

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

QUARTERLY REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS AT 31ST DECEMBER 2009

	At 31.12.2009 RM'000	At 31.3.2009 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	456,310	416,385
Intangible assets	1,360	759
Biological assets	52,582	39,987
Prepaid lease payments	96,937	94,198
Investment properties	7,115	7,115
Investment in Associates	2,964	3,118
Other long term investments	49	49
Deferred tax asset	2,168	2,445
Goodwill on Consolidation	4,780	4,775
Total non-current assets	624,265	568,831
Current Assets		
Trade receivables	128,914	107,326
Other receivables, deposits and prepayments	38,143	48,364
Inventories	152,038	128,028
Biological assets	32,064	28,719
Current tax assets	6,080	3,982
Cash and cash equivalents	97,141	68,275
	454,380	384,694
Total Assets	1,078,645	953,525
EQUITY AND LIABILITIES		
Equity		
Share Capital	165,000	165,000
Reserves	312,018	252,932
Equity attributable to shareholders of the Company	477,018	417,932
Minority interests	54,222	47,423
Total Equity	531,240	465,355
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	204,776	163,065
Deferred tax liabilities	32,840	29,342
	237,616	192,407
Current Liabilities		
Payables	90,258	77,462
Short term borrowings	213,177	215,455
Taxation	6,354	2,846
	309,789	295,763
Total Liabilities	547,405	488,170
Total equity and liabilities	1,078,645	953,525
Net Assets per share (RM)	1.46	1.27
Based on number of shares:('000)	326,515	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 3RD QUARTER ENDED 31.12.09

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.09.

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	% increase against last period	CURRENT YEAR		PRECEDING YEAR	% increase against last period	CURRENT YEAR		PRECEDING CORRESPONDING	
		3RD QUARTER 1.10.2009 TO 31.12.2009. RM'000		3RD QUARTER 1.10.2008 TO 31.12.2008. RM'000		TO-DATE 1.4.2009 TO 31.12.2009. RM'000	PERIOD 1.4.2008 TO 31.12.2008. RM'000		
Revenue	14.74%	370,133		322,584	-1.40%	1,063,640		1,078,697	
Operating Profit	28.90%	53,549		41,543	15.25%	139,770		121,279	
Depreciation and amortisation	18.58%	-10,148		-8,558	22.26%	(28,989)		(23,710)	
Interest income	-43.41%	189		334	-28.78%	527		740	
Interest expense	-24.06%	-3,678		-4,843	-18.32%	(10,429)		(12,768)	
Share of profit of associate (net)	30.77%	102		78	14.97%	384		334	
Profit Before Taxation	40.13%	40,014		28,554	17.92%	101,263		85,875	
Less: Tax expense	(Effective tax rate) -15.84%	(6,340)	(Effective tax rate)	-8.80%	(2,513)	(Effective tax rate) -14.39%	(14,576)	(Effective tax rate) -10.58%	(9,089)
Profit for the period	29.31%	33,674		26,041	12.89%	86,687		76,786	
Attributable to:									
Shareholders of the Company	32.13%	31,387		23,755	13.14%	79,749		70,487	
Minority interests	(% against PBT) 5.72%	2,287	(% against PBT) 8.01%	2,286	(% against PBT) 6.85%	6,938	(% against PBT) 7.34%	6,299	
Profit for the period		33,674		26,041		86,687		76,786	
Number of shares in issue ('000)		326,515		328,849		326,776		328,833	
Earnings per share:									
Basic earnings per ordinary shares (sen)	33.07%	9.61		7.22	13.83%	24.40		21.44	
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)

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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2009

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
	1.10.2009 to 31.12.09	1.10.2008 to 31.12.08		1.4.2009 to 31.12.09	1.4.2008 to 31.12.08	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	91,206	79,622	15%	263,092	248,833	6%
Palm Oil Activities (POA)	72,670	46,600	56%	180,495	216,118	-16%
Integrated Livestock Farming (ILF)	206,257	196,362	5%	620,053	613,746	1.0%
Total	<u>370,133</u>	<u>322,584</u>	15%	<u>1,063,640</u>	<u>1,078,697</u>	-1.4%
	1.10.2009 to 31.12.09	1.10.2008 to 31.12.08		1.4.2009 to 31.12.09	1.4.2008 to 31.12.08	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	16,068	10,839	48%	42,551	38,595	10%
Palm Oil Activities (POA)	3,278	2,944	11%	5,526	8,348	-34%
Integrated Livestock Farming (ILF)	20,668	14,771	40%	53,186	38,932	37%
Total	<u>40,014</u>	<u>28,554</u>	40%	<u>101,263</u>	<u>85,875</u>	18%

- a. MPM's current quarter sales increased 15% against corresponding quarter due to an overall improvement of marine products sales and prices. Cumulatively, sales improved 6% for the same reason.

Earnings for the current quarter increased 48% due to better contribution from fishmeal and surimi-based products. Cumulatively, earnings improved 10% for the same reasons.

- b. POA's current quarter sales increased 56% against corresponding quarter mainly due to higher CPO price (Current: RM2,222 vs Corresponding: RM1,616) and FFB processed. CPO prices increased 37% and FFB (Fresh Fruit Bunches) processed improved 18% against corresponding quarter respectively.

POA's current quarter earnings improved 11% due to better milling margin and higher contribution from own estates. On a cumulative basis, earnings decreased 34% against corresponding quarters due to lower milling margins as well as lower contribution from own estates in the first half of the financial year.

- c. ILF's current quarter sales increased 5% against corresponding quarter due to higher volume of egg sales. Cumulatively, sales increased marginally for the same reason.

Current and cumulative earnings increased 40% and 37% respectively against corresponding quarters due to improved margins from raw material trade and farm products.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2009 to 31.12.09	1.7.2009 to 30.9.09		1.10.2009 to 31.12.09	1.7.2009 to 30.9.09	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	91,206	90,255	1%	16,068	16,437	-2%
Palm Oil Activities (POA)	72,670	51,027	42%	3,278	1,052	212%
Integrated Livestock Farming (ILF)	206,257	195,855	5%	20,668	16,432	26%
Total	<u>370,133</u>	<u>337,137</u>	10%	<u>40,014</u>	<u>33,921</u>	18%

- a. MPM's current quarter sales increased marginally against preceding quarter. Earnings reduced marginally due to early monsoon in Peninsular East Coast which reduces deep sea fishing activities.
- b. POA's current quarter sales increased 42% against preceding quarter mainly due to higher volume of FFB processed. Earnings increased significantly due to the same reason.
- c. ILF's current quarter sales increased 5% against preceding quarter due to higher unit price of farm products and animal feed raw material. Earnings increased 26% against preceding quarter due to an overall improvement in margins of integrated livestock activities.

B3 Commentary on Prospects for the next quarter to 31st March 2010

The directors are optimistic on the Group's performance for the fourth quarter ending 31.3.2010.

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
31.12.2010
RM'000

10,650
3,926
14,576

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 <u>31.12.2010</u>	Todate <u>31.12.2010</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

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>7,898</u>	7,898
	1,462	
	<u>1,045</u>	2,507
	702	
	<u>163,408</u>	164,110
	108	
	<u>39,594</u>	39,702
	1,192	
	<u>202,544</u>	203,736
	<u><u>417,953</u></u>	<u><u>417,953</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 31.12.09, the Group has hedged outstanding foreign currency contracts amounting to USD 8.66 million (RM 29.4 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)
 Number of ordinary shares in issue ('000)-
 (b) weighted average
 Basic Earnings per share (sen)

	Current quarter ended 31.12.2009	Cumulative Todate 31.12.2009
	<u>31,387</u>	<u>79,749</u>
	<u>326,515</u>	<u>326,776</u>
	<u>9.61</u>	<u>24.40</u>

B14 Disclosure of audit report qualification

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

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 31.12.2009 : 16,000 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 (2.5 million eggs per day as at 31.12.09). Leading integrated broiler and breeder producer in East Malaysia.

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2009

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 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					79,749	79,749	6,938	86,687
Net gains/(expenses) recognised		(49)		7,664		7,615		7,615
Shares issued to MI of subsidiary						-	1,800	1,800
Share buyback			(5,441)			(5,441)		(5,441)
Dividends					(22,838)	(22,838)	(1,938)	(24,776)
At 31.12.2009	<u>165,000</u>	<u>200</u>	<u>(11,194)</u>	<u>959</u>	<u>322,052</u>	<u>477,017</u>	<u>54,223</u>	<u>531,240</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.

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 169,800 ordinary shares of its issued share capital from the open market during the current financial quarter at an average cost of RM3.68 per share. The total consideration paid for share buy-back, including transaction costs during the current financial quarter amounted to RM625,960 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 3rd quarter ended 31.12.2009.

	Turnover	Profit
	RM'000	before tax RM'000
Marine products manufacturing	91,206	16,068
Palm Oil Activities	72,670	3,278
Integrated Livestock Farming	206,257	20,668
Total	<u>370,133</u>	<u>40,014</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 :

At 1.4.2009	#N/A
Additions	4
At 31.12.2009	<u>#N/A</u>

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.09

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2009

	3rd quarter ended 31.12.09 RM'000	3rd quarter ended 31.12.08 RM'000
Net cash from operating activities	110,764	73,368
Net cash used in investing activities	-60,079	-98,893
Net cash used in financing activities	<u>-19,255</u>	<u>14,500</u>
Net decrease in cash and cash equivalents	31,430	-11,025
Cash and cash equivalents at 1.4.2009	61,115	35,114
Cash and cash equivalents at 31.12.09	<u><u>92,545</u></u>	<u><u>24,089</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.