</u>

B14 Dividends Paid/declared

Dividend No.	Financial year	Type	Rate	Payment date
10	2009	Proposed Final dividend Based on 7.0 sen (Single Tier) per ordinary shares of RM0.50sen		To be approved at the AGM on 25th August 2009

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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2009

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 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 1.4.2009	165,000	249	(5,753)	(6,705)	265,141	417,932	47,423	465,355
Movement for the period:						-		
Net profit for the period	-				22,316	22,316	1,202	23,518
Net gains/(losses) recognised	-			4,048		4,048		4,048
						-		-
Share buyback			(1,804)			(1,804)		(1,804)
Dividends						-		-
At 30.6.2009	<u>165,000</u>	<u>249</u>	<u>(7,557)</u>	<u>(2,657)</u>	<u>287,457</u>	<u>442,492</u>	<u>48,625</u>	<u>491,117</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2009

	1st quarter ended 30.6.2009	1st quarter ended 30.6.2008
	RM'000	RM'000
Net cash from operating activities	54,855	17,399
Net cash used in investing activities	-20,178	-27,276
Net cash used in financing activities	<u>-25,635</u>	<u>-6,962</u>
Net decrease in cash and cash equivalents	9,042	-16,840
Cash and cash equivalents at 1.4.2009	61,115	35,114
Cash and cash equivalents at 30.6.2009	<u><u>70,157</u></u>	<u><u>18,274</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for year ended 31 March 2009 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 2009.

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 673,100 ordinary shares of its issued share capital from the open market during the current financial quarter at an average cost of RM2.68 per share. The total consideration paid for share buy-back, including transaction costs during the current financial quarter amounted to RM1.8 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 1st quarter ended 30.6.2009

	Turnover	Profit
	RM'000	before tax RM'000
Marine products manufacturing	81,630	10,046
Palm Oil Activities	56,798	1,196
Integrated Livestock Farming	217,912	16,087
Total	<u>356,340</u>	<u>27,329</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 1.4.2009	562
Additions	-
At 30.6.2009	<u>562</u>