

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2010

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2010

	% increase against last period	INDIVIDUAL QUARTER				% increase against last period	CUMULATIVE QUARTERS			
		CURRENT YEAR		PRECEDING YEAR			CURRENT YEAR		PRECEDING CORRESPONDING	
		4TH QUARTER 1.1.2010 TO 31.3.2010		4TH QUARTER 1.1.2009 TO 31.3.2009			TO-DATE 1.4.2009 TO 31.3.2010		PERIOD 1.4.2009 TO 31.3.2009	
	RM'000		RM'000		RM'000		RM'000		RM'000	
Revenue	29.39%	413,024		319,209	5.63%	1,476,664		1,397,905		
Operating Profit	28.86%	49,893		38,719	18.54%	189,662		159,997		
Depreciation and amortisation	10.24%	(11,860)		(10,758)	18.51%	(40,849)		(34,468)		
Interest income	-75.40%	61		248	-40.49%	588		988		
Interest expense	-23.34%	(3,294)		(4,297)	-19.59%	(13,722)		(17,065)		
Share of profit of associate (net)		109		110	10.79%	493		445		
Profit Before Taxation	45.32%	34,909		24,022	23.91%	136,172		109,897		
Less: Tax expense	(Effective tax rate) -20.67%	(7,214)	(Effective tax rate)	(4,131)	(Effective tax rate) -15.82%	(21,541)	(Effective tax rate)	(13,220)		
Profit for the period	39.23%	27,695	-17.20%	19,891	18.57%	114,631	-12.03%	96,677		
Attributable to:										
Shareholders of the Company	40.32%	26,441		18,843	19.15%	106,439		89,330		
Minority interests	(% against PBT) 3.59%	1,254	(% against PBT) 4.36%	1,048	(% against PBT) 6.02%	8,192	(% against PBT) 6.69%	7,347		
Profit for the period		27,695		19,891		114,631		96,677		
Number of shares in issue ('000)		391,496		394,223		391,496		394,223		
Earnings per share:										
Basic earnings per ordinary shares (sen)	41.30%	6.75		4.78	19.98%	27.19		22.66		
Diluted earnings per ordinary shares (sen)		NA		NA		NA		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 31ST MARCH 2010

	At 31.3.2010 RM'000	At 31.3.2009 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	481,102	416,385
Intangible assets	1,581	759
Biological assets	57,081	39,987
Prepaid lease payments	97,141	94,198
Investment properties	7,326	7,115
Investment in Associates	3,073	3,118
Other long term investments	49	49
Deferred tax asset	1,335	2,445
Goodwill on Consolidation	4,775	4,775
Total non-current assets	653,463	568,831
Current Assets		
Trade receivables	31 days 127,675	28 days 107,326
Other receivables, deposits and prepayments	46,499	48,364
Inventories	40 days 135,425	39 days 128,028
Biological assets	30,254	28,719
Current tax assets	5,173	3,982
Cash and cash equivalents	106,122	68,275
	451,148	384,694
Total Assets	1,104,611	953,525
EQUITY AND LIABILITIES		
Equity		
Share Capital	197,586	165,000
Reserves	304,233	252,932
Equity attributable to shareholders of the Company	501,819	417,932
Minority interests	55,825	47,423
Total Equity	557,644	465,355
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	39% 215,420	35% 163,065
Deferred tax liabilities	35,339	29,342
	250,759	192,407
Current Liabilities		
Payables	95,308	77,462
Short term borrowings	196,911	215,455
Taxation	3,989	2,846
	296,208	295,763
Total Liabilities	546,967	488,170
Total equity and liabilities	1,104,611	953,525
Net Assets per share (RM)	1.28	1.06
Based on number of shares:('000)	391,496	394,223

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 4TH QUARTER ENDED 31.3.2010

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2010

	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	-				106,439	106,439	8,192	114,631
Net gains/(expenses) recognised	-	-		6,473		6,473		6,473
Bonus issue	32,586	(202)			-32,384	-		-
Shares issued						-	1,800	1,800
Bonus issue expenses		(47)			-47			(47)
Share buyback			(6,140)			(6,140)		(6,140)
Dividends					(22,838)	(22,838)	(1,590)	(24,428)
At 31.3.2010	197,586	-	(11,893)	(232)	316,311	501,866	55,825	557,644

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.

QL RESOURCES BERHAD (428915-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2010

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
	1.1.2010 to 31.3.2010	1.1.2009 to 31.3.2009		1.4.2009 to 31.3.2010	1.4.2008 to 31.3.2009	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	92,822	75,941	22%	355,914	324,774	10%
Palm Oil Activities (POA)	92,461	52,189	77%	272,956	268,307	2%
Integrated Livestock Farming (ILF)	227,741	191,079	19%	847,794	804,823	5%
Total	<u>413,024</u>	<u>319,209</u>	29%	<u>1,476,664</u>	<u>1,397,904</u>	6%
	1.1.2010 to 31.3.2010	1.1.2009 to 31.3.2009		1.4.2009 to 31.3.2010	1.4.2008 to 31.3.2009	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	13,004	6,417	103%	55,556	45,012	23%
Palm Oil Activities (POA)	2,486	2,552	-3%	8,011	10,900	-27%
Integrated Livestock Farming (ILF)	19,419	15,053	29%	72,605	53,985	34%
Total	<u>34,909</u>	<u>24,022</u>	45%	<u>136,172</u>	<u>109,897</u>	24%

- a. MPM's current quarter sales increased 22% against corresponding quarter due to regional improvement in economy and therefore resulting in improvement of overall marine products sales and prices. Cumulatively, sales improved 10% for the same reason.

Earnings for the current quarter increased significantly due to improved margins from all the marine products especially fishmeal and surimi. Cumulatively, earnings improved 23% for the same reasons.

- b. POA's current quarter sales increased 77% against corresponding quarter mainly due to higher CPO price and higher volume of FFB processed (Current: RM2,512 vs Corresponding: RM1,837). CPO prices increased 36% and FFB (Fresh Fruit Bunches) processed improved 32% against corresponding quarter respectively.

POA's current quarter earnings however decreased 3% due to lower contribution from own estates (cyclical low crop) and aggressive pricing purchase of FFB. On a cumulative basis, earnings decreased 27% against last year due to lower milling margins and lower contribution from own estates in the first half of the financial year as well as higher interest cost incurred in Indonesian plantation development.

- c. ILF's current quarter sales increased 19% against corresponding quarter due to higher volume of farm products and animal feed raw material traded. Cumulatively, sales increased marginally for the same reason.

Current and cumulative earnings increased 29% and 34% 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
	1.1.2010 to 31.3.2010	1.10.2009 to 31.12.2009		1.1.2010 to 31.3.2010	1.10.2009 to 31.12.2009	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	92,822	91,206	2%	13,004	16,068	-19%
Palm Oil Activities (POA)	92,461	72,670	27%	2,486	3,278	-24%
Integrated Livestock Farming (ILF)	<u>227,741</u>	<u>206,257</u>	10%	<u>19,419</u>	<u>20,668</u>	-6%
Total	<u>413,024</u>	<u>370,133</u>	12%	<u>34,909</u>	<u>40,014</u>	-13%

- a. MPM's current quarter sales increased marginally against preceding quarter due to higher unit product prices but lower volume sold due to seasonal factor. Earnings however reduced 19% as last quarter is traditionally a weaker quarter due to monsoonal effect.
- b. POA's current quarter sales increased 27% against preceding quarter mainly due to higher CPO price and higher volume of FFB processed (Current qtr:RM2512 vs Preceding qtr:RM2222). Earnings however decreased 24% due to aggressive pricing of FFB purchased.
- c. ILF's current quarter sales increased 10% against preceding quarter due to higher volume of raw material traded. Earnings decreased 6% against preceding quarter due to reduction in margins of integrated livestock activities.

B3 Commentary on Prospects for the next quarter to 30th June 2010.

The directors are optimistic on the Group's performance for the quarter ending 30.6.2010. Performance for the first quarter is expected to be satisfactory.

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 31.3.2010 <hr/> RM'000	15,300 <u>6,241</u> <u>21,541</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

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

Investment in quoted securities is analysed as:

	Current quarter ended 31.12.2010	Todate 31.12.2010
	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>3,783</u>	3,783
	1,271	
	<u>869</u>	2,140
	546	
	<u>154,192</u>	154,738
	104	
	<u>37,015</u>	37,119
	4,753	
	<u>209,797</u>	214,550
	<u><u>412,330</u></u>	<u><u>412,330</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 31.3.2010, the Group has hedged outstanding foreign currency contracts amounting to USD24 million (RM 80.8 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 are recommending a proposed final dividend of 7.5 sen per ordinary share of RM0.50 each in respect of the year ended 31.3.2010 subject to the approval at the forthcoming Annual General Meeting.

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

	Current quarter ended 31.3.2010	Cumulative Todate 31.3.2010
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>26,441</u>	<u>106,439</u>
(b) Number of ordinary shares in issue ('000)- weighted average	<u>391,496</u>	<u>391,496</u>
Basic Earnings per share (sen)	<u>6.75</u>	<u>27.19</u>

B14 Disclosure of audit report qualification

There was no qualification in the audit report of preceding annual 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 201,800 ordinary shares of its issued share capital from the open market during the current financial quarter at an average cost of RM3.46 per share. The total consideration paid for share buy-back, including transaction costs during the current financial quarter amounted to RM699,073 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 31.3.2010

	Turnover	Profit
	RM'000	before tax RM'000
Marine products manufacturing	92,822	13,004
Palm Oil Activities	92,461	2,486
Integrated Livestock Farming	227,741	19,419
Total	<u>413,024</u>	<u>34,909</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	575
Additions	(18)
At 31.3.2010	<u>557</u>

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010

	Year ended 31.3.2010 RM'000	Year ended 31.3.2009 RM'000
Net cash from operating activities	178,148	77,151
Net cash used in investing activities	-125,874	-129,940
Net cash used in financing activities	<u>-11,022</u>	<u>78,790</u>
Net decrease in cash and cash equivalents	41,252	26,001
Cash and cash equivalents at 1.4.2009	61,115	35,114
Cash and cash equivalents at 31.3.2010	<u><u>102,367</u></u>	<u><u>61,115</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.